

# “The Last And Most Difficult Barrier”: Segregation And Federal Housing Policy In The Eisenhower Administration, 1953-1960

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*“Residential segregation remains the last and  
most difficult barrier to full equality.”*

— A. Philip Randolph to Albert M. Cole, April 28, 1958, folder:  
1, box 166, Subject File 1947-1960, RG 207, National Archives II.

## Introduction

It has been more than a generation since the Kerner Commission rendered its judgment on the riotous 1960s. Stunning then, *passé* now, the exhaustive report on urban America's defining mid-century civil disturbances pointed an accusatory finger at the nation's dominant majority. In words both familiar and forgotten, the investigative tribunal charged that "white society [was] deeply implicated in the ghetto." "White institutions created it," the Commission concluded, "white institutions maintain it, and white society condones it."<sup>i</sup>

If such complicity in the ghetto's creation and persistence seemed a daring topic for mainstream discussion in 1968, it must be noted that the subject arose, in a vastly different context, nearly a decade-and-a-half earlier in a White House discussion of housing policy. In early 1954, President Dwight David Eisenhower confronted the daunting task of rebuilding a decayed urban America in the midst of civil rights and demographic revolutions that radically altered the racial balance of our metropolitan areas. And as we now know, a deep-seated white resistance to integration and black mobility (a resistance only partially captured by white flight to the suburbs and violent mob actions in "changing" inner city neighborhoods), found its political voice at the same time. The recently elected Republican's dilemma was, consequently, more easily stated than addressed. How could the second Great Migration, increasing African American militancy, and majoritarian racial sentiment be accommodated within a single plan to revive our urban centers and strengthen the national economy?

The Eisenhower administration took a stab at it by devising the concept of "urban renewal," a program recommended by the President's Advisory Committee on Housing in late 1953 and introduced to Congress in his "Housing Message" of January 25, 1954. A draft statement of the proposal, revised and marked with marginal notes — and a comparison of that draft with the speech as finally given — offers a revealing glimpse of the chief executive's thinking, if not intentions. In addition to deleting virtually every overt reference to race or racial discrimination (this was color-blindness with a vengeance), at least one advisor informed the President of the legislation's likely impact. Succinctly packaged in two words, a presidential aide acknowledged — in language that foreshadowed the Kerner Commission's — that the administration's approach "condone[d] segregation."<sup>ii</sup> It is impossible to tell, of course, from that single, truncated observation whether Eisenhower actively advocated residential apartheid as policy or merely acquiesced in it as a necessary by-product. What is clear, however, is that after much revision, one of the few sections of the speech that remained intact was the one on "minority housing" that elicited the President's terse analysis. At the least, there is no recorded objection to the proposal, and it is manifest that the program's outcome (if not all the consequences that flowed from it) was clearly foreseen. More than merely "condoning" a new round of ghetto-building to contain an enlarged African American population, the Housing Act of 1954 — passed by Congress within weeks of the Supreme Court's Brown decision — enabled and empowered local authorities to adopt renewal plans that guaranteed continued separate and unequal development.

The process and substance of the Eisenhower administration's housing policy, then, reinforces several themes that have appeared recently in African American urban historiography. First, from this perspective, the “urban crisis” of the 1960s, did not emerge from the “liberal excesses” of that era, but has a longer, more tangled, and very different political genesis than that granted by prevailing conventional wisdom. Second, the disastrous consequences of post-World War II urban decline were not invariably the unintended results of a dominant and unfettered liberalism, but are better seen as the eminently predictable outcomes of a rightward turn in domestic policy in the 1950s. And third, if the concept of “backlash” has any meaning at all for the 1960s, it is most accurately used in reference to the civil disorders of those years rather than their aftermath.<sup>iii</sup>

### ***Eisenhower Inherits the New Deal***

There is little doubt that the Republican ascension following the November, 1952 elections placed liberalism on the defensive and challenged certain New Deal assumptions and values. In terms of housing it was not that the Democrats led the charge for a postwar policy of dispersal and integration — or even had any coherent policy at all — that had to be overcome. It was that some surviving and strategically placed bureaucrats in the aptly named Racial Relations Service (RRS) entertained notions of, and laid a foundation for, a policy of non-discrimination in federal housing programs. A potential source of political embarrassment, there also remained the possibility that the Service might frighten off the private investors so highly prized — and needed — by the administration to support redevelopment.

Growing out of a Depression-era commitment to serve minority interests when implementing remedial programs, the RRS found a home in the alphabet soup of housing agencies created during the Roosevelt and Truman administrations. Created in 1938, this group of black race relations advisors pursued a policy that sought racial “equity” into the postwar period. Including access to a “fair share” of federal benefits — ranging from the proportionate occupation of public housing units to a similar distribution of construction jobs and management positions — early RRS policy worked within the color line and accepted the “neighborhood composition rule” that prevented public projects from altering the residential *status quo*.<sup>iv</sup>

By the end of World War II, under the direction of Frank S. Horne, the RRS found the concept of “equity” malleable enough to include a proposed refusal to use government resources to support segregation. Although Horne and other RRS advisors argued against the subsidization of developments that fostered residential apartheid, their bureaucratic resistance slowed, but could not derail such projects under successive Democratic administrations. Such ultimately unavailing protests were most noticeably felt in Chicago, Detroit, Baltimore, and Birmingham as an inaugural wave of projects under the Housing Act of 1949 started down an uncertain path.<sup>v</sup>

Fighting its marginalization within the government, the RRS nonetheless retained some imagination and zeal. Indeed, the Supreme Court's 1948 ruling in the restrictive covenant cases even provided grounds for optimism while the 1951 eruption of housing-related violence in the Chicago suburb of Cicero fueled its outrage. The last years of the Truman presidency subsequently saw the RRS staff work diligently through the Housing and Home Finance Agency (HHFA) and its constituent units to expand the realm of integration and non-discrimination.<sup>vi</sup>

The HHFA's traditional deference to localism, had, heretofore, successfully avoided a national discussion of racial issues, permitted the South virtual autonomy in support of Jim Crow, and generally sustained a segregated *status quo* throughout the nation. In the early 1950s, however, hundreds of local housing authorities, dozens of cities, and a handful of states outside the South passed resolutions, ordinances, and laws condemning or banning racial discrimination in public housing or publicly-assisted developments. Race relations advisors in the HHFA and, especially, its subordinate Public Housing Administration (PHA), saw an opening and moved quickly to transmute the reflexive and traditional federal reticence to override local policy into a shield for open occupancy.<sup>vii</sup>

Calling for a "reexamination" and "reorientation" of basic policies governing race and housing, the RRS sought a prohibition on federal aid to segregated projects in the absence of affirmative legislative mandates establishing them. These internal critics sought to end the informal administrative support that had fostered segregation and now tried to use the same unspoken tactic to isolate the South. More than that, the race relations staff produced and distributed a detailed "how to" manual to assist those public housing authorities implementing "voluntary" desegregation plans. Real change, however, remained elusive as demonstrated in the subsequent white uprising in Chicago's Trumbull Park. There, attempts to integrate an historically white PWA project touched off a decade of chronic disorder. Ringing declarations of equality, even those given the weight of law, failed to move mayors, city councils, and the other local authorities that had to face the grim racial realities of the postwar period. In short, the RRS confirmed its status as a potentially subversive fifth-column within the citadel of segregation, but its lack of clout meant that results proved more symbolic than substantive.<sup>viii</sup>

The changing, chilling political climate of the 1950s cooled whatever embers remained of the movement for non-discrimination in federal housing programs. Indeed, where optimists may have hoped the fresh breeze provided by the Supreme Court's 1954 edict in Brown would reignite the push for equality, pessimists (realists?) proved more prescient in suggesting that the mere placement of "separate but equal" beyond the constitutional pale would not, by itself, mean an end to either discrimination or segregation.

The changing of the political guard consonant with the arrival of the Eisenhower administration in 1953, in fact, represented a decisive turn away from the RRS push for non-

discrimination well before the Brown decision sparked another (and distinct) wave of reaction in the housing agencies. From the appointment of a new HHFA administrator, to the reining in of Frank Horne and the RRS staff, the appointment of Eisenhower’s Advisory Committee on Housing, and the framing of urban renewal legislation, a rising conservative tide in Washington, D. C. established the political and institutional framework within which local authorities across the nation confronted postwar racial and economic challenges.

The point here is quite simple. Earlier research, especially case studies focused on single cities, tended to take relentlessly and almost exclusively local perspectives — sometimes in telling, if excruciating detail. Even the initiative for enabling national legislation in these studies seemed to bubble up from the boondocks.<sup>ix</sup> Such an accounting is not so much wrong as it is incomplete. If urban renewal may be fairly viewed as a collection of locally-conceived and -implemented programs that had palpable negative consequences for poor and minority populations, it must also be seen as arising from conscious federal policy. It is the symbiotic interplay of national and local imperatives that reveals not the “perversion” of liberal initiatives or the unintended results of poorly conceived plans, but, rather, the expected and predictable translation of a broad postwar reaction into numerous local idioms. The New Deal’s reform impulse may or may not have survived the era of Joe McCarthy, and its vision of racial equality may or may not have been adequate for the task at hand; but whatever possibility existed to weaken rather than strengthen prevailing patterns of segregation was not squandered by its supporters; it was crushed by real enemies.

### ***Albert M. Cole, HHFA Administrator***

The first signs of a strong rightward thrust in housing policy came within weeks of the General’s election. Almost immediately, the Eisenhower transition team found itself besieged by interested parties seeking to influence the selection of a new HHFA Administrator. As early as December, 1952, one adviser reported receiving “quite a few phone calls from people in the building and real estate fields.” Indeed, he revealed, Herbert U. Nelson, executive vice-president of the National Association of Real Estate Boards (NAREB) had “called daily for the last week.”<sup>x</sup>

A close observer of the process, developer James Rouse of Baltimore, worried about the potential impact of such self-interested lobbying and complained to Eisenhower confidante Aksel Nielsen, president of the Title Guaranty Company of Denver. “Getting rid of slums and providing decent housing for lower income families is one of the toughest domestic problems Eisenhower will face,” Rouse told Nielsen. “Unfortunately most men in the housing and housing finance industry have very little concern about slums. They are only concerned with getting rid of public housing,” he wrote.<sup>xi</sup> Senator Robert A. Taft (R-Ohio) voiced similar concerns in a communication to soon-to-be-named Attorney General Herbert Brownell. Taft believed it “important” that the new HHFA director not be a “public houser”; but he also rejected building contractors as well as any “real estate man [who would be] substantially against public housing.” Having defined what he opposed, however, Taft went no further and offered no specific candidate.<sup>xii</sup>

Refinement of the criteria for — and the process of selecting — new leadership at HHFA continued at a “roundtable” on the agency’s future sponsored by *Time* and *Life* magazines in Rye, New York. Aksel Nielsen attended the conference at Eisenhower’s request as the President-elect’s personal representative. Reporting directly to Eisenhower on what he perceived to be the “consensus of opinion” that emerged from the two-day conclave, Nielsen foreshadowed the administration’s eventual urban renewal initiative by emphasizing the rehabilitation of deteriorating areas. Such a course, Nielsen wrote, would “forestall . . . future slums” more economically “than by creating new public housing.” And through soon-to-be chief-of-staff Sherman Adams, Nielsen indicated that while he was not hostile to Rouse’s call for an administrator with a social conscience, he had other priorities. The new head of the HHFA, he advised Adams, should be “a man who has, first of all, a desire to separate the self-supporting agencies from the subsidized agencies.”<sup>xiii</sup>

In noting that difference between the Federal Housing Administration (FHA) and the Public Housing Administration (PHA), Nielsen grasped the two-tier housing policy that historian Gail Radford detected emerging from the New Deal. Moreover, the characterization and distinction, according to the recent work of David Freund, amounted to little more than a polite fiction.<sup>xiv</sup> The upper tier, represented by the FHA, involved public supports and incentives for the private market, and eased the transition to homeownership among its segregated and virtually all-white clientele. It literally created a vastly expanded housing market. The bottom rung, symbolized by the PHA, consisted of means-tested, low-cost, low-rent public housing. The only housing program, which, from its inception, provided significant benefits to non-whites, it would now become (if Nielsen approved a congenial HHFA Administrator) more segregated conceptually and isolated programmatically — key developments that preceded a racial transition that made public housing an overwhelmingly minority preserve by the end of the decade.

After consulting with Nielsen and a handful of others, Special Assistant to the President Charles F. Willis, Jr. informed Sherman Adams that the group agreed to nominate a defeated Republican congressman from Kansas, Albert M. Cole, as HHFA Administrator. Cole’s “philosophy” comported well with Nielsen’s, Willis wrote; both saw the need for departmental reorganization and both believed that “public and private housing should be separated.” It remained only for a personal meeting to “allay [Nielsen’s] fears as to [Cole’s] strength of character under pressure.” That done, the name of the former member of the House Committee on Banking and Currency went forward with the support of the home building industry.<sup>xv</sup>

Others were less pleased. The Congress of Industrial Organizations’ (CIO) Walter Reuther wrote Eisenhower to express his “deep concern” over Cole’s appointment. The union leader reviewed the nominee’s negative congressional record on “decent housing for low income families” — he had voted against the Housing Act of 1949 — and declared that “Albert Cole is not the man to direct a program in which he does not believe and which he has consistently

opposed.” The National Association for the Advancement of Colored People’s (NAACP) Clarence Mitchell expressed additional worries. During Senate confirmation hearings he urged committee members to learn “just what kind of racial policy will be followed by the housing agencies under Mr. Cole’s administration.” “Will the government of the United States,” he wondered, “continue to underwrite, support, and extend racial segregation?”<sup>xvi</sup>

The answer to Mitchell’s question, as well as a glimpse of Cole’s notion of “reorganization,” became evident within a few, short weeks. Among his earliest actions was the demotion and removal of Frank Horne as his Racial Relations Advisor. Not only did he sever the RRS’s leading advocate of non-discrimination from his position of influence, but Cole displayed his contempt for the Service by pulling the office of Racial Relations Advisor out from under civil service protection and treating it as nothing more than a patronage plum. Cole subsequently named Joseph R. Ray, a black realtor (the designation “realtor” was reserved for whites) from Louisville, Kentucky, to the post at the urgent insistence of Republican Senator John Sherman Cooper. A life-long Republican already active in organizing black voters in support of Cooper’s 1954 re-election bid, Ray’s appointment (according to Charles F. Willis) enhanced the party’s chances of “carrying the Mayoralty election in Louisville and also the next Senatorial election in Kentucky.” It also soothed the feelings of John M. Robison, Jr., a congressman “greatly disturbed” by the prospect of retaining a Democrat such as Horne. Ray was “very capable and deserving,” he wired the White House, “and his immediate appointment would be of great help to me and the Republican Party in the state of Kentucky.”<sup>xvii</sup>

Politically and philosophically, Ray could be depended upon to be the consummate “team” player. He would occasionally lobby internally for less conservative policies (as would be the case following Brown) and perhaps play the stealthy bureaucratic game well enough to make an infrequent end run around immediate superiors. But he was not a rebel who would issue any direct challenges and his loyalties lay with his patrons. Where Horne worked to bring a minority perspective to the administration, Ray seemed more comfortable translating in the opposite direction. Parsing his words carefully, he could “deny flatly that the current program calls for the Government actively entering into the construction of jim crow housing.” And while he claimed to stand for “complete integration,” he carefully articulated a practical willingness to accept the proverbial “half loaf” if forced to choose between that and “no bread at all.” The “stars,” he told one correspondent, “do not provide adequate covering for those who are in dire need of either immediate housing or better housing.”<sup>xviii</sup>

Howls of protest accompanied Horne’s relegation to an innocuous research position in “Minority Studies” and the subjection of the RRS to the “spoils system.” The National Urban League’s Lester Granger and Mary McLeod Bethune, along with others, wrote directly to the President to praise Horne’s integrity, expertise, and professionalism in directing the “highly technical” RRS in a “non-political” manner. He had served with “distinction” for 15 years, Bethune wrote, and the present housing shortage and displacement of blacks due to slum clearance made it the wrong time to “alter the delicate balance of Negro-White relations.”

Despite such appeals, Cole eased Horne out of his “policy level position” and retained him only “to utilize his unique experience” as an Assistant to the Administrator. In undermining Horne, the RRS, and the first hesitant steps toward non-discrimination, Cole quickly turned away from the personnel, institutions, and policies that tied his agency to the New Deal.<sup>xix</sup>

### ***The President's Advisory Committee on Housing***

Even as this initial Cole-Horne confrontation played itself out, the President drew upon the building, real estate, and loan industries to furnish the lion's share of representation for his Advisory Committee on Housing. Called to make basic policy recommendations and define a new approach to persistent housing problems, the Committee, Cole, and, ultimately, the President, chose to ignore the race problem that lay at the heart of their planned urban revival. From the beginning, the Administrator asked Eisenhower for his “views on broad issues so that I can do a better job with the Advisory Committee.” As Cole saw it, the “Number One policy issue” involved the questionable continuation of the public housing program. The reorganization of federal housing activities ranked second, and the emergent interest in rehabilitation (as opposed to the massive demolition associated with slum clearance) placed third on his agenda. Though such suggestions carried grave racial implications, he made no specific mention of race or segregation in his detailed request for executive guidance.<sup>xx</sup>

Determined to force the open and explicit consideration of such issues, Frank Horne — from his weakened position — met with various Advisory Committee members, including those on the FHA-VA sub-committee as well as those examining slum clearance, redevelopment, and rehabilitation under James Rouse's direction. With great care, Horne detailed in a memorandum to Cole the essential problems, policies, and specific proposals he wished to have discussed.

The difficulty in sheltering non-white families, for example, involved more than providing subsidized public housing, Horne wrote. A mushrooming middle class that could “afford good housing at economic prices” still found itself “virtually excluded from the extensive new private housing developments constructed during the last decade with FHA, VA and other forms of government assistance,” Horne charged. And all non-whites, especially the poor, stood to be damaged by their continued migration and congestion in dilapidated urban cores, their eventual “displacement from these areas” by urban renewal, and their subsequent economic exploitation. Remedial efforts to date, he asserted in an allusion to earlier Democratic missteps under Titles I and III of the Housing Act of 1949, “have been largely stalled or perverted by the lack of adequate public or private housing available to displaced families, the bulk of whom are Negroes.” No city, he concluded, “has developed a really fair and consistent program in dealing with the . . . problems of non-white families.”<sup>xxi</sup>

To address such concerns, Horne proposed, as “basic policy,” that “all land assembled, housing constructed and facilities provided through the use of federal funds, credit powers, or other assistance” be made available to “families of all races” on an equal basis. Specifically,



this meant the “full exploitation” of open land sites for non- white occupation, including a suggested “requirement” for “collateral open land development” for blacks and other minorities “whenever congested areas [of] non-whites are to be cleared.” If not explicitly a call for a policy of dispersal and integration, such directed use of vacant land represented, at the least, one of deconcentration. It also meant, for Horne, a concerted effort “to loosen up the normal mortgage investment market,” including the “elimination of race as a factor in FHA and VA underwriting” and holding FHA-VA field officers “responsible for participation of non-white families in their programs.”<sup>xxiii</sup> Finally, Horne’s suggested “reorganization” of the housing agencies pointedly called for, among other changes, an enhanced role for racial relations advisors and the RRS – particularly in making “composite reviews” of locally-implemented federal programs.<sup>xxiii</sup>

There is no evidence that Horne’s detailed analysis or vision moved either Cole or the Committee. Indeed, they may have been forced to take cognizance of the race issue, but they hardly appropriated Horne’s recommendations. Instead, in the December, 1953 report summary prepared for the President, the Committee simply announced that it was “deeply concerned with the housing problems of minorities.” In what can only be seen as a not-so-veiled rebuttal of the arguments put forth by Cole’s assistant for Minority Studies, the report denied the efficacy of legislating racial policy. “Legislation alone cannot provide needed sites,” the Committee concluded without stating why such was the case, nor could it guarantee “a flow of mortgage funds, needed new construction,” or (in an oblique reference to racial tensions) a solution of neighborhood and related problems.” Construing the issues of race and housing most narrowly, the report instead promised only “substantial improvements in the housing conditions of minority groups” and that only after its suggestions were “supplemented by changes in the attitude of private investors.”<sup>xxiv</sup> Even before Brown, the administration had made its choice between stateways and folkways.

As for its stand on public housing, the Committee’s thinking remained wishful, muddled, and contradictory. On the one hand, its recommendations — especially those liberalizing FHA operations — aimed at increasing the “private production of housing for low income families” in order to “lessen the need for direct subsidies” through public housing. Though, again, race is never explicitly mentioned, the extension of FHA services to include the “rehabilitation of obsolete structures in decaying neighborhoods” for low income families seems a clear attempt to “improve conditions” for non-whites while keeping them in place. Nowhere, moreover, does the Committee acknowledge the plight of economically competent minorities raised by Horne or the continuing impact of the FHA’s well-established and -known racially restrictive practices.<sup>xxv</sup>

Given the uncertain outcome of such attempts to make the private market “more effective” in producing housing for minorities, the Committee retained (“with certain amendments”) the public housing program established by the Housing Act of 1949. Its recommendations now clearly linked the allocation of such units to “families displaced by . . . public improvements”

and unmistakably regarded this facilitation of urban renewal as a transient necessity. It went on to conclude, therefore, that whenever “feasible”

public housing should be built at lower densities, and the design of public housing projects should conform more closely to local dwelling patterns and construction practices. This recommendation is designed to avoid the institutionalized character of public housing and to facilitate [its] . . . sale when no longer needed for low-income families.

The problem, of course, was that such a formulation failed to take into account the prevailing pattern of racial segregation, the bitter, contested, and ongoing history of project site selection, the expense of inner city land, legislated limits on construction costs, and the disproportionate racial impact of locally-controlled urban renewal developments — all of which guaranteed production of the very type of public housing the Committee hoped to avoid. Perhaps an invigorated RRS could have mitigated the consequences; but the reorganization plan detailed in the summary report did not even mention the Service.<sup>xxvi</sup>

Hardly a blueprint for social reform, the administration’s housing program had only, by its own admission, the “twin objectives of satisfying the demand of the American people for good homes and the maintenance of a sound and growing economy.” The first relied on the increased efficiency of the private sector while the second called for counter-cyclical spending to stave off the fearful prospect of another Depression. Indeed, if there was debate in the national press over the merits of the report, an apparent consensus emerged regarding the conservative impulses that guided it. Not only did urban renewal devolve responsibility back “on private business and local governments,” according to Business Week, but did so with the goal of “upgrading real estate and human values.”<sup>xxvii</sup>

Cole presented the report and its recommendations in a December 9, 1953 Cabinet meeting. Formal minutes as well as handwritten notes taken at the meeting indicate the President’s direct engagement in an extended discussion of urban affairs. Astoundingly, despite Frank Horne’s detailed memorandum to Cole, his briefing of the Advisory Committee itself, and the report’s explicit (if abridged) reference to it, the subject of race never came up.<sup>xxviii</sup> Eisenhower and Cole recognized, of course, that the demolition associated with renewal would reduce the supply of cheap housing and thus necessitate some measure of continued federal support for low-rent public projects in the near term. And while they did not want concentrations of subsidized units for the generic “poor” that could be “stigmatized,” the President seemed more concerned with the prospect of corruption in the public housing program and preoccupied by the thought that tenants would turn new apartments into slums through their “lack of individual care.” Certainly, he gave no indication that he appreciated the irony in the fact that federal investigators had already uncovered a serious scandal not in the PHA, but in the FHA, the upper tier housing agency to be enhanced and protected under his proposal.<sup>xxix</sup> Increasingly flexible definitions of “project costs” and maximum allowable mortgages combined with a recession-induced decline in construction costs to permit developers to

pocket the difference between inflated development estimates and actual expenses. Known as “mortgaging out,” the process produced windfall profits as well as tales of corruption and provision of favors to FHA officials who established requirements and guidelines. The President finally ordered the seizure of FHA files in April, 1954 (one month before Brown), and investigations by the FBI and a Senate committee followed. A final report issued in January 1955 confirmed that private developers, indeed, wined and dined FHA overseers while receiving inflated mortgages far in excess of land and building costs. For a quick summary, see Gail Sansbury, “Section 608: Title VI, National Housing Act,” in Willem van Vliet, ed., The Encyclopedia of Housing (Thousand Oaks, CA: Sage Publications, 1998), 519-20. Still, despite such characterizations and blind spots, and his refusal to place race on the table for explicit discussion, he believed that urban renewal represented a “well-rounded program” that would benefit “the entire country.” Politically, the President urged supporters to “preach” that the initiative indicated a “spreading, not [a] drawing back, of Fed[eral] interest.” “Don’t,” he urged “forget the sales job.”<sup>xxx</sup>

Eisenhower himself, of course, became the “salesman-in-chief” with his “Housing Message” to Congress a month later. That address subsequently proved notable, in fact, for more than the private admission that linked his urban agenda to residential segregation. As was standard practice early in his administration, the President turned to agency heads and, in this case, HHFA staff for a working draft. Race Relations Advisor Joseph Ray, never one to dispute agency or party positions in public, nonetheless collaborated with Frank Horne and other RRS officers in the effort to get the President to acknowledge the “added housing problems faced by Negroes and other racial minorities.”<sup>xxxi</sup> Referring specifically to the white opposition and restrictions that confined blacks to congested core neighborhoods and denied financing even to the well qualified, Ray informed Cole that it would be “extremely helpful,” if not “mandatory” for the President to mention explicitly the “living space” and lending issues. He urged, moreover, the administration to use “every possible administrative resource and device” to “overcome” such unequal treatment.<sup>xxxii</sup>

Looking to discern and follow the administration’s lead on such delicate matters, Cole forwarded both a speech draft and a letter to the White House. The Administrator — in a manner suggesting the topic’s novelty — warned Maxwell M. Rabb, the Assistant to the President most often assigned to racial affairs, that the address contained a section on the problems facing minorities. And, in fact, the draft included not only the explicit admission that minorities had “the least opportunity” to “acquire good housing” but also “frank recognition” of the fact that “much of the problem stem[med] directly from discriminatory practices and attitudes which are clearly shameful.” In what proved a model of understatement, Cole noted that such language was “tentative” and that it needed to be discussed “in terms of Administration policy.” If that were not enough, Cole also placed on the table, in an attachment furnished by the NAACP’s Clarence Mitchell, suggested language from the black Republican asserting that it was “legally and morally wrong to use Federal funds in a manner that . . . extend[ed] racial segregation.”<sup>xxxiii</sup>

Whatever the extent and nature of the ensuing policy debates, the final text of the “Housing Message” omitted Mitchell’s proposed statement and made no direct reference to racial discrimination, “shameful” or otherwise. Nor did it raise the “living space” issue. It did take cognizance of the constricted opportunities available for minorities, though, and promised that the “administrative policies governing the . . . several housing agencies” would be “materially strengthened and augmented in order to assure equal opportunity for all of our citizens to acquire, within their means, good and well-located homes.” As the President noted in his preparation for his talk, empathetic murmurs notwithstanding, that limited approach knowingly “condon[ed] segregation.”<sup>xxxiv</sup>

Cole, in a speech heralded as a major policy statement before Detroit’s Economic Club on February 8, 1954, reinforced and amplified Eisenhower’s essentially quantitative approach to minority housing (he would supply more of it, but on a segregated basis). In clearing slums and meeting the housing needs of the poor, Cole said, the most critical problem was “the factor of racial exclusion from the greater and better part of our housing supply.” “[N]o program,” he went on, “however well conceived, well financed, or comprehensive can hope to make more than indifferent progress until we open up adequate opportunities to minority families for decent housing.” Ignoring “one-tenth” of the housing market, he concluded, was not only bad business but also a failure to live “up to the standards of a free economy and a democratic society.” Black observers such as Clarence Mitchell, Walter White, and Robert C. Weaver remained unimpressed. Denying Cole a public commendation for his “fine words,” Mitchell believed the Administrator avoided “the basic problem.” Until the government adopted a “flat policy” of non-discrimination, Mitchell complained as he cited examples of officially sanctioned segregation, “we shall continue to have the Levittown, Birmingham, and Baltimore type of problem.”<sup>xxxv</sup>

The talk of equal opportunity in the absence of a challenge to the color line opened the door for confused, contradictory, and even cynical responses to Eisenhower’s directives. Cole, for example, in phrasing that Eisenhower would echo before Congress, spoke of “strengthen[ing] existing procedures . . . to encourage and assist fuller extension of private financing to Negroes and other minority groups, such as Puerto Ricans, Latin- and Asiatic-Americans.” He found, however (and so informed the President), that enticing financial institutions to serve this “expanding and profitable housing market” was “complicated by the difficulty of obtaining adequate open land for building sites and the opposition of many white families and neighborhood organizations to the expansion of Negro families into new areas.” He placed the RRS among those government agencies whose activities could be “augmented to assure the workings of our free enterprise economy,” but only conceived of it as assisting “lenders, builders, city officials and community leaders to overcome the obstacles of living space, financing, marketing and neighborhood opposition.” In these areas, the private sector and local authorities remained primary forces to the exclusion of Federal power.<sup>xxxvi</sup>

Joseph R. Ray's reaction to Eisenhower's message followed it by only a day and was more expansive. The mere fact that the President “took cognizance” of the special housing difficulties of minorities was itself an achievement that should not be taken for granted, he wrote. That he “committed his administration to materially strengthen and augment the administrative policies” of the housing agencies to “assure equal opportunity for all” represented a real advance. It remained only, Ray believed, for the HHFA to draw a “bill of particulars” that would outline the “concrete steps” needed to achieve the President's purposes.<sup>xxxvii</sup>

It took Frank Horne little more than a week to do so. Not above stretching Eisenhower's intent past the point of recognition, Horne read his own agenda into the President's vague pronouncements. In describing Eisenhower's “objective” (a decent home for each family, within their means and in a good location) and his “approach” (strengthening and augmenting the policies and procedures of the housing agencies), Horne accepted the President's “challenge” and saw only opportunity, not evasion. Not only should the RRS be enhanced, in his view, but racial relations advisors should be placed throughout the HHFA and its constituents (especially FHA, PHA, and the Division of Slum Clearance and Urban Redevelopment [DSCUR; later the Urban Renewal Administration]); from there, the RRS could focus “every procedure and operation” and “each and every [HHFA] employee” on meeting policy goals. And Horne, unlike the President, did not hesitate to define the latter in race-tinged terms. Among a slew of specific operating proposals (many of which dealt with the enlarged presence and role of the RRS), Horne called for greater control over FHA commitments to “achieve . . . necessary [minority] participation” as well as “a method of priority processing” in all of the constituents that would favor open land and “open occupancy” developments.<sup>xxxviii</sup> They were not measures that earned the quick support of either the Administrator or the President.

### ***Reorganization and Rehabilitation: The FHA Scandals and Political Context***

For all its salience, however, the race issue hardly took center stage in the political process of framing and passing new housing legislation. The administration, instead, showed far greater concern — bordering on near panic — with a series of burgeoning scandals then engulfing the private sector's favored agency, the FHA. Largely lost in the hindsight of history, the Department of Justice circulated a report in the fall of 1954 that portrayed the FHA as “riddled with corruption” and in a state of “moral and administrative disintegration.” Rumors of “maladministration” and even criminal activity in the early 1950s triggered a succession of investigations (the first ordered by the new HHFA Administrator in the spring of 1953 and a second almost exactly one year later by the U.S. Senate) that exposed the agency's lack of “integrity.” Indeed, the President, in a letter to Indiana's Homer E. Capehart, chair of the Senate Committee on Banking and Currency, labeled that panel's findings a “tragedy.” Capehart, however, went further, calling the FHA's depredations “the biggest scandal in the history of the United States.”<sup>xxxix</sup>

Problems concentrated in, but were not confined to, a pair of programs. The first was “Section 608,” an addition to the National Housing Act of 1934 designed to spur construction of rental housing for war workers. Passed in 1942, Section 608 was amended after the war to address the continuing housing shortage. Flexible definitions of “project costs” and maximum allowable mortgages combined with a decline in construction costs to permit builders to pocket the difference between inflated estimates and actual expenses. Known as “mortgaging out,” the process generated “windfall” profits for developers and “gratuities” for the FHA officials who approved estimates and made appraisals. Builders who remained unsatisfied frequently squeezed a few more dollars from the violation of “prevailing wage” provisions of the National Housing Act. Underpaying labor, with FHA approval, became routine and those who — on rare occasions — were ordered to make restitution, often did so on a fractional basis with additional cash provided by FHA sponsors. The program shut down amid complaints and rumors of fraud in 1950 after building 7,045 developments containing 465,683 units.<sup>xl</sup>

The second program exhibiting “widespread and numerous abuses” involved Title I home improvement loans. Beginning in 1949 and continuing into the Eisenhower administration, scam artists of every description took advantage of lax FHA oversight or colluded outright with agency officials to engage, according to one internal report, in the “wholesale victimization of homeowners.” Selling poor workmanship, inferior materials, and often unnecessary or non-essential repairs at grossly inflated prices, unscrupulous builders quickly learned they had little to fear from law enforcement. Under an apparently unique 1935 “agreement,” the Department of Justice surrendered to the FHA “exclusive jurisdiction over the investigation of offenses against the special criminal statutes enacted to protect the integrity of its operations,” HHFA Deputy Administrator William McKenna reported to Cole. Regular law enforcement agencies, such as the FBI, were required to forward allegations of wrongdoing to the FHA, which, presumably, would investigate itself. Not surprisingly, Administrator Cole’s initial 1953 inquiry revealed that the FBI, alone, made 163 referrals for FHA investigation in the preceding two years; only nine of those were pursued while “[h]undreds of cases from other sources were annually swallowed up in FHA’s bureaucracy.” McKenna’s report concluded that the “racketeers . . . who specialized in Title I frauds . . . were uniquely safe from Federal law enforcement.”<sup>xli</sup> The Section 608 and Title I programs were, in short, a dream for many builders and lenders, and a nightmare for thousands of tenants (whose rents had to be raised to cover inflated project costs), homeowners, and taxpayers.

McKenna — and others within the administration — subsequently concluded that the “FHA’s isolation from government control” greatly facilitated such predatory practices. The “vacuum created by the practical dissolution of Government affiliation,” McKenna wrote, “was filled by loose, informal affiliations that at times approached outside management of a nominal Government agency.” Cole therefore addressed his second policy priority in early 1954 with a plan to reorganize the HHFA. Its main feature, according to Nelson A. Rockefeller, then chair of the President’s Advisory Committee on Government Organization, included provisions to “strengthen . . . the supervisory authority of the Administrator over each of the constituent

housing agencies.” “We are in agreement with Mr. Cole and the Bureau of the Budget,” Rockefeller wrote, that the “Housing Administrator should have this strengthened authority.” Even more important, Attorney General Herbert Brownell weighed in at the White House, advising that “allegations of widespread misconduct . . . have made it clear that important changes in the organization of the Housing and Home Finance Agency are greatly needed.” “Developments prove,” he concluded, “that the preservation of authority and autonomy for constituent agencies . . . is not in the best interest of sound public administration.”<sup>xlii</sup> The Bureau of the Budget noted that the first plans for reorganization were “predicated” on “limitations” imposed by anticipated “organized [political] resistance.” By early 1954, though, the Director observed that “certain situations have arisen, with which the Attorney General and Mr. Cole are involved, and which are known to their full extent almost exclusively by them. This has led to the recommendation by the Department of Justice that any proposed reorganization could now be predicated on this background and that disclosure of these circumstances would support . . . measures going beyond those originally contemplated.” The BOB advised against committing to a specific plan until these new “circumstances” could be “fully explored.” See ? Dodge, Director, BOB to Sherman Adams, February 26, 1954, in folder: OF 25 1954 (1), box 201, Central Files, 1953-61, Official File, DDE Records.

Howls of protest from aggrieved special interests came quickly. Ignoring the scandals, the Mortgage Bankers Association of America (MBAA) and the National Association of Home Builders (NAHB) brazenly threatened to oppose any reduction in FHA independence. In a lengthy missive to Sherman Adams, MBAA President W. A. Clarke railed against any attempt to give the HHFA Administrator the “blanket authority to shuffle and reshuffle the funds, functions, and personnel of the constituent agencies.” “This is the power,” he warned, “to dismantle . . . and ultimately destroy them.” NAHB President R. G. Hughes was also “exceedingly disturbed” at the prospect of any reorganization that would centralize such authority in the person of the HHFA Administrator. In language that virtually echoed Clarke’s, Hughes admonished against granting the HHFA the ability to “transfer [the] funds, personnel or functions” of its subordinate units, declaring that such a move could “eventually . . . destroy” the FHA’s “usefulness.” Reminding the White House of the “strong sentiment within this Industry for the complete abolition” of the HHFA, Hughes also noted ominously — as did Clarke — that “Republican opposition” defeated similar proposals advanced earlier by Democratic administrations.<sup>xliii</sup>

FHA Commissioner Guy T. O. Hollyday assured Sherman Adams that his long association with such industry representatives permitted him to “understand how intensely” the concerned interests felt. Indeed, as if in lockstep, Hollyday denounced efforts to arm the HHFA Administrator with the power to transfer personnel, funds, and functions among his constituents. He, too, affirmed that such prerogatives contained the “power to destroy” the FHA. Noting the “explosive character” of the issue, Hollyday also felt compelled to remind Adams of the same plan’s unsuccessful political debut in 1946. Finally, the Commissioner made explicit the threat to the President’s entire housing program, and warned that “if the plan goes



forward to Congress . . . it will almost certainly raise again this very heated controversy and may well jeopardize" the administration's proposed housing legislation.<sup>xliv</sup>

By this time, however, Hollyday's political support (not to mention his moral authority) had long since evaporated. Personally damaging to Hollyday was his sloth (whether due to arrogance or incompetence) in investigating numerous and persistent allegations of wrongdoing. In several particularly egregious cases, he failed to forward information to the Department of Justice before the statute of limitations ran out on the specific charges involved. If such leadership won the undying loyalty of much of the FHA staff — its counsel went so far as to question the President's authority to impound agency records while others, including Hollyday himself, continued to sing the praises of the convicted felon directing the "608" program — it led investigators to conclude that the agency had "lost the capacity for self-appraisal and self-criticism." More than that, Hollyday's resistance to outside "interference" was apparently emulated by FHA staffers. Senator Capehart reported receiving "little cooperation from the long time employees" in the rental program and was so disturbed by their lack of "moral fibre" that he considered wholesale dismissals. All of this left the Commissioner politically vulnerable.<sup>xlv</sup>

In April, 1954, as the administration revised its pending housing legislation in light of the FHA revelations and just weeks before the Supreme Court ruled in Brown, Cole demanded Hollyday's resignation. Choosing a successor at this delicate moment proved challenging in the extreme. Not only did the President need to find a new FHA Commissioner who could both serve the "government" and calm industry fears, but he had to contain the scandal's political damage to give his Housing Act a chance to negotiate legislative shoals. And unlike public housing, where Eisenhower voiced fears over potential corruption and entertained notions of abolition, there was never any question raised about the FHA's survival despite its documented trail of illegalities. Its popular, successful, institutionally-entrenched home mortgage insurance program alone, the McKenna report asserted, "justifi[ed] the [agency's] existence."<sup>xlvi</sup>

Not surprisingly, the administration tried to carve out a little breathing space by placing the FHA's troubles on Democratic backs. Eisenhower did so gently, but unmistakably, in a public statement that isolated 1934-1952 as "the period during which these scandals took place.." The political sparring became more frenzied as the 1954 mid-term elections approached. By early fall (with the Housing Act safely passed), the staff of the Senate Republican Policy Committee tried to capitalize on the issue and produced its own report, entitled "The Scandal of Scandals: The Incredible Story-in-Brief of the Sordid and Corrupt Federal Housing Mess of the Democratic Administration." To them, the Truman legacy consisted simply of the "most monumental scandal in the history of our government."<sup>xlvii</sup>

A more realistic, and sobering, analysis came from White House aide Charles F. Willis, Jr. in a memorandum prepared for Sherman Adams on May 17, 1954 — the day Brown was handed down and still weeks before a final vote on the housing bill. Willis noted, implicitly at least,



that despite the easy association between the timing of the FHA's systemic disregard for ethics and the law and Democratic rule, there was a close tie between key Republican constituencies and resistance to reform. With the naming of Norman Mason as FHA Commissioner, Willis recognized that those who argued against Hollyday's replacement were "motivated basically by an attempt to scuttle the whole investigation." In Mason's defense, Willis informed Adams that the new Commissioner was "a successful businessman in the construction field" who enjoyed "the confidence and respect of all segments of industry." This seemed all the more so following an appearance by both Cole and Mason before the NAHB board one day earlier. Their explanations of the FHA's "present state of affairs" were "well received" by a "critical and suspicious audience" and, Willis assessed, "have gone far to rebuild support . . . [for] the actions now being taken." Perhaps his most crucial qualification, however, aside from a sterling list of personal characteristics, was that in Willis's judgment, Mason was "completely loyal to the Administration" and was "willing to make considerable sacrifices for the good of the order."<sup>xlviii</sup>

The new Commissioner employed his executive powers quickly to revamp internal FHA structure and procedure; but that was only a beginning. As Cole's Deputy Administrator advised, the "permanent remedy of the abuses in FHA programs . . . require[d] important changes in attitudes and practices, as well as in the law itself." Congress, acting upon recommendations offered by Cole and Mason, used the Housing Act of 1954 to close many of the legal loopholes that permitted the most questionable practices. Administratively, two initiatives seemed to obviate the need for a thoroughgoing reorganization, though talk of such a shake-up continued within the administration. The creation of an independent Compliance Division for all the housing agencies tightened oversight in the first instance, and a rider attached to an Independent Agencies Appropriations Bill granted the HHFA Administrator the "full authority" to "reassign" functions, funds, and personnel so dreaded by builders and lenders in the second.<sup>xlix</sup>

Finally there were, as always, political considerations. If concerned interests could not stop the centralization of power in the HHFA, they could still influence its use. A scathing open letter to the President by editor Perry Prentice that appeared in the January, 1955 issue of *House and Home* magazine, for example, earned serious White House attention. Placed on the defensive by a publication representing "vocal segments of the mortgage financing and building industries," Cole had to remind Presidential assistant Gabriel Hauge and Sherman Adams that his antagonists never conceded that the scrutiny of the FHA "was either necessary or desirable." Defending his actions in writing, Cole offered a point-by-point rebuttal while reassuring the administration that the "general public" supported his reforms. "The FHA situation," the Administrator concluded, "was intolerable by any standard of ethics." And he had no doubt that any "weakening in the supervisory apparatus" would simply lead to new attempts to loot the program. "The dangerous political situation for the Republican Party," Cole subsequently advised, "would be that the next time it could not honestly refuse to accept responsibility."<sup>l</sup>

Ultimately, the FHA found itself both salvaged and protected by the new arrangement. If its autonomy were somehow compromised by its being brought more closely under the HHFA umbrella, it must be remembered that Cole's appointment as Administrator depended upon his perceived desire and ability to hold the FHA's "upper-tier," private program aloof from his agency's "subsidized" efforts in public housing. More importantly, the whole scandalous episode proved – for the entire year leading into Brown, and for months afterward – not merely a distraction, but a diversion. Despite the RRS's best efforts to place the race issue on the table, the scandals, HHFA reorganization, and the political fall-out from each would not be dislodged from their priority position on the administration's agenda. Tied as they were to the fruits of the Advisory Committee's labors and the President's legislative initiative on urban renewal then before Congress, they pre-empted the housing debate. If there had been any predisposition to consider the racial implications of that agenda – or of the pending Brown decision — it was quickly suppressed. Not only was there little or no serious preparation for the Supreme Court's overthrow of the "separate but equal doctrine," but even after the ruling was handed down the administration addressed its implications for housing only with great hesitancy and uncertainty.

### **Brown v. Board of Education, Topeka, Kansas and the HHFA**

On the eve of the Supreme Court's epochal Brown decision, the administration thus remained officially oblivious to (even if individuals were privately aware of) the racial implications of its housing agenda. Through 1953, bitter controversies swirled about plans for slum clearance in Birmingham, Alabama and redevelopment proposals in Baltimore — projects started under the aegis of the Housing Act of 1949; and seemingly endless violence plagued the federal public housing project in Chicago's Trumbull Park. Each remained a festering sore.

As if to underscore the administration's lack of vision and concern, Max Rabb was genuinely taken aback when Adam Clayton Powell, Jr., a black Democratic congressman from New York, alluded to such issues in response to Rabb's attempt to open a political dialogue. Powell's suggestion that the executive branch might, as a sign of good faith, stop the HHFA from "giving aid to segregated housing" blindsided Rabb. "This is a brand new problem that I haven't touched at all," the President's advisor on minority affairs mused six months into Eisenhower's first term. It may, he concluded presciently, "represent an area of some difficulty."<sup>li</sup>

Only the uprising in Trumbull Park managed to attract Cole's public ire in the first two years following his appointment. In a late October address, shortly before the 1954 mid-term elections, he lashed out at the Windy City's Democratic leadership before a black audience at Virginia's Hampton Institute. The violence at the project was "totally un-American and un-Christian," Cole charged, and represented "one of the most shocking cases of bankruptcy in community responsibility the United States has ever witnessed." Citing his great reluctance to "intrude on local affairs," the Administrator nonetheless called on the mayor to end "this

defiant bigotry” and offered the assistance of his office “to ensure that no American citizen shall live in a state of siege.” Chicago’s Democrats proved ungracious enough to point out that Cole’s magnanimous election eve gesture came only in a letter delivered one day before his Hampton Institute speech and that he had “not previously communicated with us” about the rioting in Trumbull Park despite its eruption fourteen months earlier. If his political purposes seemed painfully transparent, Cole still had a serious message for his Virginia listeners. He followed his denunciation of white violence with a pointed warning against the emulation of such tactics. An “orderly approach” to social change was not the “counsel of inaction,” he advised, but was simply a more direct path to “full freedom and equality” than “the arbitrary use of the blunt instruments of force and compulsory decree.” Denying the possibility of progress through “violence and whiplash tactics,” Cole asserted that both black protest and coercive public policy were deadends.<sup>lii</sup>

Problems of housing and race subsequently continued to bedevil the administration even as its legislation wound its way through Congress. The NAACP’s Walter White raised a perennial complaint when, in April 1954, he sent a telegram to the White House excoriating FHA support for a segregated Levittown development in suburban Pennsylvania. It was, White contended, a most “arrogant . . . abuse” of public power and resources. Max Rabb responded for the administration in a seemingly cavalier fashion when he noted the overriding political concern with the ongoing investigation into FHA corruption and the pending urban renewal legislation. “These matters,” he lectured White in a “Dear Walter” letter, “must, of course, take precedence at this time.” The letter was dated May 17, 1954 — the day the Supreme Court handed down its Brown decision.<sup>liii</sup>

In many ways, Eisenhower’s handling of the Levittown issue — and builder William Levitt — in the post- Brown era captured the President’s inchoate complex of reactions (beliefs might imply too much careful consideration) on the intersection of race and housing. He could, on the one hand, think it “highly improper” for the federal government to support a development where “one man by himself could bar a race from a whole community.” The national government, “in its own acts,” he believed, should not “differentiate among people on the basis of race.” But, on the other hand, as expressed in minutes taken during an early 1955 cabinet meeting, the President “held a more reserved position in regard to ‘indirect’ activities such as loan guarantee programs for private housing.”<sup>liv</sup> Whether such inconsistencies represented genuine ambivalence or intentionally opened a backdoor to discrimination may remain the subject of some debate. It is clear, however, that, in the President’s mind, the principle of non-discrimination would embrace only a narrowly construed public sphere — precisely that segment of housing activity targeted for reduction or eventual elimination. The private market (even that portion of it receiving public support) would remain beyond the reach of any government regulation. Such ambiguity left the administration groping for solutions and led to the appointment of ad hoc committees to study the problem and improvised (in)action.

One such revealing episode involved a close confidante's suggestion that Ike simply sit in a closed room to hear, mediate, and judge the arguments of William Levitt and Thurgood Marshall. The President's contact believed that Eisenhower's personal intervention would "shorten by 10 years the time it will take to end segregation" in housing. Expressing a willingness to cooperate, but assigning the ubiquitous Max Rabb to the task ("I think he might easily be able to do the job."), the President avoided direct engagement.<sup>lv</sup> More than that, Eisenhower had Rabb set up a meeting at which the latter joined Levitt and John Reagan "Tex" McCrary, Jr., the man who brought the idea to the table. Thurgood Marshall was nowhere to be found. Rabb reported being "quite impressed with Levitt" and expressed the belief that the developer's willingness to "open some of his houses to Negroes" and conduct a campaign of "quiet persuasion" would resolve "the whole problem." A grateful President congratulated Rabb on his "success," stated a desire to "meet Mr. Levitt," and suggested inviting him to one of Eisenhower's famous "stag dinners, along with Tex and yourself." Again, Marshall's name somehow escaped the guest list.<sup>lvi</sup>

The President's unease with blacks on a personal level, and the race issue generally, became painfully obvious in connection with the Supreme Court's action in Brown. Before the decision, he grouched that the Court had strong-armed an opinion on segregation in primary schools and the "intent of the fourteenth amendment" from his Attorney General. In so doing, the high tribunal seemed, in Eisenhower's eyes, to be "guided by some motive that is not strictly functional." After the ruling, not only did the President fail to endorse the Court's work, but — on repeated occasions — asserted his sympathy for the South, his belief in states' rights, his conclusion that the cause of integration had suffered a setback, and his determination to distance his administration and party from the decision.<sup>lvii</sup>

Whereas his public expressions of regret and misgiving following the reversal of the Plessy doctrine are well known, however, his private reservations are even more striking. In unguarded moments before Presidential assistant Arthur Larson and New York Times publisher Arthur Hays Sulzberger, for example, Eisenhower trotted out stereotypical sexual innuendos to voice his displeasure. Repulsed by the thought of "social mingling" and the notion that "a Negro should court my daughter," Eisenhower struck Larson as "neither emotionally nor intellectually in favor of combating segregation." And, in an extended meeting with Sulzberger shortly after his 1956 re-election, the President not only pressed the case that desegregation through force or law only "increased problems," but extracted from the publisher the "shamefaced" confession ("for private use only") that "even he would not want his seven- or eight-year old granddaughter to go to school with Negro boys."<sup>lviii</sup> When combined with the possibility that the edict on desegregation might extend to public and publicly-supported housing as well as schools — and industry warnings that such a development would bring the postwar building boom to a screeching halt — these administration fears gave added impetus to the rightward policy thrust. The possibility that there were political gains to be made in a panic-stricken South simply reinforced that impulse among the more calculating.<sup>lix</sup>

Operationally, this meant that HHFA Administrator Cole would “go slow” with regard to integration, assert the limits of federal authority, complete an internal purge and reorganization, and adopt a policy on minority housing that simply ignored Brown’s existence. Indeed, both the administration’s immediate and more carefully considered reactions to the Court’s handiwork reveal that Brown was less a clarion call to end racial discrimination in housing as well as education than it was a “firebell in the night” sounded to evoke the construction of new defenses.

### ***The Internal Debate***

Once rendered, the Brown decision sparked a flurry of self-examination among the housing agencies that consumed the spring and summer of 1954. Indeed, it took only eleven days for J. W. Follin, Director of the Division of Slum Clearance and Urban Redevelopment (DSCUR – an HHFA constituent created under the Housing Act of 1949, it served as predecessor to the Urban Renewal Administration [URA]) to provide Administrator Cole a searching memorandum exploring the potential impact of the “recent Supreme Court rulings on segregation.”<sup>ix</sup> Focused on his own department’s operations, Follin nonetheless captured the larger problem facing the administration. “The repudiation . . . of the ‘separate but equal’ doctrine in the school cases and the Court’s affirmance of the fundamental principle that under the constitution there is but one class of citizens enjoying equal rights and privileges . . . have made it necessary that we reexamine our policies pertaining to racial matters,” he wrote.<sup>ix</sup>

From there, Follin raised a host of questions posed by the ruling for the slum clearance and urban redevelopment programs. It seemed “fairly clear” to him that access to “public facilities, such as schools, recreational facilities, parks, playgrounds and other public improvements” now had to be provided “without restrictions based on race or color.” After that, things got more complex. Follin posited a continuum of public participation in HHFA projects that corresponded to a similar sliding scale of exposure to Brown’s strictures. Speaking of plans then being implemented under the redevelopment Title I of the Housing Act of 1949, he felt that - - while segregation could not be made mandatory — public facilities that received no direct subsidy or financial assistance provided a less than compelling case for the imposition of non-discrimination requirements. And, as Follin noted, private facilities on federally-aided redevelopment sites presented yet another problem. He saw nothing in Brown to suggest that privately-owned and -operated accommodations had to be made available to tenants without discrimination — even if entrepreneurial developers relied upon public powers and funds to assemble the land. “The mere fact,” he reasoned for Cole, “that the Federal Government has made federal aid available to local public agency . . . is not in itself sufficient ground for imposing upon private redevelopers the obligation to use . . . privately-owned and privately-operated property upon a non-segregated basis.”<sup>ixii</sup>

Even Follin’s grudging, conditional, and limited application of the Brown ruling to his own agency was not without detractors who claimed he had been too accommodating. HHFA General Counsel B. T. Fitzpatrick advised Administrator Cole that the “Court expressly limited

its overruling of the Plessy v. Ferguson 'separate but equal' rule to the field of public education" and that, in his view, even the constrained flexibility suggested by DSCUR's director seemed excessive. More important, though, were actions that spoke louder than words.<sup>lxiii</sup> Within weeks of the Court's ruling, Norman P. Mason, the FHA's Acting Commissioner, responded to Cole's request for information on "the proportion of FHA applications intended for minority groups" by equivocating. They had tried for the last two years to "work out a method of collecting [racial] information," he informed Cole, but remained dissatisfied with its reliability. On June 8, despite his protestations that the agency served all "without regard to race, color, creed, or national origin," Mason questioned the very "desirability" of collecting such data. Indeed, less than two weeks later, the Commissioner ordered the FHA Division of Research and Statistics to stop summarizing "data on applications or loans . . . for racial minorities." The directive meant the effective abandonment of longstanding efforts to develop more "refined and valid information" on minority group participation.<sup>lxiv</sup>

Racial Relations advisors attached to the HHFA and FHA immediately saw the implications of such willful ignorance. Even Cole's appointee, Joseph Ray, rejected Mason's bland assurances that everyone enjoyed equal access to FHA facilities. It was, Ray noted, a "regrettable fact that builders and sponsors of FHA-aided housing do not conform to this stated policy." The gathering of data on minority applications, as well as "commitments issued, starts, and completions," Ray argued, "would appear to be imperative." "Without such information, he asked, how can FHA or anyone know or gauge accomplishments or operating results?" George W. Snowden echoed that analysis, claiming that racial reports allowed the Commissioner to establish "some 'benchmark' for determining the effectiveness of his program, especially at the local level." The now-banned data summaries, according to Snowden, had represented "the basic and essential core" of "FHA policy on minority group housing."<sup>lxv</sup>

An abundance of legal caution and constituent reticence, then, provided the backdrop for more serious efforts by the RRS, and Frank Horne in particular, to place the HHFA and all of its programs within Brown's purview. Before the end of June, Horne – from his internal exile in Minority Studies – framed and passed on to Cole a memorandum detailing his "Observations regarding [the] implications of [the] decisions of the U. S. Supreme Court for HHFA Programs and Policies." Offering Cole the "minority group viewpoint," Horne celebrated the overthrow of the "fallacious concept of 'separate but equal'" and the Court's abandonment of that "dualism as inconsistent with the American way of life." Taking rhetorical advantage of the decade's dominant mood, Horne also informed Cole that the "opportunity is here for this administration to remove all restrictions from the housing market and restore it to the free, open competition which is our tradition and strength."<sup>lxvi</sup>

Though he was no lawyer (actually an optometrist by training and a college president by trade), much of the rest of Horne's memorandum consisted of nearly a dozen different legal arguments designed to counter those of Follin, Fitzpatrick, and others. At the center was

Horne’s contention that the Court had expressly supported the Plessy doctrine in education for more than half-a-century before overturning it; in contrast, the theory of “separate but equal” had never been applied “to the ownership and use of real property.” Now that its constitutionality had been stripped away, it seemed ludicrous to argue for its extension into the realm of housing. Buttressed by Supreme Court decisions prohibiting racial zoning (Buchanan v. Warley, 1917) and the enforcement of racially restrictive covenants (Shelley v. Kraemer, 1948), Horne reaffirmed the Court’s hostility toward state action intended “to restrict the use and ownership of real property on account of race.” As for private developers, their use of federal funds and powers under urban renewal to construct housing from which minorities could be excluded was, he argued, the equivalent of zoning neighborhoods by race and thus an end run around “what has been denied to state action by the U. S. Supreme Court.”<sup>lxvii</sup>

Horne capped his presentation by quoting liberally from the school decisions themselves, the Department of Justice’s amicus briefs in the covenant cases, section 42 of the U. S. Code, and the President’s frequently stated intention to distance the federal government from any direct programmatic association with “discrimination or segregation based solely on race.” It was also clear, however, that he understood that the mere assertion of ideals would not be enough. Indeed, Horne wrote, the PHA’s continued application of the Plessy principle to federally subsidized public housing rested ‘upon no sound legal theory’ but remained supported by the pillar of “political expediency.” Horne’s subsequent recommendation called for a “comprehensive review of the administrative policies of all programs under the jurisdiction of the HHFA.” “Wherever the federal government is clearly involved,” he concluded, “in land assembly or the planning, development, and marketing of housing,” the “Fourteenth Amendment, the Civil Rights Act of 1866 and the U. S. Code should be fully enforced.”<sup>lxviii</sup>

Joseph R. Ray prodded Cole further in mid-July with a written request to bring HHFA programs “into line with the public policy underlying the . . . Supreme Court decisions.” Recommending a thoroughgoing policy of non-discrimination in all federally-aided projects (whether public or private), Ray claimed the suggested departure represented the “joint thinking and conscience” of the RRS, Minority Studies, and the racial relations personnel in DSCUR, PHA, and FHA.<sup>lxix</sup> Administrator Cole seemingly moved to act on the request on August 3, 1954 when he convened an exploratory meeting that brought together staff attorneys and minority representatives, including Horne and Ray. Following that gathering — and a week of individual consultations — the latter drew up memoranda suggesting significant policy revisions.

“An Approach to Racial Policy in the Housing and Home Finance Agency” emerged from Horne’s office in Minority Studies. In words that echoed the previously circulated “Observations” and the oft-quoted U. S. Code, the memo asserted that “the basic racial policy question” was “whether or not non-white families are to be afforded the same rights to the ownership and use of real property as white families.” If answered affirmatively, there would be no need for special “minority group housing programs.” If not, Horne submitted, the only



alternative would be federal promotion of equal opportunity through targeted, race-specific programs. Enforcement of such a policy would be “expensive and cumbersome,” he concluded, and fifteen years of experience taught him “the practical impossibility of attaining substantial equality of opportunity through special devices.” He fell back, consequently, on the rhetoric of the marketplace, as he did before, asserting that the “only acceptable role of the federal government in the field of housing” involved the “stimulation of a free, open, competitive housing market and the progressive removal of all restrictions upon real property beyond those demanded by the Constitution.”<sup>lxx</sup>

“An Approach” concluded with a list of proposals aimed at each of the major HHFA constituent agencies. Horne, first of all, called upon the PHA to strictly enforce legislatively-mandated tenant selection priorities “without regard to race.” He recommended next that DSCUR (and the soon-to-be created URA) have a “contractual requirement” that all developments built on land “assembled through federal grants or loans” be made accessible “without regard to race.” Finally, he demanded “the elimination of race as any factor whatsoever” in FHA underwriting as well as a “contractual requirement” that all FHA housing be made “available to all families on the same basis.”<sup>lxxi</sup>

Ray’s effort borrowed considerable language from Horne’s earlier rhetorical forays, though he devoted more time to hurling the administration’s principled pronouncements back at the Administrator and the President. His concluding policy recommendation was simple and direct. “All residential properties and related facilities,” he wrote, “developed or marketed through the use of federal funds, insurance, guaranty or other federal authority or powers are to be rented or sold . . . without regard to race, religion, national origin, or political affiliation.” Both public and private developments built upon land assembled by federal grants and powers would be included. Ray called, simply, for “the operation of a free market, open to unrestricted competition from all qualified bidders.”<sup>lxxii</sup>

Joseph Guandolo, an advisor to Follin and DSCUR’s Associate General Counsel, continued the legal sparring in rebuttal. The suggestion, embodied in both the Horne and Ray proposals, that “contractual requirements be imposed” to make all FHA and DSCUR-assisted housing available “without regard to race” remained objectionable, he advised Follin. It involved, first of all, a “major extension of Federal authority” despite the congressional refusal to attach any such measure to the recently considered Housing Act of 1954, he wrote. Guandolo also questioned the relevance of Brown to the housing program (“The factual situations . . . are not analogous,”) and the projected practical effect of enacting such a new policy. It would only, he believed, “impede the disposition of project land in certain localities.”<sup>lxxiii</sup> In the end, however, the debate over housing policy turned not on the weightiest legal arguments, but on the “political expediency” detected earlier by both Horne and Ray.

Even before he had called for the early August conclave of housing officials and race relations advisors, Cole suggested — and obtained — a meeting at the White House on July 16, 1954.



Cole and Assistant Administrators Neal Hardy and William A. Ulman attended for the HHFA; Commissioners Charles E. Slusser and Norman P. Mason represented the PHA and FHA, respectively. Associate Counsel to the President Max Rabb stood in for the administration, and while Sherman Adams received an invitation to lunch with the group, his direct participation is not clear. In notifying Eisenhower's chief-of-staff of the “conference on minority housing,” Rabb now conceded that such a discussion was “long overdue.” “Next to the scandals in FHA,” he confessed, “this is probably the biggest problem in housing for the Administration.” Shortly after its conclusion, Rabb penned a memo to Adams that characterized the meeting as “very successful” in “outlining a long-range program that will eventually redound very definitely to the benefit of the Administration.” The sensitivity of the issue remained manifest, however, as Rabb cautioned against even a “relatively innocuous” press release. The President's housing bill, after all, still awaited final action in conference.<sup>lxxiv</sup> The subsequent internal deliberations of the racial relations personnel had, therefore, no discernible impact on policy.

The solution struck upon in the White House involved a call for yet another meeting, this time later in the fall. Cole proposed a national conference on minority housing problems that would focus not only on federal policy, but also on the roles of industry and private citizens as well. Expecting heavy business participation, Rabb said the agenda would include deliberations on “specific methods by which we can best implement the President's policy that the new and important benefits of the Housing Act of 1954 shall be used for the advantage and opportunity of all citizens regardless of race.”<sup>lxxv</sup>

### ***Cole's Conference***

The call apparently originated with the Urban League's Lester Granger. Barely a month after Brown (and a month before the July 16 gathering), Granger forwarded a letter and a memorandum to the President asking for “White House leadership in arranging a conference that will bring together building, lending, and real estate interests in an effort to solve” what Max Rabb called a “very explosive issue.” As Granger phrased it, housing remained the “only commodity in America” whose acquisition was “limited by race.”<sup>lxxvi</sup> With this correspondence dumped into his lap, the Administrator responded with a call for a meeting that would “air fully and freely the problems confronting the Minority element . . . in attaining reasonable and fair housing.” To short-circuit any contemplated talk of integration, Cole announced preemptively that he expected that “certain extremist elements” would “be dissatisfied with anything other than open occupancy.” Indeed, after questioning the radicals' “sincere spirit” and their “desire to accomplish the maximum presently attainable,” Cole “confidently anticipated” that the meeting's accomplishments would outweigh the “points of serious opposition.”<sup>lxxvii</sup>

Too indelicate for at least some in the White House, one staffer counseled that the publicity for the conference should “avoid reference to Mr. Cole's view.” Discomfited more by the Administrator's lack of tact than the substance of his opinions, the advisor suggested that any

"public expression" of Cole's disdain for open occupancy "can only lead to criticism," as would the allegation that "these extremists are not sincere." In the end, however, Sherman Adams approved the conference proposal and hoped that the meeting would prove "a primary step in formulating a sound basis for our thinking on the subject." He still felt compelled, though, to remind Cole "that this meeting is entirely advisory to you," and to protect the President by distancing Eisenhower from the proceedings. "It would be . . . premature," Adams told Cole, "to make any commitment or otherwise indicate that the specific findings of the Conference are to be submitted" to the White House.<sup>boxviii</sup>

Held December 9-10, 1954, the HHFA Minority Housing Conference elicited two proposals from the industry representatives in attendance. The first came from insurance companies that promised to seek loans for those denied access to credit on racial grounds. The second emanated from the National Association of Home Builders. They offered to set aside 10% of new housing construction for minorities "if suitable sites" could be found. It was, predictably, all the private sector could offer. Cole himself provided nothing further save for a stinging rebuke of black lending institutions for, as he saw it, their culpability in the failure of African Americans to purchase real property.<sup>boxix</sup>

Negative reactions came swiftly. "The quota idea of the Home Builders has appalling consequences," Walter White told Attorney General Herbert R. Brownell, "especially because it is so similar to the South African Government's program of building separate communities for colored people." "I strongly urge, " White implored Brownell, "that action be taken by you to halt government participation in the practice of extending racial segregation in housing." The overwhelming rejection of the set-aside by minority groups proved so strong it prompted one FHA racial relations advisor to suggest the elimination of local office housing goals for minorities. These groups exhibited "considerable skepticism," he wrote, insofar as "quotas, percentages, and goals" were concerned. Indeed, in the hands of the Eisenhower administration, they seemed to mean little more than a "continuation of segregated or 'ghetto' housing."<sup>boxx</sup>

### ***Administrator Cole, Racial Policy, and Urban Renewal***

From the President's special Housing Message to Congress in January to the HHFA Administrator's conference in December, the Eisenhower administration grappled with the intertwined problems of race and housing throughout 1954. The mid-year decision in Brown provided the pivot around which its vision and proposals turned. Before the Supreme Court invalidated the principle of "separate but equal," Cole rejected the notion of "special program[s]" for minorities. Refusing to consider desegregation a legitimate goal of federal policy, he asserted the

firm belief that we will best reach the objective of providing adequate housing for our Negro and other non-white citizens by administering the Federal Government's housing activities so that these citizens . . . have equal

opportunity to buy or rent good housing. If we were to attempt to develop a special program for the benefit of minority groups, we should be recommending . . . class legislation — legislation which . . . could tend to perpetuate rather than cure the un-American prejudices which disadvantage our minority group families.<sup>lxxxi</sup>

Opting, in effect, for a less than Plessy standard of “separate and adequate,” Cole saw no need for a race-specific government agenda. He proved more than willing, however (as Horne had pointed out), to entertain continued public support for private initiatives that did just that. Rejecting the RRS call for contractually-mandated non-discrimination, Cole (as evidenced by the character of his December conference and its recommendations) found special, racially-targeted programs and an increasingly blurred and questionable distinction separating “private” action from “public” useful in addressing minority housing needs within the framework of segregation. If nominated as Administrator in large part because of his perceived ability to make that distinction, his constancy in maintaining it under rapidly changing circumstances answered Aksel Nielsen’s doubts about his ability to withstand “pressure.”

The fevered in-house discussions over the relevance of Brown to the HHFA and its constituents, and Cole’s December conference, served as a prelude to the January 28, 1955 Cabinet meeting at which the President reviewed his housing policy. The Attorney General placed the issue on the table as part of a report on “the various significant steps taken by the administration to eliminate racial segregation and discrimination.”<sup>lxxxii</sup> Whereas the meeting’s formal minutes recorded Eisenhower’s expressed concerns regarding Levittown, his belief that the federal government should not itself be directly involved in discriminatory activity, and his willingness to countenance federal support for private conduct producing segregated results, handwritten notes taken at the same time are even more revealing.

In presenting his report, the Attorney General characterized the housing issue as “very touchy” and suggested that “a group of us should talk this over” informally. It was at that point that the President affirmed his belief that “where the Federal Government has jurisdic[tion] we simply cannot differentiate among people based on race or color.” But, he quickly added, “when it comes to something else – aiding in getting a mortgage or bond,” there the federal connection becomes “more tenuous & I’m not so certain.” “Where the Federal G[overnment] builds, there we do have to be concerned,” Eisenhower concluded. “But in private housing, [it] is a different story.” The Attorney General jumped on the distinction with alacrity: “I think we can get that line established,” he concurred.<sup>lxxxiii</sup>

Max Rabb, perhaps responding to Walter White’s protestations, noted that “pressure (was) developing” over the housing issue, “just like the schools.” Rabb also felt compelled, given the President’s willingness to accept federal support for discriminatory private enterprises, to raise the controversy over Levittown, Pennsylvania. There, Rabb told the Cabinet, “a whole city” was involved, “not just a section.” Eisenhower took a “deep interest” in Rabb’s comments,

and voiced his misgivings about vesting such restrictive powers in an individual. But, once again, the follow-up consisted of Rabb's eventual meeting with William Levitt and Tex McCreary (sans Thurgood Marshall) and Levitt's apparent invitation to socialize with the President. Harold Stassen helped bring the housing discussion to a close by warning that black leaders such as Walter White "ought to recognize the dangers of pressing too fast," and asserting the need to "expose the Commies stirring up trouble."<sup>lxxxiv</sup>

Shortly thereafter, Ray tried to bypass Cole and suggest a suitable policy statement directly to the Oval Office by routing it through Charles F. Willis, Jr., the Assistant to the Assistant to the President. More sedate than anything that had issued forth from Frank Horne's pen, Ray asked that the Administration pursue "social gains" only at "a tempo supportable by the American people as a whole and by their communities." The White House should, Ray suggested, "encourage . . . full and immediate production of housing for all American citizens," and do so in such a manner "as to eventually eliminate segregation or unfair economic or social discrimination." Finally, Ray wrote, it should be the policy of this Administration, "to provide immediate relief from sub-standard housing conditions" and refuse to permit "any discrimination among American citizens as to their absolute entitlement to live with equal social, educational and economic advantages." Willis promptly handed the statement – given to him in confidence by Ray – over to Cole for his reaction. The Administrator made short reference to a committee recently appointed by Sherman Adams to look into housing policy (in line with the Attorney General's earlier suggestion), and told Willis "nothing should be done" with Ray's statement. There the matter rested.<sup>lxxxv</sup>

### ***The Public Face of "Reform"***

Cole maintained, therefore, the Administration's public face on housing policy, special committees notwithstanding. As such, he was charged with both articulating and enforcing the President's agenda. This he did through a series of speeches, public appearances, press conferences, and letters (particularly to members of Congress). And it was through just such means that he explained the nature (and racial consequences) of urban renewal, staked out an ideological position that enabled him – despite growing public restiveness – to "establish the line" desired by the President and the Attorney General separating the "public" and "private" spheres, and offered a critique of the call for non-discrimination emanating from the RRS.

The signing of the Housing Act of 1954 on August 2 and the rapid establishment of the Urban Renewal Administration shortly thereafter lent a sense of urgency to the conjoined problems of housing and race. Cole's inflated expectations for the private sector (amply demonstrated by his year-end conference) and subsequent Cabinet debate gave evidence of growing administration concern, but failed to resolve the issue. What had emerged, however, from the President's Advisory Committee, his "Housing Message," and the extended post-Brown debate over policy, was the establishment of "certain broad principles governing the formulation and administration of housing programs in a free enterprise economy," according to the Administrator. First among these was the organic nature of HHFA revitalization plans. Urban

renewal was not, Cole had to confess, “specifically designed for minority assistance,” though he hoped it would have such a “practical effect.” The administration had fashioned its programs, he informed New York Senator Herbert H. Lehman, “so that they serve the interests of the individual, the group, the community, and the whole economy,” thus instantly transforming aid to the poor and non-white into a mere by-product of an incentive-laden building program. It was the only effective way, Cole believed, to marshal the requisite political support.<sup>lxxxvi</sup>

The second of the “broad principles” articulated by Cole involved the philosophical commitment to limiting the reach and power of the federal government. His expressed desire to “create new standard housing and to improve access to the existing supply of good housing for racial minorities” was, therefore, tempered by his willingness to use only what he qualified as “appropriate” influences. The “proper role” of the national state, he tutored Lehman, consisted merely of “encouragement, guidance, and support of the effort of community leadership, industry, and the consumer.”<sup>lxxxvii</sup> Indeed, as he further explained to Representative Charles C. Diggs, Jr., a black Michigan Democrat, the Congress – despite repeated opportunities – provided no authorization, no clear mandate that would enable the executive branch to administratively impose a policy of non-discrimination. This meant, he concluded, that there was “no machinery” on the federal level that could “compel builders or owners of property” to adhere to any such standard.<sup>lxxxviii</sup> Finally, Cole maintained, the very nature of the race issue militated against the use of “one size fits all” directives from Washington, D. C. It was, he asserted in a letter to Connecticut’s Republican Senator Prescott Bush, a “peculiarly local” problem. Writing less than a year after Emmet Till’s Mississippi lynching, Cole noted further that racial practices were “deeply rooted in local traditions, institutions, and emotions.” In this context, however, he left off any additional reference to the futility of violence or “whiplash tactics.” He admonished simply that “we should rely heavily on local responsibility and local wisdom” in handling racial matters.<sup>lxxxix</sup>

Cole also revealed – particularly in response to critics of his racial policies – the key values and assumptions that governed his thoughts on any proposed remedies. In fashioning a reply, for example, to Philadelphia Mayor Joseph S. Clark’s call for an end to discrimination in federal housing programs, Cole expressed “serious reservation as to the effectiveness” of any proposal that would condition aid on the acceptance of such a new policy. Advocates, he contended, have never advanced a “workable system of enforcement.” And there were practical difficulties beyond such complaints. The prohibition of discrimination would, Cole asserted, make it difficult to develop many sites in the North, and be the death knell of such programs in the South. Participation in PHA, FHA, and urban renewal projects was, of course voluntary, and local authorities in the impoverished nether region made no secret of the fact that they would deny aid to the neediest Americans before they would accept it on terms not of their own choosing. If holding the housing needs of poor African Americans hostage to demands for continued segregation were not enough, there was always the prospect of another dreaded Depression. Cole remained convinced that burdensome regulations encompassing mandates

for non-discrimination would result in a “sharp cutback in the rate of housing production,” and thus retard efforts to eliminate the backlog of housing demand even as it threatened a “severe impact on our economy.” In the end, though, the Administrator took his cues from the President and quoted approvingly Eisenhower’s stated approach to school desegregation.

“If ever there was a time,” the President counseled,

when we must be patient without being complacent, when we must be understanding of other peoples’ deep emotions, as well as our own, this is it.

Extremists on neither side are going to help this situation, and we can only believe that the good sense, the common sense of Americans will bring this thing along,

The “length of time” it would take to satisfactorily resolve the matter, he dissembled, “I am not even going to talk about.”<sup>xc</sup>

What did all of this actually mean in terms of policy? For each of the major constituent agencies it meant, most notably, the persistence of pre-Brown practices. Cole continued, for example, to speak of the PHA’s “equitable provision” of low-rent public housing to the “eligible families of all races” as the basis of that agency’s operations. Apportioned to each group according to “the approximate volume and urgency of their respective needs,” Cole referred to the distribution of PHA benefits as though it represented some achievement. In fact, the “equity policy” dated back to the New Deal and the 1930s; seen originally as a pioneering victory for civil rights forces, Frank Horne (who had helped implement it) had been trying to push beyond it for a decade-and-a-half. Its only new feature involved the expressed willingness to deny public housing to white families as punishment to those communities that “neglect[ed] the needs of their racial minorities.”<sup>xc</sup>

The FHA went a bit farther than the PHA, announcing a new emphasis on the production of minority housing, but the verbiage and press releases far outdistanced performance. The Administrator played up two such announcements in particular; the first, coming shortly after Brown in July, 1954, notified the National Association of Home Builders of his intention to “reinforce FHA support of housing for minorities.” The second, in March, 1955, urged the directors of FHA field offices to be “even more forceful” in making “the adequate housing of minorities a program of prime importance.” The upper-tier, “private” housing program however, changed little. The effect of the initial announcement could be measured by the nature of the NAHB’s 10% “quota” proposal for “suitable sites” – the organization had, after all, nearly half-a-year to contemplate the FHA’s “new” mode of operation before making the widely ridiculed offer at Cole’s conference on minority housing. As for the Administrator’s renewed exhortations early the next year, it must be remembered that they came even as the FHA, in the wake of Brown, ceased assembling racial data and RRS personnel in the field offices expressed real fear that targeted programs might well be used against minority interests.<sup>xcii</sup>

It was the embryonic urban renewal program that presented the real challenge insofar as creating new racial policy was concerned. True, DSCUR's replacement by the URA did involve the adoption of some established, well-worn practices from the pre-Brown era. Problems of displacement, relocation, and living space for non-whites had developed with the implementation of slum clearance under the Housing Act of 1949 and led Democratic HHFA Administrator Raymond Foley to institute certain new “procedures” just before Eisenhower's inauguration. Cole subsequently identified the previous administration's guarantees of suitable compensatory accommodations and consultation with representative minority leadership as central to his racial policy. Both conditions had to be met before any renewal project would be permitted to reduce “the supply of housing available to minorities.”<sup>xciii</sup>

The Housing Act of 1954, however, generated new realities. Chief among them was the Administrator's newfound willingness not to grudgingly accept, but openly embrace, public housing; along with the PHA's transformation – in all but name – into a “minority” program, it could be counted among the key changes wrought by the law. Despite some of the rhetoric that surrounded it, urban renewal was not a narrowly targeted social reform that funneled aid to the poor and the non-white. Cole, in fact, knew better than anyone that — as he put it in a letter to the Chair of the Council of Economic Advisors — the “basic purpose of . . . urban renewal is the improvement and renewal of the total community so that it can best serve the requirements of our expanding urban economy.” Indeed, the broad scope and organic nature of the renewal proposal made Cole appear more inconsistent than was the case. He correctly predicted, for example, that the 1954 Act would “reappraise, reorient, and broaden the concept of Federal housing policies.” The goal was not merely to shelter those caught temporarily in unfortunate economic circumstances, but to rebuild a decayed metropolitan America from the inside out, strengthen the national economy, and accommodate (contain) a rapidly growing non-white population without threatening the growth or value of white-dominated suburbs. And the key to the whole operation that linked the fortunes of races, classes, and neighborhoods was the provision of just enough public housing to relocate the inner city residents who had to be moved before building could begin.<sup>xciv</sup>

Given the persistence of near-universal housing shortages, the need for at least some public housing to facilitate urban renewal was manifest. The densely-packed occupants of distressed inner-city neighborhoods had to be relocated somewhere for the land to be cleared. Renewal thus became the primary rationale for public housing — and, for Cole, the only rationale. In calling for 35,000 new public housing units in each of the next four years, the Eisenhower administration reduced substantially the demand for 810,000 units associated with the Housing Act of 1949. If the larger number still smacked of redistributionist reform, the smaller could be embraced for utilitarian reasons. Cole acknowledged that the administration's request was “less than the probable total need” but enough “to make possible major progress in the clearing of slums and in rehousing the lowest income groups.” Public housing was now a “key element” in the overall revitalization plan, and the case for it, according to Cole, was “compelling.” “Federally-assisted public housing provides the only present means that most



cities have for rehousing the lowest income families," he told businessmen. Renewal could not proceed without it.<sup>xcv</sup>

The linkage between renewal, relocation, and public housing could be found explicitly in the Housing Act itself; and the URA cemented their connection, in turn, to racial issues and policy administratively. As Cole explained to Senator Bush, the "small program authorized" under the Housing Act of 1954 "was based entirely upon the needs of families displaced by slum clearance and other governmental action." More than that, Cole reasoned, "[s]ince racial minorities constitute a high proportion of slum dwellers, these circumstances orient the low-rent program to serve their needs." Clearly, PHA operations were being turned over to service renewal and an increasingly poor black clientele. Interestingly, official encouragement to "admit tenants without regard to racial considerations" here combined with the concentrated demolition of African American neighborhoods and a "first preference" for the displaced to deny "equity" to poor whites. Finally, the HHFA prioritized the allocation of public housing units among cities based upon their relative "relocation needs" and the desire "to provide a greater degree of racial equity in the housing supply for lower-income families" – an administrative decision that funneled a disproportionate share of "lower-tier" units to black families.<sup>xcvi</sup> Increasingly, FHA and PHA housing came to represent not just perceived "private" and "public" programs, but white, suburban and black, inner-city ones as well.

The racial litmus test for urban renewal, however, came with the proviso that each project must have a "workable plan" approved by the URA to be eligible for assistance. Here was a potential source of federal leverage on local authorities, one that Frank Horne and the RRS had hoped to apply in a serious manner. Indeed, Horne, in particular, voiced warnings (if not demands) early on when the Housing Act of 1954 existed as mere conceptualization and not legislation. In placing his agenda before the President's Advisory Committee in 1953, for example, he had called for the relocation of non-whites on outlying vacant land, and went so far as to ask for mandated "collateral open land development[s]" whenever non-whites were displaced from densely-packed urban core areas. And, aside from his usual call for a contractually required policy of non-discrimination, he suggested a beefed-up RRS that would be involved in the planning process from the beginning and undertake searching "composite reviews" of each aspect of every renewal program. Furthermore, in response to the President's "Housing Message," he reiterated the need to establish "a method of priority processing" for renewal proposals that would privilege open land and "open occupancy" projects. In other words, Horne had a clear idea of what elements needed to be included in what he would consider a "workable plan."<sup>xcvii</sup>

His challenge was at once institutional, procedural, and substantive. Rhetoric aside, a "strengthened and augmented" RRS (to borrow Eisenhower's phrase) that would inject racial and civil rights concerns into the heart of the planning structure and process was not a proposition around which the administration could rally. In fact, the emergent reality of urban renewal not only took no cognizance of Horne's vision, but stood in stinging refutation of it. It



did not take long for the student of “Minority Studies” to make his feelings known — and in such a manner as to render his position in the HHFA untenable.

In early February, 1955, Horne informed Cole that the inadequate “machinery and method for appraising racial relations factors” exhibited in DSCUR were now being folded into and appropriated by its successor, the URA. “Now,” he wrote, “with the expansion of the Urban Renewal Program and decentralization of its administration in field offices, these deficiencies are becoming even more evident and dangerous.” Convinced of the “validity” and value of the “racial relations technicians” in precluding project-related problems, Horne decried low staffing levels and, especially, the absence of RRS officials from the now enhanced and vital field offices. That meant that the Service would not get its first glimpse of renewal plans until after they were drafted. From that vantage point the RRS could only “troubleshoot” and be employed to dampen “minority” complaints. It was “as though the primary minority aspect of the local urban renewal program were only the degree to which minorities ‘accept’ the program,” he protested. The URA’s failure to weigh “the totality and impact of minority group considerations,” Horne concluded, “is a disservice . . . to the local community, the Agency, the program, and the Administration.”<sup>xcviii</sup>

More than a year-and-a-half later, Cole’s own appointee — Joseph R. Ray — confirmed Horne’s analysis. Noting that the reorganization of DSCUR into the URA “was contingent upon commitments” to add six Regional Racial Relations Officers, Ray (in October, 1956) recommended not only those new appointments, but the filling of standing vacancies as well. “To continue . . . the extended absence of racial relations services from the expanded and growing programs. . . of urban renewal activities that so predominantly involve Negroes and other minorities,” he concluded, “can only serve to place the Agency in an increasingly tenuous and not easily defensible position.”<sup>xcix</sup>

Under strength and poorly situated, the RRS found it increasingly difficult to protect, let alone pursue, minority interests. It was not long, then, before such institutional weakness translated into procedural and policy setbacks for what remained of the Service. Most notably, the supposed “safeguards” instituted by Cole’s predecessor to protect minority neighborhoods (or, at least, suitably relocate their residents after “consultations” with local leaders) provided no cover whatsoever. According to the Administrator, any federally-assisted development that had the potential to damage non-white housing interests (especially through slum clearance that would reduce the housing supply and “living space” available to minorities) had to certify that new housing or existing accommodations in areas not previously open to non -whites would be “provided in an amount equal to that so occupied in the project area.” The certification would be documented administratively in Local Public Agency (LPA) Letter No. 16 — a written assurance that satisfactory relocation housing had, in fact, been made available and that “representative minority group leadership has been afforded adequate opportunity for consultation respecting the matter.”<sup>c</sup> Permissive of both “Negro removal” and segregation

(and, indeed, sometimes facilitating both), LPA Letter No. 16 tried simply to hang a more humane veneer on existing practice.

Even that, however, eluded the HHFA's grasp. Near the end of Eisenhower's second term, RRS official George Nesbitt reported that the lack of personnel, procedure, and, ultimately, concern, rendered the application of the safeguards moot. The agency's failure to issue instructions, definitions, or process directives precluded meaningful evaluations. And, even more glaringly, the prescribed negotiations with non-white leaders either never took place or appeared as shams. Committees went unappointed, conferences went unscheduled, and — when meetings did take place — they were often held too late in the planning process to have any impact, or were attended by overly compliant minority “representatives” that were occasionally drawn from the pool of LPA employees. Nesbitt's tale of bureaucratic laxity and disarray led him to the disturbingly forlorn conclusion that “LPA Letter 16 has not forestalled ‘Negro clearance’ undertakings, as the White House appears to have desired.”<sup>ci</sup>

### ***The Firing of Frank Horne and Corienne Morrow***

The heightened concern over racial affairs that gripped the White House following Brown, the simultaneous launching of the administration's urban renewal initiative, political reality, and Horne's unrelenting bureaucratic resistance finally combined in the summer of 1955 to end his seventeen-year tenure as the most outspoken, high-ranking minority official in the nation's housing agencies. Cole's appointment as Administrator had produced Horne's initial demotion and isolation just twenty-two months earlier. This time Horne — and his like-minded assistant, Corienne Morrow — found their jobs eliminated in what had now become a familiar ritual: official displeasure, sanctions, protest, and eventual settlement, as occurred in 1953 and would be offered in 1955. This time, however, there would be no settlement.

Cole's publicly stated reasons for taking such drastic action proved so patently transparent they would have been laughable had not the issues been so serious. The initial dismissal announcement of July 25 cited “budgetary considerations” after the appropriation for the Administrator's office had just been increased from \$2.8 million to \$5 million. There were, moreover, roughly 900 housing agency positions, some 200 of them staffed at equal or higher rank; only Horne (who should have been protected by his career status and veteran's preference) and Morrow were fired, and they represented 25% of the eight African Americans in those jobs (Morrow was the only woman). Cole obviously wielded the budgetary axe with great selectivity and dexterity.<sup>cii</sup>

If conceivable, the second ostensible reason for the reduction-in-force made the first one seem convincing. Compelled to respond to a flood of protesting communications, Cole drafted a reply for Max Rabb to send out in the President's name. “The decision that the special unit headed by Dr. Horne was no longer justified came about in the course of Mr. Cole's review of his agency's personnel needs for the new fiscal year,” the letter stated. “It was decided,” Cole tried to explain, “that the Agency's organization would be strengthened if all of the racial

functions were concentrated in the regular Racial Relations Service headed by Joseph R. Ray.” Getting quickly to the point, the missive attempted to reassure critics that “this action reflects no change in the attitude . . . on matters affecting racial minorities.” That was a point now well understood by angered civil rights advocates – though it was clearly not taken in the way Cole had intended.<sup>ciii</sup>

The letter’s final paragraph contained what the administration must have considered a controversy-ending offer. In an attempt to reprise 1953’s strategy, Cole dangled yet another job in front of Horne, one that would let him “retain his previous salary” (so much for “budgetary considerations”) and also permit him to use his “talents and experience.” The new position, however, unlike the earlier one fabricated in “Minority Studies,” would cut him off entirely from domestic racial affairs and place him in an office dealing with international housing issues. Horne refused it without hesitation.<sup>civ</sup>

For his part, Horne understood only all too well the real reasons behind his forced departure: the intertwined problems of race and politics. He rejected the international post, he said, because “acceptance . . . could only be interpreted as a repudiation of my efforts to implement the principle of non-discrimination in housing . . . to which I have dedicated my entire public service.” “Every informed observer,” he continued,

recognizes that the key problem . . . is the question of whether federal support of the racially discriminated housing market is to continue. . . . I have, therefore, identified myself with the efforts of Negro families in Chicago, Los Angeles, St. Louis, Dallas, Atlanta, Detroit, Cleveland, New York, Richmond and other cities . . . to attain the real property rights due them under the Constitution.

Since the embryonic urban renewal program was now bringing this matter into “sharp focus,” Horne’s assumption of the new position would serve only to “divert” his time and efforts. “I cannot honorably accept an offer,” he directly informed Cole, “whose good faith I so deeply question.”<sup>cv</sup>

Horne’s reading of the situation was hardly idiosyncratic; and, as might be expected, civil rights advocates and the African American community reacted with notable indignation. The National Urban League’s Lester B. Granger, for one, was well aware that two hundred individuals “at a similar grade” were passed over in order to selectively dismiss “the senior staff member in the racial relations service” and his assistant. Such facts made it apparent that Horne’s ouster was a “special action aimed at getting rid of an individual who may have become ‘embarrassing’ to the administration . . . because of his influence and views,” Granger wrote.<sup>cvi</sup> Others pointed out that Horne served as a symbol of “good race relations” and fair housing that gave the White House whatever credibility it enjoyed on those issues. His professionalism and expertise, moreover, led more than one to characterize him as a non-political expert, one that was “nationally known” and a leading “authority” on minority

housing. His forced removal subsequently sparked invidious comparisons with patronage appointee Ray and vocal concerns about both the integrity of the RRS and government support for integration. One Ivy League professor who worked in the OA during the war confirmed that Horne was "more widely known than any other single person in the field of the housing problems of the negro and other minority groups." "To force such a person from the public service," the professor concluded, "is a travesty upon the Civil Service and an act of the most shallow politics." Cole, he was certain, could have taken such action "only under the most severe and reprehensible political pressure."<sup>cvi</sup>

The most ferocious commentaries and scathing critiques, however, came from those who focused on policy and the future. George L-P Weaver, writing as acting chair of the National Committee Against Discrimination in Housing (NCDH), reminded the President that the RRS under Horne had "operated to orient government personnel, the general public, private industry, and civic agencies toward a new vision: eventual elimination of the American ghetto." But, he lamented, in the two years since Horne's initial demotion, there had been a "steady retreat from sound race relations policies." The NCDH, moreover, agreed with those who believed that residential segregation posed the "greatest danger" to the Supreme Court's ruling in Brown and that the "vast federal urban renewal program" would, "without sound racial relations review," create "new areas of segregated living." Indeed, the HHFA seemed to hew closely to the advice Administrator Cole passed on to Congress in recent testimony before the House Judiciary Committee. They should "go slow," he counseled (within days of Horne's dismissal), in eliminating discrimination from federal housing programs.<sup>cvi</sup>

All of this proved too much for New York civil rights attorney Pauli Murray. Cole's action, she wrote the President, was a "cowardly retreat" from the move toward non-discrimination and "one of a series of steps calculated to throw the tremendous financial and other powers of the United States Government behind the insidious determination to keep Negro citizens confined to ghettos." "Cities of the future are taking shape now," she asserted. "Patterns of human relations for a century or more to come are being molded by our housing developments of today." It was self-defeating, she said in a clear reference to Brown, to call for an end to segregation in the schools while, at the same time "deliberately destroy[ing] a sound race relations policy in federally-aided housing." "Why spend billions of dollars in slum clearance," she asked, "only to create new ghettos and harden the very pattern of segregation you are committed to eliminate?" As for Cole, Murray expressed "outrage" and "indignation" at his apparent belief that blacks would not understand that the Horne-Morrow purge was a "political rather than a fiscal act on your part." They knew only too well, she wrote the Administrator, that the twin firings represented "a continuation of your determination to get rid of the high calibre of thinking and the complete integrity" symbolized by Horne and Morrow.<sup>cix</sup>

Not everyone shared these opinions, of course, and Horne (and the RRS) did have detractors – particularly within the black ranks (such as they were) of the GOP. Val J. Washington, Director

of Minorities for the Republican National Committee (RNC), dispensed patronage to the party faithful and took a particularly dim view of the RRS. Its greatest sin was that it remained “in the hands of Colored Democrats,” Washington declared, who “fought our Administration’s Housing program,” in order “to perpetuate their jobs.” “These Democratic holdovers have a closed corporation,” he complained, that “ignored and fought” Joseph Ray “since the day he took office.” Betraying, perhaps, his sense of the Service, Washington declared there were “qualified” Republicans “who can hold any of these phony seat-warming, report writing jobs.” “These race relations experts,” his rant went on, “would have you believe that . . . [they] have some kind of unusual ability. This is the biggest joke of [the] modern day.” In sum, Washington judged the RRS “one of the most absurd operations in all Government” in which the “top men run around to all kinds of Negro meetings uncontrolled.” The real issue, for the patronage chief, was that the growing URA generated jobs across the country that “should be filled by qualified Republicans.” As for settling the housing market’s racial problems, Washington remained confident that the Republicans would do so “on a more practical basis” than could those adhering to the “old New Deal theory.”<sup>cx</sup>

If any doubts remained regarding the potent mix of partisanship and policy in the Horne affair, they were dispelled by the hearing on his civil service appeal. There, the NAACP’s Clarence Mitchell testified that Cole informed him – in front of witnesses – that the “budgetary considerations” rationale for Horne’s dismissal was just a cover. The “real reason,” Cole then said simply, was “politics.” “That’s why I got to move him.” The “sole reason,” Horne’s most ardent advocates subsequently concluded, for the HHFA’s “calculated drive . . . to rid itself of Dr. Horne and his assistant [was] pressure by the Republican National Committee.”<sup>cx</sup> And, it must be added, it was politics writ both small and large – from the pettiest partisan battles over patronage to vital debates over broad questions of public policy – that sealed his fate and Morrow’s.

To their supporters, the consequences of their forced exit seemed immediate and dire. Corienne Morrow herself and the NCDH’s Frances Levenson, for example, saw Cole’s internal HHFA reorganization as part of a larger campaign to evade the import of recent Supreme Court rulings. “The movement to use residential containment to enforce school segregation is gaining momentum,” Levenson flatly told her executive board. Similarly, Morrow alleged that Cole “conceived” his special “minority housing program” in order to “counteract” *Brown*. To them, and others such as housing expert Charles Abrams, Cole’s actions and HHFA policy represented a repudiation of the principle of non-discrimination and a change in the promising direction seemingly taken just a few years before. Indeed, the NCDH wrote of the “abandonment” of the “Horne policy” of “steady advance in racial relations” through “the application to all federal housing programs of all the technical knowledge and skill accumulated by specialists in this delicate and complex field.” The “practical result,” the Committee vented, was that the federal government was now “actively promoting and financing a vast program of intensified, enforced segregation.”<sup>cxii</sup>

Long-term prospects seemed even more frightening. Urban renewal, obviously, had the potential to “literally change the face of urban America.” The URA also, just as clearly, in NCDH eyes, had the authority to pursue its mission on a non-discriminatory, non-segregated basis. “Unless this authority is used,” the NCDH predicted, “a new slum will be created for every one eliminated, and the pattern of constrictive ghettos will be fixed upon America for many years to come.” The only difference between the old ghettos and the new, NCDH prognosticators presciently wrote a decade before Watts exploded, was that “the new ghettos will be more confining than the old, the pressures will be greatly increased and the danger of violence intensified.” It was, therefore, in their judgment, “a policy of incredible folly and recklessness” made “all the more . . . deplorable” by its secret adoption “under a pretense that the Horne policy is still in effect.”<sup>cxiii</sup>

It did not take long for the implications of the purge to manifest themselves. First among them was the rapid deterioration of the RRS. Virtually under siege since 1953, the Service found itself neutered by Cole in the mid-1950s, and then placed in thrall to the Administrator’s agenda by the end of his tenure in 1958. At first, Ray was careful to question neither his boss’s motives nor his actions. He defended Cole, for example, against the charge that the Administrator was intentionally “scuttling” the RRS. “I have no agreement whatsoever with this accusation,” he reassured his superiors. At the same time, however, he felt compelled to voice concern about the need to “revamp” the whole operation. “The field service,” he reported in 1955, “is spread too thinly over a vast territory without proper supervision resulting in inefficiency and ineffectiveness.” “It is evident that further delay in giving more serious consideration to this task,” Ray warned, “could have embarrassing, as well as some serious repercussions.” Decrying the lack of a “well-defined program, with central authority or responsibility” Ray submitted a reorganization plan that, with but a single staff addition, promised “at least 100,000 units in new construction . . . in the minority housing field during 1956.” Despite playing to Cole’s quantitative bent, however, the plan went nowhere.<sup>cxiv</sup>

By early 1956, Ray complained more pointedly that the RRS was “being denied the opportunity properly to advise the Administrator” on racial issues and that the Service’s “duties and responsibilities” had been diminished. In obvious disagreement with Val Washington, Ray doggedly asserted once more the need for “skilled racial relations technicians.” By the early spring of that year, however, it became obvious that the RRS had been systematically excluded from all review and evaluation processes; the agency even routed mail and referrals to racial problems to other offices as a matter of routine. Completely frustrated with the “bypassing” of the RRS, Ray argued that such treatment undermined “the integrity and vitality of the Service, especially in light of the fact that the urban renewal program affects minorities more heavily and deeply than any other segment of our citizens.” Still reluctant to ascribe motivation, Ray entertained the hope (at least in a memo to Cole) that such treatment may have been due to nothing more malevolent than an “oversight.” A different RRS officer, however, at least ventured to assign responsibility. The troubling state of affairs, he believed, existed for reasons “best known to Mr. Cole.”<sup>cxv</sup>

Within another year, though, the carping had largely ceased, and both Ray and the RRS seemed more fully domesticated. The “emotional wave of fingerpointing in the field of housing minorities has to some degree receded,” Ray happily reported in May, 1958, “and a crisp atmosphere of action is gradually developing.” Ray echoed Cole’s mantra about producing more specifically “minority” housing as he described an RRS with a new mission. The Service now sought to “stimulate a home development program, spearheaded and sponsored by Negro trade organizations.” “These efforts,” Ray went on to explain, “centered around . . . Negro-owned and -controlled lending institutions and Negro real estate brokers.” Described as a “self-help” campaign, the RRS tried to recruit and coordinate “65 Negro insurance companies, 30 Negro savings and loan associations and 500 Realtists” (which, as a Jim Crow appellation, needed no further racial designation). At the same time, informational mailings went out to “2500 officials and members of Negro organizations and groups interested in the housing problems of Negroes.” It was, in other words, precisely the sort of endeavor that had earlier drawn Frank Horne’s contempt.<sup>cxvi</sup>

Radically transformed, Ray could not help but acknowledge that the “scope of our activities has perhaps been narrowed.” And, in total conformance with Cole’s fondest wishes, he could even be “pleased to report that the reduction of personnel in our office force has not lessened our efforts for the production of more and better homes for minorities.” Yet he still could muster some concern for “the importance of Race Relations Services in the field of urban renewal.” They were, he believed, “very necessary to bring results satisfactory to the Administrator and especially helpful to those so badly in need of improved living conditions.”<sup>cxvii</sup>

## ***Housing Policy and Racial Consequences***

Midway through Eisenhower’s second term, Val Washington and the Republican National Committee requested that Cole pull together “a documented account of progress in minority group housing.”<sup>cxviii</sup> An unabashedly political presentation, it allowed the administration to make its best case. Overall, the Administrator contrasted a more energetic, aggressive, and intensive Republican effort to house minorities with what he deemed their predecessor’s more hesitant, lethargic, and sporadic endeavors. There was at least some evidence to sustain the characterization. To the extent Frank Horne and his allies within the RRS could measure their success by the number of delayed or canceled projects that would have damaged minority interests, their bureaucratic infighting, when effective, would have hampered and slowed redevelopment plans. Once Horne and the RRS were reduced from institutional brakes to mere speed bumps, and then removed as obstacles altogether, it became possible to act more assertively in augmenting the housing supply on a segregated basis.

That augmentation and segregation stood as twin pillars supporting the Eisenhower administration’s approach to housing minorities is hardly in doubt. Indeed, the assumptions they represented and the values they reflected proved so widely taken for granted that Joseph



Ray's review of an early draft caught some compromising language. "I believe it might be wise," he suggested to Cole, "to eliminate from the draft certain terms that could be interpreted as connoting racially separate housing." The unconscious, reflexive use of such phrases as "minority group housing" and "minority housing market" should be replaced, he advised, "with terms that are less susceptible to this connotation." Thus, the section initially titled "FHA Mortgage Insurance for Minority Housing" in the draft report became the far clumsier (but presumably less offensive and revealing) "FHA Mortgage Insurance for Housing Available to Members of Minority Groups" in the final version sent to the RNC.<sup>cxix</sup> The willingness to change a sub-heading, though, remained less important than the cast of mind that produced the original phrasing and the substantive policy that survived such cosmetic alterations.

The final document delivered to Val Washington proved unrelentingly positive, but could have been called "The Metaphysics of Housing." While Ray seemed confident that the record "present[ed] a very clear picture of accomplishments" that "reflect[ed] indisputable progress," much of that record consisted more of what was thought, planned, and said than actually done. Cole resurrected rapidly fading memories of his December, 1954 conference (a gathering that, by his own admission, produced "nothing tangible") and spoke glowingly of the FHA Commissioner's exhortations to develop the minority market in the summer of 1954 and spring of 1955. Programmatically, the agency intended to extend FHA services to a growing list of properties and clients not previously eligible; and for those still not accommodated, the new Voluntary Home Mortgage Credit Program (VHMCP) would provide access to FHA-like support. Persons displaced by urban renewal had legal safeguards written into the law and relocation became a top priority.<sup>cxx</sup> In sum, Cole believed he had given the RNC "ample evidence that we have made highly significant strides supporting the provision of good housing for racial minorities, and have done so in a . . . framework . . . consistent with the Presidentially enunciated . . . doctrine of moderation in matters involving racial questions."<sup>cxxi</sup>

There was less here than met the ear. Despite the talk of open occupancy experiments and a handful of "integrated" projects, Cole, the HHFA, and the constituent agencies continued to adhere to pre-Brown racial policies. For the URA, this meant consultation with local minority representatives, relocation assistance, and the promise of comparable quarters for the displaced. For the PHA, it meant the persistent application of the "equity" policy, the standard for the allocation of both jobs and benefits since the late 1930s. And for the FHA, it meant more oaths to try really hard to serve minority clients while operating on a "business basis." In no instance, however, did it mean federally-mandated or -leveraged desegregation. The color line at the housing agencies remained intact.

Indeed, Cole affirmatively defended the HHFA's refusal to interfere with federally-supported residential segregation throughout his tenure. In November, 1958, in fact, shortly before he left office, he created a stir at a San Francisco press conference by asserting that, according to the



New York Times, neither the national government nor the private real estate industry had caused residential segregation, and that the former had no responsibility – beyond obeying state and local law – to end it. The statement came less than a week after the release of the “Schwulst Report,” a study generated by the Commission on Race and Housing, a private group under the leadership of the president of New York’s Bowery Savings Bank that was financed by the Fund for the Republic. The Schwulst Report cast a harsh light on federal housing operations and had called explicitly on the government to “take the lead” in ending housing discrimination. In that context, Cole’s press conference could only be seen as an apologia for the administration, and he dutifully stated his case.<sup>cxii</sup>

The key distinction for Cole was precisely the one raised by Eisenhower in the January 28, 1955 Cabinet meeting. After claiming that he had been both “misquoted and misinterpreted” by the press, the Administrator responded to critics by emphasizing the restricted parameters of his initial statement. “I was questioned concerning the responsibility of the Federal Government to enforce non-segregation in private housing,” he wrote. “My response was that the Government does not have such a responsibility. I underline the words ‘enforce’ and ‘private’,” he pointed out, “to emphasize the limited frame of reference of the question and my response.” Where the NCDH saw public subsidization of the FHA as opening the door for a national policy of non-discrimination in the housing market, Cole affirmed a “hands off” approach for what he believed remained in the “private” sphere despite government assistance.<sup>cxiii</sup>

Cole’s assertion of private prerogatives in what was a less than private market enjoyed the support of a host of corollary arguments whose collective weight reinforced the resistance to federal “interference.” Supporters of a segregated status quo pointed to the repeated Congressional failure to legislate a policy of non-discrimination as a primary indicator of the lawmakers’ “intent.” The FHA, in particular, argued from that premise that the agency could not deny the benefits of the program to anyone for failing to meet a standard that was never mandated. The seemingly common sense assertion that the government could not tell property owners whether or to whom they must sell or rent their homes then joined with the bland assertion that federal bureaucrats were simply following local law to complete an intellectual/rhetorical barricade capable of forestalling even determined attempts to “intervene” socially in the housing market. This was the edifice that fell under Cole’s protective wing in San Francisco.

The difficulty with such apparently principled, interlocking arguments is that they seemed to cut in but a single direction – in favor of segregation; and there is evidence, moreover, that when, on rare occasion, the facts ran in the opposite direction, rules of institutional conduct previously deemed inviolable achieved a new-found flexibility. The FHA-backed purchase of a Berkeley home by a white school teacher at the time of Cole’s Bay-area press conference provided one such instance. Gerald S. Cohen’s subsequent rental of the premises to a black fellow educator sparked inquiries by both the FBI and the U. S. Attorney before the FHA instituted proceedings

to, in the words of counsel, “deprive Cohen of . . . the privileges of the National Housing Act.” No state or local law compelled such action, nor had Congress, in lieu of favoring non-discrimination, mandated segregation. Yet, the FHA, acting solely on its administrative authority, moved precisely to deny Cohen benefits under the law that would otherwise be available save for his taste in tenants.<sup>xxxiv</sup> Acts such as these could not help but make Cole’s expressed desire for the “earliest possible elimination of racial discrimination” ring hollow.<sup>xxxv</sup>

### ***The Eisenhower Record***

In the end, officially expressed desires, protestations, and the cumulative weight of uncounted policy decisions must be measured against the “facts on the ground.” In terms of public housing, some 160,000 units were built under the Housing Act of 1937. The Housing Act of 1949 called for another 810,000, but only 155,000 materialized in the first three years after its passage; the Eisenhower administration continued construction, but at an even slower pace, averaging 15,000 to 35,000 units each year into the next decade. Some 600,000 were produced altogether before 1960, and, ten years later, 1 million of the 1.3 million units in use by the 1980s were in operation. With regard to urban renewal, some 877 localities had adopted “workable programs” by mid-1959. Of those, 386 were then engaged in carrying out 645 different projects.<sup>xxxvi</sup>

There were hints, however, that all of this activity represented something less than a social revolution, or even a triumph of New Deal-style reformism. One of the clearest indicators was the uneven regional distribution of the federal largesse. Nearly half of all the local PHAs, for example, could be found in but thirteen Southern states; together they controlled one-third of the nation’s public housing units – a disproportionate amount by any reasonable standard. Georgia alone had 180 PHAs by the end of the 1950s; and, in a state hardly known for its urbanity, progressive social policy, or love of federal intervention, it had also adopted nearly 90 “workable programs” for urban renewal. No other state, whether in the industrial northeast, the midwestern rustbelt, or far west, requested such frequent national support or bureaucratic assent.<sup>xxxvii</sup>

The South’s easy, indeed, eager acceptance of the federal government’s novel presence in its urban affairs between the 1930s and 1950s stands in stark contrast to the bitter, historic resistance characteristic of preceding and succeeding decades. The obvious explanation for the region’s unlikely equanimity would seem to be the effortless adaptation of federal housing and renewal policies to local racial realities and, in fact, their positive assistance in reinforcing patterns of segregation. More than a means of maintaining the status quo, federal subsidy and authority had considerable utility for those desiring a refashioned dual school system and a more rigid form of racial separation in a post-Brown world. It also provided a way to spur economic growth and development while accommodating growing minority needs within the locality’s traditional racial framework.

By 1959, the U. S. Commission on Civil Rights reported that “segregation in all public housing projects and in most renewal projects appears to be the official rule throughout the South.”

Quoting a high Atlanta housing official to the effect that “forced integration” would bring only “chaos and tragedy,” the Commission articulated its own domestic “domino theory.” Any attempt to enforce such a policy would simply result in the refusal to accept federal aid and the effective termination of the public housing program throughout the region. That, in turn, would mean the evisceration of the ability to relocate the displaced poor from urban renewal sites and the shutdown of that initiative as well. Given the level of black need, the executive director of the Atlanta Housing Authority warned that such a chain of events would “militate against the best interests of the nonwhite population.” That likelihood compelled the Commission to conclude, in Cole-like fashion, that “considerable progress” could be made in providing minorities with “equal opportunity for decent housing,” but only “within the limits of the Southern policy of racial separation.”<sup>cxviii</sup>

It would be a mistake, however, to view such developments through the South’s peculiar regional lens alone or to assume the idiosyncratic nature of such adaptations. If, given the challenges presented to Jim Crow at this precise moment, the Southern seizure of federal tools for parochial ends boldly stood out, the rank opportunism of the North more than matched that exhibited below Mason and Dixon’s line. It must be remembered that the emergence of the ghetto in the urban North in the first half of the twentieth century placed a premium on the establishment of physical distance between the races. Southern reliance on social distance to hierarchically separate blacks and whites who otherwise found themselves in close and intimate proximity meant that it lagged behind the North in creating residentially segregated cities. Forced to absorb a floodtide of black migrants during and after World War II, the industrial North had to redraw its social landscape even as it sought economic revitalization; it tried to sustain a pattern of segregated neighborhoods, in other words, amidst bewildering change. For the South, the problem was not to preserve existing residential patterns under new circumstances, but to create them in emulation of the Northern model. Thus the Commission on Civil Rights, as it approached the end of the Eisenhower administration, could complain, with reason, that federal involvement in urban renewal established “strict patterns of residential segregation” for “the first time” in some localities. Indeed, in a statement that embraced every region, it acknowledged that “urban renewal projects are . . . accentuating or creating patterns of clear-cut racial separation.” As for Cole’s HHFA, the Commission cited the Administrator’s San Francisco press conference as evidence that the agency had not “moved very far or very fast” in fighting such discrimination.<sup>cxix</sup>

If there were regional and local variations on the national theme of increasing residential segregation with federal support, it is clear that legislative and administrative policy emanating from Washington, D. C. was more than just passively permissive. It was not simply a matter of indulging the prejudices of state and municipal authorities (although there was much of that), but the Congress and executive branch housing agencies paved, pointed toward, and pushed localities down a path they had long sought but never before reached without federal intervention. The cities simply filled in the blanks of a template cobbled together on the national level; the results and consequences of housing policy during the Eisenhower years –

and their influence in succeeding decades – represented both the symbiotic and synergistic relationships that characterized contacts among local, state, and federal governments.

The best indicator, perhaps, of the outcome produced by that symbiosis and synergy can be found in a comparison of indices of black isolation within the neighborhoods of thirty cities calculated by Douglas S. Massey and Nancy A. Denton for their excellent book, American Apartheid: Segregation and the Making of the Underclass. They computed their indices for two years. The first, 1930, captured urban America on the eve of massive federal involvement in housing, redevelopment and renewal; the second, 1970, followed a generation of such intervention and more than a decade-and-a-half of post-Brown civil rights agitation. The data are striking. Rates of black isolation jumped dramatically in every case without exception. Equally important, the rates generated by a dozen Southern cities rendered them virtually indistinguishable from their Northern and Western counterparts. Indeed, if measured only by a regional average level of black isolation, the South not only “caught up to” but surpassed its competitors.<sup>xxx</sup>

**Table 2.4 Indices of black isolation within neighborhoods of thirty cities, 1930-1970**

City	Northern cities		Southern cities	
	1930	1970	City	1970
Boston	19.2	66.1	Atlanta	88.0
Buffalo	24.2	75.2	Baltimore	84.8
Chicago	70.4	89.2	Birmingham	57.9
Cincinnati	44.6	63.9	Dallas	82.0
Cleveland	51.0	86.6	Greensboro	62.0
			Houston	72.1
Columbus	----	65.2	Memphis	82.9
Detroit	31.2	77.1	Miami	81.5
Gary	----	83.2	New Orleans	75.6
Indianapolis	26.1	65.5	Norfolk	79.8
Kansas City	31.6	75.6	Tampa	62.3
			Washington	88.1
Los Angeles	25.6	73.9	Average	76.4
Milwaukee	16.4	74.5		
New York	41.8	60.2		
Newark	22.8	78.3		
Philadelphia	27.3	75.6		
Pittsburgh	26.8	70.8		
St. Louis	46.6	85.1		
San Francisco	1.7	56.1		
Average	31.7	73.5		

Sources: Indices for 1930 are computed from ward-level data and come from Stanley Lieberson, *A Piece of the Pie: Blacks and White Immigrants since 1880* (Berkeley: University of California Press, 1980), pp. 266, 288. Indices for 1970 are computed from tract-level data and were calculated by the authors using U.S. Bureau of the Census, *Census of Population and Housing 1970, Fourth Count Summary Tapes, File A* (Washington, D.C.: U.S. Bureau of the Census, 1970).

The attenuation of regional differences reflected more than a national consensus on race; it was also evidence of the national template of housing policy forged between the New Deal and Great Society. Bracketed by two periods of ostensible Democratic “reform,” the activism of the Eisenhower years played a defining role in crafting that template by developing its urban renewal departure and its administration of existing programs such as public housing and those of the FHA.

### ***The FHA***

The results generated by the upper-tier FHA program are instructive. From its inception in 1934 to hearings held by the U. S. Commission on Civil Rights in 1959, the FHA insured mortgages on more than 5,000,000 homes and over 800,000 families occupied similarly covered multifamily rental or cooperative projects. More than 22,000,000 homeowners qualified for agency-backed home improvement loans. In barely its first twenty years of existence (1934-1955), the FHA insured mortgages on nearly 30% of all new private nonfarm residential construction.<sup>xxxix</sup>

The agency's presence literally restructured the housing market; so much so (and so favorably), in fact, that Republican political advisors did not hesitate to clamber on board this particular New Deal bandwagon. One White House counselor, in gearing up for the 1956 campaign, asserted that the federal interest in cities and housing was “no longer the political offspring of any one party.” The “affirmative steps already taken” by the President should, it was advised, be trumpeted as a “major domestic achievement” that “dwarf[ed] the claims of previous Administrations.” Indeed, one needed only to look at the “huge scale” of clearance and renewal operations, and perceive the “political potentials inherent in the provision of the Nation's homes” to come to such an obvious conclusion. The “liberalization of terms” upon which homes could be purchased following FHA intervention in the sacrosanct market could be rationalized, moreover, as a “new direction” taken on the advice of pragmatic, “highly specialized businessmen” and an abandonment of the “detached theorizing of Government planners.”<sup>xxxix</sup>

If the administration could embrace the “liberalization” of financial terms, however, neither the FHA nor the White House demonstrated similar flexibility in the social sphere. In 1959, witnesses told the U. S. Commission on Civil Rights that minorities occupied fewer than 2% of the homes insured by the FHA since World War II; and most of those units could be found in segregated, all-black developments in the South. The degree to which the upper-tier, private housing program remained a white preserve is perhaps best illustrated by the fact that the FHA, over its first twenty-five years (1934-1959) assisted in building but 200,000 units for black occupancy — and at least 25,000 of those resulted from “racially designated priorities” associated with the defense housing program. Agency attention and effort were clearly directed elsewhere. “With the help of FHA financing,” the Commission concluded, “all-white suburbs have been constructed in recent years around almost every large city. Huge FHA-

insured projects that become whole new residential towns have been built with an acknowledged policy of excluding Negroes.”<sup>xxxiii</sup>

Again, two specific Southern examples demonstrate the conditions under which the FHA would lend its support for minority housing — and what it hoped to accomplish through such assistance. First, in Atlanta, the agency tried to assist in the relocation of those displaced by urban renewal as encouraged by section 221 of the Housing Act of 1954. The city, however, rejected 12 of 15 suggested sites for “political” (read: “racial”) reasons, in effect reserving “unused land for white development.” Still, Atlanta provided more new housing units on outlying land for blacks than did most other cities; but it did so, the Civil Rights Commission revealed, only after whites and African Americans “negotiat[ed] the orderly transition of some areas from white to colored occupancy” and “reliev[ed] the pressure for colored expansion into existing white neighborhoods.”<sup>xxxiv</sup>

In New Orleans, desperate housing needs similarly intersected with political necessity to produce the FHA-assisted Pontchartrain Park Homes development — a 210-acre site that surrounded a park and golf course with more than a thousand homes built for middle- and upper-income blacks. Designed both to meet a real demand and salvage the principle of “separate but equal,” the project included a “shopping center, a public school site, and scenic drives” that identified it as a “high class subdivision for Negroes.” With legal action pending that promised to breach the color-line in such public facilities as golf courses and parks, New Orleans tried (as did Atlanta) to “relieve the pressure” by finally living up to a now-discredited maxim. It was as if the sheer novelty of providing new construction for blacks that featured “utilities, underground drainage, curbs, gutters, sidewalks, street paving and other facilities equal to or better than that provided” a neighboring white subdivision could compel a return to a pre-Brown jurisprudence. Indeed, in a September, 1954 letter begging for FHA support, Mayor DeLesseps S. Morrison affirmed the city’s “vital interest” in the project, pledged its financial assistance, and offered assurances that there was not the “slightest possibility” that either he or the city council would “change the designation of this area from one of colored development to development for whites.” Hoping to do more than put roofs over the heads of the Crescent City’s black professional class, Morrison closed with a promise to “bend every effort possible to make this badly needed project a reality.”<sup>xxxv</sup>

The local branch of the NAACP protested against the poisoned pill of segregation that accompanied the project, but the homes sold quickly and the development proved, financially at least, a rousing success. Pontchartrain Park became, in fact, a symbol (in the FHA’s own estimation) of good works and an example proudly discussed around the country by agency officials. Attempts to gain minority approval for such efforts beyond Dixie’s borders, however, could be difficult, as FHA race relations officer George Snowden learned in Detroit. In a biting letter to the President, one black realtor told of Snowden’s “gleeful” rendition of the New Orleans story and how its neighboring well-to-do all-black and all-white communities (“all insured by F.H.A.”) represented “the type of thing [the] F. H. A. wanted.” “The rest of his

speech,” the realtor reported, “consisted of illustrations of segregated housing of other communities, and how very proud he was of the housing for Negroes only, which he had been shown in Detroit.” Snowden finished, to the evident disgust of his reporter, by asserting that “he was near the end of a four-month’s tour of more than fifty cities to encourage construction of this type [of] segregated homes.”<sup>xxxvi</sup>

If minorities found participation in FHA programs elusive and, when attained, purchased only at the cost of segregation, the administration tried — at least feebly — to address the problem of accessing capital. Created by the Housing Act of 1954, the Voluntary Home Mortgage Credit Program (VHMCP) was a private sector initiative designed to forestall direct government lending as it extended credit to those having difficulty obtaining conventional or FHA assistance. Minorities were to be primary beneficiaries, but the program had great trouble attracting them from its inception. Frank Horne pointed to a legacy of discrimination and a history that taught black brokers that the “FHA was not for them or their clients.” Such brokers learned how to obtain conventional, if costly, loans but lacked experience “in handling the more involved and time consuming” government transactions; Horne theorized that they shied away from the VHMCP for that reason. Whatever the cause, there is little doubt that, as RRS officer B. T. McGraw put it, the program generated “only a very small number of applications” from minorities. The Civil Rights Commission confirmed that, in its first four-and-a-half years of existence, the VHMCP placed fewer than 40,000 loans nationwide, with but 8,000 of them going to minorities in metropolitan areas. One VHMCP official admitted to the Commission that the number served was “far smaller than had been originally anticipated.” The Commissioners could conclude only that the program “neither stimulated any large volume of construction of new homes for minority group families, nor has it relieved . . . the shortage of mortgage credit for minority groups”<sup>xxxvii</sup>

The FHA, then, maintained an unerring constancy in the conception and implementation of its racial policies from its organization in 1934 through the Eisenhower administration despite the appearance of great change. Ostensibly, the FHA evolved from an agency that required segregation, through a period in which it maintained a studied “neutrality” on race, to a position from which it “encouraged” open occupancy developments by the end of the 1950s. True, its Underwriting Manual dropped references to “inharmonious racial groups” from its appraisal criteria in 1948, and the agency finally ceased its advocacy of racially restrictive covenants (albeit belatedly and reluctantly) two years later. In 1952, the FHA even set racial “goals” for its local field offices in the hope of expanding the housing supply for minorities, and, following Brown in 1954, encouraged “open occupancy” projects even as it promised to stop doing business with builders and developers who violated state anti-discrimination laws.

But the reality was that changes in printed criteria, procedures, and guidelines had little impact on actual practice; appraisers continued to follow the lead of a private real estate industry that remained wedded to invidious racial judgements and discrimination. As for the program establishing racial “goals” in the localities, it was jettisoned almost as soon as it began. And



the threat to cut off discriminatory developers proved equally worthless. The FHA refused to act on its own initiative (even where builders stated discriminatory intent) and warned that sanctions would be imposed only after the states instituted a formal proceeding and issued an official finding. No developer ever bore the sting of punishment under this standard. In the end, despite the metamorphosis in stated policy, the FHA's largesse remained beyond the reach of the overwhelming majority of minority families; and the only exceptions appeared invariably to reinforce — or indeed, enhance — the existing segregated order. In 1959, the agency self-consciously rebuffed attempts by the Commission on Civil Rights “to secure official figures on the degree to which nonwhites have participated in FHA programs” by claiming the numbers “were not available.” Citing “difficulties” in collecting such information, officials simply reiterated their track-covering, post-Brown determination to “abandon . . . the whole idea” of gathering racial data.<sup>xxxviii</sup>

### ***The PHA***

The FHA's hallmark consistency contrasted sharply with the fundamental transformation that overtook PHA operations. The Eisenhower years marked a watershed in the public housing program as it dropped all pretense of “reform,” assumed a strictly utilitarian posture, and saw its social role transformed from presumptive escalator for the working poor to warehouse for the impoverished and most unfortunately located residents of the urban core. The dilution of public housing's “reform” content could be seen in a process that dated to its very act of creation. The 1937 Wagner-Steagall Act that gave rise to public housing and the USHA emerged from its legislative battles as a compromise measure in which conservatives eliminated all aid to the nonprofits, cooperatives, and demonstration projects so prized as experimental vehicles by the reformist “housers.” The measure also slapped a tight lid on construction costs, restricted the program to those who could not afford market-based shelter, and established the linkage between public housing and slum clearance. Most important of all, the bill exhibited a deference to localism that meant that tenant- and site-selection remained in local hands, as did the decision as to whether or not a town would choose to take advantage of the proffered assistance at all. The Housing Act of 1949 tightened the connection between redevelopment and public housing, and the renewal legislation of 1954 went still further by monopolizing a limited supply of public units to service a market-based economic revival rather than a social revolution.<sup>xxxix</sup>

With the onset of the massive demolition that accompanied slum clearance and, especially, the invigorated post-1954 renewal program, the most dramatic transformation in the lower-tier public housing program involved its racial composition. In the mid-1930s, the PWA's housing program — based on population and relative need criteria — devoted more than one-third of its units to African Americans in twenty-one segregated and six technically “mixed” projects. In 1948, nearly a decade-and-a-half later, the proportion of black-occupied public housing stood virtually unchanged at 35%. By 1959, however, the number of public housing units occupied by blacks jumped to 45.5%. Given the nature and demands of urban renewal, this proved but the first step in the process through which public housing would soon become identified as an

inner-city, problem-plagued “black” program. Indeed, in the first three years following the passage of the Housing Act of 1954, the task of relocating displaced inner city residents so dominated the public housing program that nine of every ten such tenants in urban renewal areas were non-white. By the 1970s, more than three-quarters (76%) of all public units designed for “families” could be found in central cities; they contained, tellingly, some 76% of all the public housing units occupied by blacks, and 82% of those held by Hispanics.<sup>cxl</sup>

The tendency for PHA operations to be characterized by high rise, inner city, black-occupied projects in the 1950s received perhaps its most extreme expression in Chicago. There, the city administration selected public housing sites almost exclusively in all-black areas to rehouse those to be uprooted by renewal projects that were thinly disguised exercises in “Negro removal.” Operating under a nominal “open occupancy” policy (application of the old “equity” standard would have meant a greater white allocation), some 85% of such public housing became black-occupied before the end of the decade. Chicago thus became a model for large, Northern cities in which, according to the Commission on Civil Rights, “open occupancy” became “a euphemism for ‘Negro housing’.” The PHA, the Commission added pointedly, had “no policy for dealing with the problem which exists Chicago.” Site selection remained a local prerogative; and the PHA refused to disapprove of project sites selected for their utility in segregating the black population. HHFA Administrator Mason conceded “something should be done” here, but could not propose any constructive action in his testimony before the Civil Rights Commission.<sup>cxli</sup>

The imperatives imposed by the Housing Acts of 1949 and 1954, along with some accompanying shifts in administrative policy, meant, moreover, that public housing’s newest tenants changed more than the program’s complexion. Beginning in 1950, the PHA began to demand the mass eviction of “over income” tenants. Put off by postwar housing shortages and political pressures, these forced departures removed public housing’s most successful inhabitants and destroyed the program’s mixed-income character. The reduction in the authorization of new low-rent units — from 810,000 in 1949 to 140,000 in 1954 — not only added force to the movement to reclaim living quarters from the “ineligible,” but, given public housing’s mandate to facilitate renewal by assuming the burden of relocation, meant that high priority displaced families commanded virtually every unit. Maintenance suffered as PHA workers who formerly lived on-site were forced out, and the projects’ rental income (which paid for upkeep) dropped precipitously. At the same time, local managers lost the power to screen tenants and found themselves compelled to take in precisely those who had proven least capable of sheltering themselves in the private market.<sup>cxlii</sup> The result was that the gulf separating the upper tier, private, largely suburban and white, homeowner’s hidden subsidy program from the lower tier, public, largely inner city and nonwhite, renter’s directly subsidized program loomed larger and became more visible.

The rapid physical deterioration of the high rise public units and the quality of life within them emphasized the gap — and, as might be expected, segregation compounded the problems. In

offering a 1957 critique of agency operations, the RRS's Philip G. Sadler informed the PHA Commissioner that, in their "segregated programs," the sites of black projects were frequently "far removed" from those housing whites, "thus creating serious management and maintenance problems." The former, moreover, were often situated "on terrain which is difficult to keep in good, dry and sanitary condition." Better conditions generally obtained in black projects under African American management, but Sadler found the whites vested with such control "not always sympathetic toward Negroes as a group." And in those black developments lacking a management or maintenance office altogether, service remained "only occasional and inadequate." Finally, Sadler's report had to acknowledge that the expulsion of over-income tenants included an "overwhelming number of Negroes." Offered the fewest private market choices, they tended to hold onto their public units longest, and the transition hit their buildings hardest. The "only solution," Sadler concluded, was an "onslaught on the barriers which restrict Negroes to defined areas, and on the . . . increasing rents and sales prices charged them for decent housing."<sup>cxliii</sup>

The administrative and conceptual separation of the federally-supported (and increasingly racially identifiable) housing operations made the always vulnerable lower tier an even more inviting ideological and political target. The real estate lobby, among others, made frequent and effective use of public housing's seemingly "socialistic" character in the age of Joe McCarthy in attacking its very existence. One last Eisenhower era innovation, however, shored up the program's political base as it recruited a new constituency without threatening its ability to sustain segregation. The 1956 decision to make public housing accessible to the elderly, in a single stroke, to quote one close observer, made "the program more palatable" and, in the aggregate, made it appear to be more than a vehicle for creating racial reservations in the urban core.<sup>cxliv</sup>

A statistical snapshot of PHA operations taken at the beginning of John F. Kennedy's presidency demonstrates both the impact of new procedures and the dogged continuity of racial policy. On the one hand, whereas the proportion of black-occupied units continued to increase to 46.8% (210,280 out of 449,353 as of March 31, 1961), it did so only slowly and still presented a picture of some overall balance. On the other, however, remained the inescapable fact of near universal segregation. Of the 2,596 PHA projects then open, 774 were "all Negro," 973 were "all white," and 14 were "exclusively Latin-American." Another 204 contained both blacks and whites, but remained internally segregated, according to the PHA Commissioner, "by site, buildings, or other artificial barriers." Thirty-six additional projects maintained an all-white or all-black occupancy save for the presence of a single "other race" family. Outside the 506 developments designated as "completely integrated," the final fifty included "at least one integrated project and at least one unintegrated project." As for the "completely integrated" sites, the PHA defined them as containing "whites and Negroes in varying numbers, without any efforts to control their placement within the projects." Undoubtedly including those with a mere token non-white presence (apparently anything more than a single family would suffice) as well as those undergoing racial succession, an

accurate accounting of stable, “completely integrated” projects remains elusive. It is exceedingly likely, therefore, that segregation remained the rule in more than the 80% of its projects so characterized by Commissioner Marie C. McGuire at the beginning of the 1960s. Still showing great deference to local authority, she admitted PHA policy in this area was “arrived at by administrative decision” and “could be changed in the same manner.” But, given the projected impact an “open occupancy requirement” would have, she expressed great reluctance to “institute such a policy unless by order of the Administrator or higher authority.”<sup>cxlv</sup>

By 1977, the last year for which such racial data are available, the impact of including the elderly in the program was starkly apparent. Of the approximately 1.3 million public housing units then in existence, the elderly occupied 47%. In a detailed statistical study, John Goering and Modibo Coulibaly conclude that the inclusion of the elderly “promoted a substantial realignment of the allocation of units, including their increasing suburbanization.” They reported, furthermore, that their racial data “suggest the concentration of nonwhite families in central city public housing authorities, with elderly households, primarily white, located outside of the central cities.” In short, the congressional action to open public housing to previously ineligible elderly tenants broadened the PHA’s constituent base, restored some of the program’s racial balance (if not “equity”) in the aggregate, and largely did so within the framework of segregation.<sup>cxlvi</sup>

## **The URA**

Urban renewal constituted the third leg in the triad of key government programs — along with the FHA and PHA — designed to address the nation’s housing ills. As the newest, and the one invested with the tasks of economic revitalization and slum prevention (in addition to the removal of blight), urban renewal held great promise. Albert Cole’s resignation in early 1959 and his replacement as HHFA Administrator by former FHA Commissioner Norman P. Mason, moreover, seemed at first to indicate a greater administration willingness to confront the racial difficulties then beginning to manifest themselves.

Indeed, in a New York speech, Mason focused on the “baffling problem of minority group concentration in the larger American cities.” Rather than seeing the agencies under his aegis as a source of such residential “stratification,” however, Mason gave the impression that urban renewal might provide “a means of relieving the unfortunate trend toward concentration of Negroes in the central sections of our cities.” The Washington Post subsequently editorialized, in fact, that renewal, under Mason’s direction, could “change the character of close-in slum areas.” In a column entitled “Ethnic Balance,” however, the paper wildly misread the Administrator’s concerned tone and what should have been the familiar incantation that more living space must be furnished the poor then being displaced by new construction. The editors asserted — with great hope and without warrant — that Mason’s HHFA placed “increasing emphasis on ethnic balance” and that it would use the leverage of the “workable program”

requirement to compel the “housing of minorities outside the core area as well as” their reintroduction into “reclaimed slums.”<sup>cxlvii</sup>

No doubt some in the URA harbored such intentions, as did some in the re-named Intergroup Relations Service. But, however soft the rhetoric, it is clear that Mason had no such leanings. When the URA proposed issuing a publication entitled “Urban Renewal for all Americans,” Mason dismissed it as “not proper for the government” to release. Though the draft document itself has not yet been located, Mason’s critique is telling. It contained, he pointed out, a “clear cut admission that we program for ‘Negro’ families and nonwhite families’.” Anticipating a “fiasco” should it become public, the new Administrator observed that the “paper could even be called the ‘Battle of the Races’.” “And that’s not a good government publication even in an off-election year,” he added somewhat acidly. Among a host of other problems, Mason warned that “positive statements” about excluding people from their old neighborhoods would not play well. Finally, he asked rhetorically, “do we really stand for breaking up the ‘ghetto’ by bringing people from the suburbs?” The clearly implied negative response to that query immediately preceded his unequivocal decision to bury the report. To do otherwise, he concluded, would simply give the opposition “lots of clubs to clobber us with.”<sup>cxlviii</sup>

Mason’s evident discomfort with urban renewal’s racial implications and outcomes led to a politically- weighted judgment to mute the issue. That choice testified to the difficulties presented by the reconfiguration of American cities at mid-century, difficulties that were compounded by a Presidential promise. “We shall take steps,” Eisenhower had earlier affirmed in his 1954 housing message to Congress, “to insure that families of minority groups, displaced by urban redevelopment operations, have a fair opportunity to acquire adequate housing.” “We shall,” he reassured, “prevent the dislocation of such families through the misuse of slum clearance programs.” Such had demonstrably not been the case in the implementation of Title I of the Housing Act of 1949 under the Democrats, and it took little imagination to foresee similar racially-tinged relocation problems and charges of “Negro clearance” being laid at the feet of the GOP’s ambitious endeavors following the passage of urban renewal.<sup>cxlix</sup>

There were, of course, other possibilities. It is clear, certainly, that Frank Horne and his cohorts saw the Housing Act of 1954 as a possible new, and positive, departure, though not one without its dangers. George Nesbitt, Special Assistant to the Director of Racial Relations, warned just weeks after the Act became law that the “racially complicated causes of slums” must be faced lest urban renewal “founder from the first.” Horne agreed and suggested the creation of a Task Force of race relations specialists to thoroughly review proposed “workable programs” before they were approved. “The very essence of the urban renewal program,” he wrote, “is its challenge to localities to lift their sights and review attitudes and approaches that have caused the deplorable conditions which now require Federal and local governmental action for correction.” “At the same time,” he ruefully observed, “experience indicates that

localities are most reluctant to effect revisions in the area of racial relations and that generally Federal officials tend to the greatest reticence in influencing localities to effect revisions in this respect.” In a swipe at past practice and the “piecemeal” project-by-project approach, he advised that, to be successful, comprehensive “workable programs” had to be developed “far in excess of anything heretofore conceived” and involve a “great deal more than token representation of local minority group leadership.” He had hoped and worked, in short, for the best, but gauged more accurately the hurdles confronting a sound implementation.<sup>d</sup>

By decade’s end there was no longer a Racial Relations Service, as such, let alone a “Task Force” of experts charged with scrutinizing each and every “workable program” to see if it passed racial muster. There was, instead, a lame-duck Republican Administrator who used his letter of resignation to list administration achievements in “minority housing.” Those who dared to look beyond the rhetoric and facade of accomplishment could see, however, that it was a structure lacking foundation and substance. He spoke of a “de-Horned” Intergroup Relations Service as though it protected minority interests, of the VHMCP as though it made up for the failings of the FHA, and of the “preferential opportunity” offered those displaced by urban renewal. Mason wrote of “encouraging” open occupancy and “supporting” anti-discrimination laws passed by the states. And he concluded with a proud assertion of the inclusiveness demanded by the “workable programs.” He remained silent, however, on the “baffling problem” of increasing minority concentrations in central cities, subsidized white flight to the suburbs, the transformation of public housing, and continued federal support for segregation. It was an assessment, in other words, that seemed utterly detached from the realities and trends of the times. In accepting Mason’s resignation, Eisenhower praised the “great advances” of urban renewal, the “tremendous strides” taken toward the “goal of having every American live in a home of which he can be proud.” With more justification, he also noted the “significant increase” in home ownership among American families. The President’s reply, however, said nothing about race or the fundamental social changes reshaping the metropolitan scene.<sup>di</sup>

### ***Eisenhower’s Exit – An Executive Order Denied***

Much to its chagrin, the administration’s final grades on housing policy came not from within, but from the new Commission on Civil Rights and the private, independent Citizens’ Commission on Race and Housing, the source of the Schwulst Report – and their collective judgment represented a considerable departure from Mason’s self-congratulatory evaluation. Most striking was the way in which the two Commissions’ conclusions and recommendations tracked each other. The public body, in fact, quoted approvingly the “overriding finding” of the Schwulst Report, echoing a point made frequently by Frank Horne over the years. “[H]ousing is apparently the only commodity in the American market which is not freely available to minority groups,” the Civil Rights Commission repeated. Nonwhites, especially, the Commission went on somewhat optimistically, could “compete on equal terms” for virtually anything else, “but not . . . housing.” Where the CCR’s document detailed ways in which

federal programs maintained and extended residential segregation through persistent discrimination, the Citizens' Commission placed government "among the principal influences sustaining racial segregation in housing." Aside from the actions of the FHA, PHA, and urban renewal, publicly supported large developers revolutionized the industry while gaining government approval and "moral sanction" for their discriminatory practices, the private group concluded.<sup>clii</sup>

To those working within the federal housing agencies, this was, by now, an old tale rather than a startling revelation. Indeed, in issuing a "commentary" on the CCR's findings, Philip G. Sadler, a PHA Intergroup Relations officer, noted that they represented a "long familiar story to this office." He went on to observe that despite (or, more likely, because of) the surge in government building programs, "the situation now appears to be even worse" than before. For Sadler, who had been part of an earlier study within his own agency that found nothing to "indicate any intent or effort to comply with" the Presidential assurances contained in Eisenhower's 1954 "Housing Message," this had to be predictably distressing. The twin Commissions raised, in a particularly stark form, the issue of whether public funds were to be used "to confine nonwhite Americans" to the "less desirable" cores of aging cities.<sup>cliii</sup>

Their recommendations for action reflected the Commissions' analysis of the nature of the problem. Both explicitly recognized that the federal government now "play[ed] a major role in housing," and both, subsequently, sought federal remedies. The Schwulst Report asserted that private efforts to eliminate the "evil of housing discrimination" could not proceed "with any assurance of success unless the Federal government moves to cure the ills of its own programs by the most expeditious yet sound measures." It recommended, therefore, the creation of a presidential committee with a mandate to establish a "complete program and time schedule looking toward the elimination of discrimination in the distribution of Federal housing benefits at the earliest time practicable." Though the Civil Rights Commission pointedly rejected the forceful imposition of "a pattern of integrated housing" and sought only "equal opportunity to secure decent housing," it, too, determined that "direct action by the President" was essential. Indeed, its lead recommendation called for an "Executive order" that would cover "all federally assisted housing, including housing constructed with the assistance of Federal mortgage insurance or loan guaranty as well as federally aided public housing and urban renewal projects."<sup>cliv</sup> There is no doubt that the President was aware of such calls for his direct intervention as Earl Scwulst sent him a copy of Where Shall We Live? in late November, 1958. Eisenhower acknowledged receipt of the report a few weeks later, noting that he was "gratified" to have "an independent study of this problem" submitted by "a Commission that contains friends and acquaintances for whom I have great respect."<sup>clv</sup>

The Schwulst Report and that of the Civil Rights Commission placed the issue of an executive order that would prohibit discrimination in federal housing programs on the President's desk



for the remainder of his term. It was kept there by Senator Jacob Javits (R-NY) who, in November 1959, reminded Eisenhower of the latest research and asked directly for just such an order. Javits voiced particular concern over the persistence of “discrimination . . . in federally-aided housing activities” as well as the fact that “the decisions of the Supreme Court as to desegregation in public schools are . . . being rendered ineffective because of residential segregation.” He also worried that urban renewal worked particular hardships on minority families that were disproportionately displaced and banned from the “new construction [that] is often segregated in effect.” The senator remained confident that an executive order, backed by the “good will” of the various housing administrators could effect a “change in the pattern of segregation,” and do so without jeopardizing the housing program.<sup>clvi</sup>

Unlike Max Rabb’s startled reaction to Adam Clayton Powell’s 1953 request, this time no one in the administration registered surprise. The ensuing years had educated them all to the difficulty and danger of tinkering with residential segregation and the response to the senator’s proposal reflected less puzzlement than panic (and, ultimately, paralysis). When handed Javits’ missive, Presidential aide Bryce Harlow sought advice on how to handle the problem, noting with trepidation that “[t]his one has hair on it.” Turning to another assistant for guidance, Harlow wrote Gerald D. Morgan to ask “what kind of follow thru [sic] [is] needed.” Indeed, he even felt the need to inquire as to whether they should “in truth try to do something on this?” Morgan advised that “Housing [HHFA] look over Javits’ letter & come up with comments.”<sup>clvii</sup>

Administrator Mason claimed that the issue raised by Javits “has been a long concern of mine.” “During the past several months,” he admitted, “we have been carefully reviewing the housing recommendations in the final reports of both the Federal Commission on Civil Rights and the Commission on Race and Housing.” He intended to make a recommendation on the executive order before the end of the year, and by mid-January, 1960, staff talked openly of Mason’s negative decision. The Administrator finally informed Javits during the summer that the “matter has been under discussion since the Schwulst report was received.” “The general feeling has been,” he went on, that

while the President is fully and actively in accord with the principle of equality of opportunity in housing for all our citizens, he has felt that with the splendid progress . . . being made in this field by voluntary cooperative leadership, that perhaps the results will come more rapidly than through an Executive Order.<sup>clviii</sup>

In the end, that order had to await another Presidential campaign, a change in administrations, and two more years – and all that for a statement that fell short of the one called for in 1959.

## **Conclusion**

The Eisenhower administration inherited both a housing problem and a bare handful of remedial tools when it assumed office in 1953. The FHA (created in 1934) and public housing (sanctioned in the Housing Act of 1937) represented the New Deal's best efforts to use housing to revive a moribund national economy, transform the majority of American families into homeowners, and provide shelter to that famous "one-third" of the nation too poor to compete in the marketplace. The immediate postwar era produced, furthermore, the Housing Act of 1949, a measure that began to address, it appeared, not only the housing shortage, but the more general decay and obsolescence characteristic of the nation's aging cities. Creating yet another bureaucracy (DSCUR) under the aegis of the HHFA (itself confected as a co-ordinating, umbrella housing agency in 1947), the 1949 legislation defined a process of urban redevelopment that focused upon slum clearance, massive demolition, and the use of public housing as a relocation tool for inner city residents. By 1953, the earliest efforts under the new law – most notably those in Chicago, Detroit, Baltimore, and Birmingham – generated more problems than answers, however, for the incoming administration.

There were, moreover, a number of additional complicating factors. Ideologically discomfited by much of the New Deal, Eisenhower's Republican administration found itself admiring and supporting the FHA, an agency dogged by charges of corruption. Though they made efforts to slough off blame for the "Section 608" scandals on the Democrats (on whose watch they occurred), Republicans feared the political fall-out might well damage, or even destroy, a New Deal institution that had proven a boon to the real estate and related industries. Talk of abolishing such agencies was usually reserved for "socialistic" public housing, a program now deemed essential to the process of rebuilding decayed urban cores. Fearing the cost of that process – and the recurrence of another postwar recession (or worse) – the administration sought some bureaucratic or legislative formula, through the appointment of a new HHFA Administrator and an Advisory Committee to the President, that would get more "bang for the buck" in urban revitalization (an approach not reserved for nuclear policy) and stimulate the national economy; if it saved a favored agency then under attack and transformed, in a utilitarian fashion, another it needed, but did not want, so much the better. The answer was urban renewal.

A racially bifurcated playing field provided the final, crucial element. Two major population flows – that of African Americans out of the rural South to the urban South, North, and West, and that of rural and urban whites to suburbs everywhere – made virtually every project a litmus test on desegregation. Hardly a random development, the pace of white metropolitanization relied heavily upon FHA policy and practice, including the exclusion of nonwhites. Similarly, siting and tenant-selection choices in public housing reinforced a black inner city presence. Redevelopment merely accelerated existing trends. Homeowning suburbanites who received hidden subsidies that allowed them to participate in the private

market for shelter contrasted sharply with inner city black renters who accepted direct government support through the occupation of publicly-owned projects.

Questions of racial justice attached themselves to federal housing policy long before the President's Advisory Committee took up the cause of urban renewal. Institutionally, before the 1930s had expired, the RRS emerged to protect both nonwhites in the formation and implementation of policy, and the government from charges of ill treatment and bad publicity. First under the direction of Robert C. Weaver, and then under the tutelage of Frank S. Horne, the RRS developed an “equity” policy that sought a “fair share” of programmatic benefits for minorities. That was the policy that remained in place at the dawn of the civil rights era and the beginning of Eisenhower's first term.

The appointment of Albert M. Cole as HHFA Administrator and the work of the President's Advisory Committee (as communicated in Eisenhower's January 25, 1954 “Housing Message” to Congress) gave the first hints that the new administration would pursue its own housing initiatives – and that it could hardly avoid the race issue. Indeed, Cole's appointment apparently depended upon his perceived ability to keep separate increasingly racially identifiable upper- and lower-tier programs, and to deliver service across the color line without breaking it. That the administration could acknowledge (as indicated by an advisor's notes in the margins of an early “Message” draft) that Ike's plans for urban renewal “condone[d] segregation,” simply confirmed the foreknowledge of that likely event, and the President's easy acceptance of it. Reluctant even to discuss race in public, Eisenhower soon found himself, however, drawn inexorably into a debate in which actions spoke louder than words.

The decision rendered by the U. S. Supreme Court in Brown v. Board of Education, Topeka, Kansas on May 17, 1954 still echoed in the halls of Congress and the states when, just a few weeks later, the Housing Act of 1954 brought urban renewal to life. Their temporal proximity forever linked the judgment and the legislation, and did so in more than a symbolic or coincidental manner. The judicial obliteration of “separate but equal” had obvious legal and constitutional implications for public policy in areas other than education. This was especially true of a housing program that was, essentially, built on that premise. But more than that, given the intimate connection between residence and “neighborhood” schools, there was a functional tie as well. In short, the widening debate over race and equality, and the emergent resistance to Brown, involved housing policy from the beginning.

The federal government's deference to localism – and especially that of the Eisenhower administration – need little reiteration. The first twenty years of FHA and PHA operations testified to the national government's reluctance, especially in matters involving race, to dictate policy to municipal or state authorities. The result was that local elites successfully hitched new federal powers and supports to the reinforcement (or establishment) of segregation. Brown, potentially, called that traditional relationship into question, and at least threatened great change.

Having compelled a direct engagement of the race issue, the Supreme Court seemed less disposed to resolve it quickly or decisively. Nor did the executive branch willingly jump in. The President's criticism of the Warren Court and the Brown decision were well known as were his general distaste for the public discussion of racial discrimination and reticence to grant his administration the power to root it out anywhere save in instances (such as the military) involving the most direct and controlling federal connection. HHFA Administrator Cole needed little help in following Eisenhower's lead or his own evident predisposition.

He responded in two ways. First, he curbed dissent in his own shop and reshaped the bureaucracy so that it offered little resistance. This is the context that framed the 1955 dismissal of Frank Horne and Corienne Morrow, and the subsequent domestication of the RRS. Not only were the leading voices for a policy of non-discrimination stilled, but the Service itself soon lost its *raison d'être* and, eventually, its very identity. By 1959, the Commission on Civil Rights reported, the RRS became the Intergroup Relations Service ostensibly "to avoid the connotation of racial separateness." Instead of gaining momentum with the growing civil rights movement, or broadening its base among a potential array of nonwhite interests, the new unit seemed only to lose focus. The HHFA assigned these "specialists" only "where non-discrimination housing laws had been already enacted, and "the unit's all-black personnel found it difficult to play a constructive role. One member of the Intergroup Relations Branch assigned to the PHA assessed its work shortly before the administration entered its last year. We "could and should be more effective," he wrote, "but we are precluded from being so largely because of limited personnel and because . . . there is still a tendency to overlook us . . . in making decisions as to policy and procedures. . . ; and often our warnings and disapprovals are passed over." Its effective life seemingly at an end, the Service displayed little direction or assertiveness and simply became what the RNC's Val Washington had always claimed it to be: a patronage dumping ground for politically-connected minorities.<sup>clix</sup>

Cole's second response – closely related to the first – involved the set up and operation of the Urban Renewal Administration. Still adhering closely to the principles of localism and decentralization, the Administrator made certain that there could be no effective evaluation of the racial impact of proposed "workable programs." He assigned no RRS agents to URA field offices, and such oversight procedures as were created were honored in the breach or proved strikingly ineffective. Localities subsequently had a virtual free hand to employ the new federal assistance not only to rebuild aging neighborhoods, but to restructure their racial composition.<sup>clx</sup> This became a particularly salient feature of the program in the wake of the Supreme Court's action in Brown.

The National Urban League's Lester Granger predicted, shortly after Brown was handed down, that increasing residential segregation would be used to "compensate" for the Supreme Court's handiwork in dismantling the legal supports sustaining dual school systems. And it was not long thereafter that the NAACP's Roy Wilkins and Clarence Mitchell added their protests to Granger's prognostication. Wilkins objected to a Dayton, Ohio development that included a

school to service and contain its black population while Mitchell registered a strong complaint against a planned Pulaski, Arkansas school that local authorities intended for the children of white military personnel. Cole incredibly dismissed Wilkins' call not to support segregation with the assertion that neighborhoods should not be denied government assistance simply because they were black. But even the administration had to admit that a racially restricted school financed in its entirety by federal funds for armed services families might present problems. Such straws in the wind simply highlighted housing expert Charles Abrams' claim that the President had broken his promise "that Federal funds would not be used to support discrimination."<sup>clxi</sup>

Certainly great changes had been anticipated in the immediate aftermath of Brown, and those within HHFA understood the broad implications of housing policy. Less than three weeks after the Supreme Court ruled, the agency held a race relations workshop at which the Administrator "pressed those present to examine carefully " Brown's potential impact on urban renewal, including its "interwoven" political, social, and legal aspects. "The examination revealed the inevitable sweeping influences of urban renewal activity on racial patterns in housing and related facilities," the workshop reported.<sup>clxii</sup> It went on to conclude:

An assembly of governmental funds and powers and a multiplicity of governmental decisions . . . makes possible the urban renewal project. This governmental action either catches up the favorable forces in the direction of a free housing market or cuts against them. If the latter, segregation in housing is extended and democratic advance in other areas of living such as schools . . . is left ineffective and unreal.

The HHFA personnel attending the workshop subsequently "expected " not only an "attack" against "racially exclusive public housing" but a broader campaign against segregation resulting from "public-assisted housing and [urban renewal] land assembly" as well.<sup>clxiii</sup>

It did not take long for the hopeful – or the fearful – to be disabused of such notions.

Little more than a year later, Corienne Morrow placed her separation from government service – and that of Frank Horne – squarely in the context of the Supreme Court's ruling. Not only had the HHFA "abdicated" its duty to abolish "separate but equal," according to Morrow, but – as the NCDH charged – its failure to address the "insistent racial . . . factors involved at every stage of most urban renewal proposals" threatened "the proper functioning of the program" for "all American families." If the federal government continued down its chosen path, Pauli Murray concluded with specific reference to Brown, "it will nullify the decisions of the United States Supreme Court."<sup>clxiv</sup>

By 1959, the NCDH read the writing in the rubble. "Urban renewal, the keystone of the Federal housing programs," it warned URA Commissioner Walker, "is in danger of foundering completely on the minority issue." "Unless the trends now operating are reversed," Director

Frances Levenson wrote, “urban renewal may well be remembered merely as a tremendous ‘Negro clearance’ operation.” “[F]ar from helping the housing plight of racial minorities,” the Committee concluded, urban renewal was “actually hurting them.” As for its impact on Brown,

It is resulting in both the curtailment of living space available to minority families and is increasing segregation. Entire Negro neighborhoods are being cleared to make room for housing restricted to whites only. Even some presently integrated areas are being “renewed” on a segregated basis. Some Southern communities are actually using the program to insure future school segregation by moving minority families out of presently integrated neighborhoods.

The review process had clearly broken down and “workable programs” consisting of no more than “pious declarations” routinely passed through. “Lack of definite policy by the Federal Government has permitted these outrageous schemes to receive approval and support,” the NCDH protested.<sup>clxv</sup>

Indeed, by that time, voices within the URA and HHFA could be heard confirming the perceptions of such outside critics. Taking the South particularly to task, George Nesbitt observed that urban renewal “projects are accumulating which appear or can be made to appear motivated by the desire to effect ‘Negro clearance’ and frustration of desegregation in education in the one stroke and with Federal aid.” Acknowledging the failure of current safeguards, Nesbitt suggested a halt in the processing of applications throughout the region until a new racial policy could be put in place. The new policy would, he hoped, “prevent ‘Negro clearance’, retain minority hold on living space where it now exists, and remove the Federal Government from charges of facilitating and sanctioning the racial conversion of residential areas in order to frustrate desegregation in educational and other public facilities.” The bureaucratic shield critiqued so devastatingly by Nesbitt was, of course, LPA Letter 16 – the device allegedly protective of minority interests that was praised so highly by both Cole and Mason. In short, no internal procedural reform would be forthcoming.<sup>clxvi</sup>

With such outcomes clearly apparent, the Eisenhower administration had one last opportunity to take action. When hope of obtaining an executive order prohibiting racial discrimination in federal housing programs evaporated, the House Committee on Banking and Currency brought up a bill that would cut off government support, financial or otherwise, from developments guilty of such discrimination. Asked for guidance in the spring of 1960, the HHFA’s Mason responded for the administration that, despite its “sympathy with the underlying purpose” of the bill, it did “not feel that legislation along these lines represents the most practical method of achieving progress.” Objecting first of all to the “detailed controls which would necessarily be imposed,” Mason reminded the committee that lenders supported FHA programs “on a voluntary basis” and assured it that such restrictions “would undoubtedly have a serious adverse effect.” Indeed, in a letter to the committee’s chair, Mason rejected a

negative legislative approach and reaffirmed, instead, the administration's determination to provide “additional housing for all groups.” As for urban renewal, he offered the familiar bland assurances that the URA conducted its operations “in conformity with state and local law” and that “citizen participation” remained “one of the required elements of a ‘workable program’.” No other safeguards, apparently, were needed. The administration, clearly, had staked out a position and was sticking to it.<sup>clxvii</sup>

Less than a year later – and just nine days before John F. Kennedy's inauguration – Mason submitted his resignation and a report to the President on housing. He reminded Eisenhower of the work of his Advisory Committee, the passage of the Housing Act of 1954, and the ongoing implementation of urban renewal. Of the 844 such projects then “underway or completed,” roughly 600 won approval, he noted in taking a swipe at the previous administration, since 1954. He noted, too, the work of the FHA and the rise in homeownership rates (from 56% to 62%) that accompanied the Eisenhower years. And he praised the attention now being paid to the elderly. As for “minority housing,” Mason spoke of having “encouraged” and “supported” the principles of open occupancy and non-discrimination; of having “strengthened” the Intergroup Relations Service and the “preferential opportunity” afforded urban renewal's displaced families; and he extolled the VHMCP and the procedural protections instituted for the creation of “workable programs.” As a litany of accomplishment for non-whites, it did not even rise to the level of “smoke and mirrors.” Conspicuously left off the list were the growing federally-sponsored inner-city concentrations of increasingly isolated African Americans.<sup>clxviii</sup>

In accepting his letter of resignation, Eisenhower paid tribute to Mason's “dedication” and HHFA's “major tangible achievements.” Urban renewal's success in “preventing” as well as clearing slums came in for accolades, as did advances in planning and homeownership. If the President could point to the elderly and colleges as deserving recipients of federal largesse, however, his reference to minority groups lacked the specificity of Mason's attempted recital of administration “accomplishments.” And he, too, failed to mention the expansion and reinforcement of urban “ghettos” even as the Supreme Court knocked the legal props out from under a segregated society. That would be left for the Kerner Commission.<sup>clxix</sup>



- i Report of the National Advisory Commission on Civil Disorders (New York: Bantam Books, 1968), 2.
- ii The rather distinctive handwriting commenting on the text appears to be that of Gabriel Hauge. The memo to which the draft is attached is also addressed to him. "First Draft of Housing Message," attached to Albert M. Cole to Gabriel Hauge, January 18, 1954, in folder: OF 120 - 1954 (3), box 613, Central Files, Official Files, Dwight D. Eisenhower Papers (DDE Papers), Eisenhower Library (EL), Abilene, KS.
- iii Recent historiographical trends are noted in several essays in Kenneth W. Goings and Raymond A. Mohl, eds., The New African American Urban History (Thousand Oaks, CA: Sage, 1996). See also, Heather Ann Thompson, "Rethinking the Politics of White Flight in the Postwar City: Detroit, 1945-1980," Journal of Urban History 25 (January 1999): 163-98 and Gary Gerstle, American Crucible: Race and Nation in the Twentieth Century (Princeton: Princeton University Press, 2001).
- iv Public Housing Administration (PHA), "The Negro in Public Housing, 1933-1953: Problems and Accomplishments" (typescript, May 1954), in folder 4, box 1, RG 196, National Archives II (NA II), College Park, MD; Arnold R. Hirsch, "Searching for a 'Sound Negro Policy': A Racial Agenda for the Housing Acts of 1949 and 1954," Housing Policy Debate 11(Issue 2, 2000), 393-441.
- v Hirsch, "Searching for a 'Sound Negro Policy'," 404-19.
- vi PHA, "Negro in Public Housing."
- vii Office of the Administrator, Racial Relations Service, "Policy Questions - Staff Discussion of Staff Papers," April 6, 1953, Adker 116127 (LC), plaintiff's ex. 121. The author wishes to thank Tom Henderson of the National Lawyer's Committee for Civil Rights Under Law for providing documents from Adker v. HUD.
- viii Ibid.; George R. Nesbitt to J. W. Follin, October 19, 1954, Adker 116135 (LC), plaintiff's ex.? (illegible); PHA, "Negro in Public Housing," 109. For Trumbull Park, see Arnold R. Hirsch, "Massive Resistance in the Urban North: Trumbull Park, Chicago, 1953-1966," The Journal of American History 82 (September 1995), 522-50.
- ix A sampling of the individual city, case study approach to post-World War II redevelopment, housing and race includes Arnold R. Hirsch, Making the Second Ghetto: Race and Housing in Chicago, 1940-1960 (New York: Cambridge University Press, 1983); John F. Bauman, Public Housing, Race and Renewal: Urban Planning in Philadelphia, 1920-1974 (Philadelphia: Temple University Press, 1987); Thomas J. Sugrue, Origins of the Urban Crisis: Race and Inequality in Postwar Detroit (Princeton, N. J.: Princeton University Press, 1996); Raymond A. Mohl, "Making the Second Ghetto in Metropolitan Miami, 1940-1960," Journal of Urban History 21 (1995): 395- 427; Charles F. Casey-Leininger, "Making the Second Ghetto in Cincinnati: Avondale, 1925-1970," in Race and the City: Work, Community and Protest in Cincinnati, 1820-1970, ed. Henry Louis Taylor, Jr. (Urbana, IL: University of Illinois Press, 1993); Howard Gillette, Jr., Between Justice and Beauty: Race, Planning, and the Failure of Urban Policy in Washington, D. C. (Baltimore: The Johns Hopkins University Press, 1995); Thomas H. O'Connor, Building a New Boston: Politics and Urban Renewal, 1950-1970 (Boston: Northeastern University Press, 1993); William H. Wilson, Hamilton Park: A Planned Black Community in Dallas (Baltimore: The Johns Hopkins University Press, 1998); Christopher Silver, Twentieth-Century Richmond: Planning, Politics, and Race (Knoxville: University of Tennessee Press, 1982); and Ronald H. Bayor, Race and the Shaping of Twentieth-Century Atlanta (Chapel Hill, N. C.: University of North Carolina Press, 1996).

- x Gerald F. Healy to Arthur E. Summerfield, December 12, 1952, in folder: Endorsements, box 398, General File (GF) -50-A, DDE Records.
- xi Healy to Summerfield, December 12, 1952 and James Rouse to Aksel Nielsen, December 12, 1952, both in folder: Endorsements, box 398, GF-50-A, DDE Records.
- xii Robert A. Taft to Herbert Brownell, December 17, 1952, in folder: OF-120, Housing, 1953 (1), box 612, Central Files, Official Files, DDE Papers.
- xiii Aksel Nielsen to Governor Sherman Adams, December 22, 1952, in folder: Endorsements, box 398, GF 50-A, DDE Records.
- xiv David M. P. Freund, "The Color of Property: Federal Policy and the Origins of White Backlash," paper presented at annual meeting of the American Historical Association, January 4, 2002, San Francisco, CA.
- xv Charles F. Willis, Jr. to Governor Adams, January 29, 1953 and January 28, 1953, both in folder: Endorsements, box 398, GF 50-A, DDE Records.
- xvi Walter P. Reuther to The President, March 6, 1953 in folder: Official File (OF) 25, HHFA, box 201, DDE Papers as President (White House Central Files); NAACP, Press Release, March 5, 1953, frame 0447, reel 6, NAACP Papers, Part 5: Campaign Against Residential Segregation (University Publications of America).
- xvii Joseph R. Ray to Senator John Sherman Cooper, March 18, 1953; John Sherman Cooper to Joseph R. Ray, Sr., March 31, 1953; Charles F. Willis, Jr. to Guy Hollyday, April 24, 1953, all in folder: 121-R, April-June, 1953, box 729, GF 121, DDE Records; John M. Robison, Jr. to The President, September 28, 1953 and Charles F. Willis, Jr. to John M. Robison, Jr., October 2, 1953, both in folder: GF 50-A, Ray, Joseph R., box 399, DDE Papers.
- xviii Joseph R. Ray to Dr. Carl Murphy, n.d., in folder: Racial Relations, box 116, General Subject Files, 1947-1960, RG 207.
- xix Lester Granger to President Eisenhower, September 16, 1953; Alexander L. Crosby to Mr. President, September 21, 1953; Mary McLeod Bethune to Dwight D. Eisenhower, September 23, 1953; Elmer Henderson to Dwight D. Eisenhower, September 18, 1953; and Albert M. Cole to Bernard N. Shanley, October 16, 1953, all found in folder: GF 50-A (1), Horne, Frank, box 399, Central Files, DDE Papers.
- xx Albert M. Cole to Sherman Adams, October 21, 1953 in folder OF 120 - Housing, 1953 (2), box 613, Central Files, DDE Papers.
- xxi Frank S. Horne to Albert M. Cole, Memorandum re Proposals for the President's Advisory Committee on Housing," n.d. in folder 12, box 745, Program Files, Racial Relations Files, 1946-1958, RG 207.
- xxii Ibid. Horne sought minority participation in FHA=VA programs "at least to the proportion that these families represent in the effective middle income housing market in the localities served by these offices."
- xxiii Ibid.
- xxiv "Report of the President's Advisory Committee on Government Housing Policies and Programs," n. d., attached to Albert M. Cole to Mr. President, December 14, 1953 in folder: Public Housing-1953, box 7, James Lambie Records, DDE Library.

- xxv Ibid.
- xxvi Ibid.
- xxvii Clipping from Business Week, December 12, 1953 found in folder: Housing (1), box 47, Howard Pyle Records, DDE Library.
- xxviii There is an ambiguous and perhaps veiled reference to race in a single notation that urban renewal would, among other things, "protect new neighborhoods." It is difficult to believe that anyone conversant with the state of American cities in the 1950s would have missed the racial implications of that comment, but there was no recorded specific discussion of the issue. See the handwritten notes of the December 9, 1953 Cabinet Meeting, folder: C-9 (1), December 9, 1953, box 1, Office of the Staff Secretary, Records, 1952-1961, Cabinet Series, DDE Papers.
- xxix The FHA scandals involved "Section 608," an addition to the 1934 National Housing Act intended to spur construction of rental housing for war workers. Created in 1942, Section 608 was extended and amended in the postwar period to address the continuing housing shortage. The program shut down amid rumors of fraud and corruption in 1950 after building 7,045 developments containing 465,683 units.
- xxx Ibid. and Minutes of Cabinet Meeting, December 9, 1953 in folder: Cabinet Meeting, December 9, 1953, box 2, Ann Whitman File, Cabinet Series, DDE Papers.
- xxxi Joseph R. Ray to Messrs. Horne, Nesbitt, Sadler, and Snowden, January 26, 1954 in folder: Racial Relations (2), box 96, Subject Files, 1947-1960, RG 207.
- xxxii Joseph R. Ray to Albert M. Cole, January 15, 1954 in folder: Racial Relations (2), box 96, Subject Files, 1947- 1960, RG 207.
- xxxiii Both the draft of the speech and Mitchell's suggested language are attached to Albert M. Cole to Maxwell M. Rabb, n. d. in folder: GF 50 (1) HHFA, box 397, DDE Records.
- xxxiv The full text of the "Housing Message" may be found in the New York Times, January 26, 1954; a clipping is in folder: Housing (2), box 47, Pyle Records.
- xxxv "Address by Albert M. Cole to the Economic Club of Detroit, " February 8, 1954, in folder: Housing (2), box 47, Pyle Records; Clarence Mitchell to Walter White, March 17, 1954, frame 0552, reel 6, Part 5: Campaign Against Residential Segregation, NAACP Papers.
- xxxvi Albert M. Cole to Mr. President, January 15, 1954 in folder 2, Racial Relations, box 96, Subject File, 1947- 1960, RG 207.
- xxxvii Ray to Messrs. Horne, Nesbitt, Sadler and Snowden, January 26, 1954.
- xxxviii Frank S. Horne to Joseph R. Ray, February 4, 1954 in folder 2, Racial Relations, box 96, Subject File, 1947- 1960, RG 207.
- xxxix Warren Olney III to [all United States Attorneys], September 23, 1954, attached to Olney to Bernard M. Shanley, September 23, 1954 in folder: OF 25-D-1 (4), box 206, Central Files, Official File, DDE Papers; Dwight D. Eisenhower to Senator Capehart, n.d. and Capehart to Mr. President, n.d., both in James C. Hagerty, Press Release, October 23, 1954, in folder: OF 25-D (4), box 206, Central Files, Official File, DDE Papers.
- xl Report of William F. McKenna (hereafter the "McKenna Report"), attached to McKenna to Albert M. Cole, August 31, 1954, in folder: Housing - Housing and Home Finance Agency, box 14, Gerald Morgan Records, DDE Library. The report concluded that the taking of such

gratuities became an “accepted norm of operation,” even to the point where “an entire field staff” would be given vacations by “grateful builders.” Among other indiscretions, FHA employees were also permitted to conduct private business from their government offices. See also, Gail Sansbury, “Section 608: Title VI, National Housing Act,” in Willem van Vliet, ed., The Encyclopedia of Housing (Thousand Oaks, CA: Sage Publications, 1998), 519-29.

- xli McKenna Report, pp. 3-4 and passim.
- xlvi Ibid., 3; Nelson A. Rockefeller, Memorandum for the President, January 30, 1954, in folder: OF 25 1954 (1), box 201, Central Files, 1953-61, Official File, DDE Records; Herbert Brownell, Jr. to Sherman Adams, May 14, 1954, and “Statement by Albert M. Cole,” April 12, 1954, both in folder: OF-25-D-1 (2), Central Files, Official Files, DDE Papers.
- xlvi R. G. Hughes to Sherman Adams, April 6, 1954 and W. A. Clarke to Sherman Adams, March 16, 1954, both in folder: OF 25 1954 (1), box 201, Central Files, 1953-61, Official File, DDE Records.
- xlvii Guy T. O. Hollyday to Sherman Adams, February 19, 1954, in folder: OF 25 1954 (1), box 201, Central Files, 1953-61, Official File, DDE Records.
- xlviii McKenna Report, 9-10, 13; Capehart to the President, n. d.; Roger Steffan to Governor Adams, April 23, 1954, in folder: OF 120 1954 (3), box 613, Central Files, Official File, DDE Papers.
- xli McKenna Report, 29.
- xlii Eisenhower to Capehart, n. d.; Staff of the Senate Republican Policy Committee, “The Scandal of Scandals: The Incredible Story-in-Brief of the Sordid and Corrupt Federal Housing Mess of the Democratic Administration,” (October, 1954), 1, in folder: Housing (1), Pyle Records, DDE Library.
- xliiii [Charles F. Willis, Jr.], Memorandum on Housing Legislation and FHA Reorganization, May 17, 1954, attached to Willis to Governor Adams, May 19, 1954, in folder: OF 25-D Federal Housing Administration, box 205, Central Files, Official File, DDE Papers.
- xliiv McKenna Report, 35-39; Norman F. Mason to the President, December 27, 1960, in folder: OF 25 1959-60 (3), box 202, Central Files, Official File, DDE Papers; Nelson A. Rockefeller to Sherman Adams, February 8, 1955, in folder: OF 25 1955 (1), box 201, Central Files, Official File, DDE Papers; “Actions Taken Since April 14, 1954 to Strengthen the Operations of FHA,” June 29, 1954, in folder: OF 25-D-1 (3), box 206, Central Files, Official File, DDE Papers.
- I Albert M. Cole to Gabriel Hauge, February 18, 1955, in folder: OF 25 1955 (1), box 614, Central Files, Official File, DDE Papers. Analyzing “what was really wrong with the program,” Assistant Attorney General Warren E. Burger had earlier “suggested to Hauge” that the President address the lending agencies in “sharp” language on the need to have it “administered by incorruptible men.” Warren E. Burger to Mr. Shanley, September 22, 1954, in folder: OF 25-D-1 (2), box 206, Central Files, Official File, DDE Papers.
- li Adam Clayton Powell, Jr. to Mr. President, June 10, 1953 and Max Rabb to Governor Adams, June 15, 1953, both in file: OF 142-A-4, Segregation-Integration (1), box 731, DDE Papers.
- lii Address by Albert M. Cole at the Hampton Institute, Hampton, Virginia, October 29, 1954, in NAACP Papers (University Publications of America microfilm), Part 5: Campaign Against Residential Segregation, reel 6, frame 0601; James C. Downs, Jr. to Albert M. Cole, October 29, 1954 (telegram), in folder: Trumbull Park, box 116, General Subject File, 1947-1960, RG 207; Cole to Mayor Martin H. Kennelly, October 28, 1954, in NAACP Papers, Part 5: Campaign

Against Residential Segregation, reel 6, frame 0614. More than six months before Cole's Hampton Institute appearance, the Chicago Civil Liberties Committee had petitioned the President "to order an FBI investigation" of the Trumbull Park rioting. The Committee also noted in its letter that the Commissioners of the Chicago Housing Authority (CHA) had already met with the U.S. Attorney in Chicago "to request that the federal government intervene to stop the violence." There is no indication of any response to either the Committee's or the CHA's pleas. See Ira H. Latimer and King S. Range to President Dwight Eisenhower, March 22, 1954, in folder: OF-50 - HHFA (1), box 397, General Files, Official Files, DDE Papers.

- lii Walter White to Mr. President, April 22, 1954 in file: OF 142-A-4, Segregation-Integration (3), box 731, DDE Papers; Maxwell M. Rabb to Walter, May 17, 1954 in file: GF 50, HHFA (1), box 397, DDE Records.
- liv Minutes of Cabinet Meeting, January 28, 1955 in file: Cabinet Meeting, January 28, 1955, box 4, Ann Whitman File, Cabinet Series, DDE Papers.
- lv Tex McCrary to Mr. President, April 22, 1955 and DDE to Tex, April 29, 1955, both in file: OF 120 - 1955 (2), box 614, Central Files, Official File, DDE Papers.
- lvi Max Rabb Memorandum for Ann Whitman, July 5, 1955 and DDE Memorandum for Max Rabb, July 5, 1955, both in file: Rabb, Maxwell, M., box 29, Administrative Series, Ann Whitman File, DDE Papers.
- lvii Memorandum for the Record, August 19, 1953, in file: August-September, 1953 (2), box 3, Ann Whitman File, DDE Papers.
- lviii Hamilton, Adam Clayton Powell, Jr., 200; Diary entry, January 3, 1957, in file: January, 1957 Diary - acw (2), box 8, Diary Series, Ann Whitman File, DDE Papers.
- lix Morrow note on race and Rep party pol calculation
- lx J. W. Follin to Albert M. Cole, May 28, 1954 in folder: Racial Relations, box 284, General Subject Files, 1949- 1960, RG 207.
- lxi Ibid.
- lxii Ibid. Follin envisaged other scenarios as well. The involvement of state and local governments might push the level of public participation in a given project to the point where private developers could no longer fend off demands for publicly-imposed non-discrimination requirements. And projects where a local public agency (LPA) seized the property of one private owner only to pass it on later to another, meant that such land – for a time – "constitute[d] public property and, hence [was] subject to the pertinent non-segregation rulings."
- lxiii B. T. Fitzpatrick to Mr. Cole, June 10, 1954, in folder 5, box 20, Subject Correspondence File, Albert Cole, Administrator, RG 207.
- lxiv Allan F. Thornton o Walter S. Newlin, June 28, 1954; W. S. Newlin to Regional Directors, July 2, 1954; Joseph R. Ray to Albert M. Cole, June 30, 1954; all in folder: Minority Group Housing, General, 1954, box 3, Program Correspondence of the Assistant Commissioner for Operations, 1936-1956, RG 31.
- lxv Ray to Cole, June 30, 1954 and George W. Snowden to Norman P. Mason, July 2, 1954, in folder: Minority Group Housing, General, 1954, box 3, Program Correspondence of the Assistant Commissioner for Operations, 1936-1956, RG 31.

- lxvi Frank S. Horne to Albert M. Cole, June 29, 1954, in file: Racial Relations (1), box 748, Program Files, Racial Relations Files, 1946-1958, RG 207.
- lxvii Ibid.
- lxviii Ibid. The pertinent section of the U. S. Code states: "All citizens of the United States shall have the same right, in every State and Territory, as is enjoyed by white citizens thereof to inherit, purchase, lease, sell, hold, and convey real and personal property."
- lxix Joseph R. Ray to Albert M. Cole, July 14, 1954, in folder: Racial Relations (1), box 96, General Subject Files, 1947-1960, RG 207.
- lxx The memorandum is attached to Frank S. Horne to Albert M. Cole, August 13, 1954, in folder 3, box 11, RG 196. lxxi Ibid.
- lxxii Joseph R. Ray to Albert M. Cole, August 13, 1954.
- lxxiii Joseph Guandolo to J. W. Follin, August 24, 1954, in folder: 3, box 11, RG 196.
- lxxiv Max Rabb to Governor Adams, July 15 and July 16, 1954, both in folder: OF 120 - 1954 (4), box 614, Central Files, Official File, DDE Papers.
- lxxv Maxwell Rabb to Robert W. Dowling, October 28, 1954, in folder: Racial Relation (1), box 96, General Subject Files, 1947-1960, RG 207.
- lxxvi Lester B. Granger to Sherman Adams, June 18, 1954; Lester B. Granger to Dwight D. Eisenhower, June 18, 1954; and National Urban League, "The National Housing Situation As It Affects the Non-White Population," (typewritten memorandum to the President, June 18, 1954); see also Max Rabb to Governor Adams, July 23, 1954, all in folder: GF 50 - HHFA (1), box 397, General Files, DDE Papers.
- lxxvii Albert M. Cole to Sherman Adams, November 9, 1954 in folder: OF 120 - 1954 (4), box 614, Central Files, Official Files, DDE Records.
- lxxviii Charles F. Masterson to L. Arthur Minnich, Jr., November 13, 1954; and Sherman Adams to Albert M. Cole, November 10, 1954; both in folder OF 120 - 1954 (4), box 614, Central Files, Official Files, DDE Records.
- lxxix Maxwell Rabb to Robert W. Dowling, October 28, 1954, in folder: Racial Relations (1), box 96, General Subject Files, 1947-1960, RG 207.
- lxxx Walter White to Herbert R. Brownell, December 22, 1954, in frame 615, reel 6, Part 5: Campaign Against Residential Segregation, NAACP Papers; George W. Snowden to Henry M. Day, March 14, 1955, in folder: Minority Group Housing, 1955-1956, box 6, Program Correspondence of the Assistant Commissioner for Operations, 1936-1956, RG 31.
- lxxxi Albert M. Cole to Homer E. Capehart, April 6, 1954, in folder: 7, box 748, Program Files, Racial Relations Files, 1946-1958, RG 207.
- lxxxii The housing issue was buried at the tail end of the Attorney General's Cabinet Paper and handled in a perfunctory manner. It mentioned only two aspects of the problem: the reorganization of the HHFA and RRS, and the Trumbull Park disorders. In both instances, the report provided unwarranted positive assessments of administration actions. See "Report by the Attorney General on the Administration's Efforts in the Field of Racial Segregation and Discrimination," January 26, 1955, in folder: Cabinet Meeting, January 28, 1955, box 4, Cabinet Series, Ann Whitman File, DDE Papers.



- lxxxiii Handwritten notes of January 28, 1955 Cabinet Meeting, in folder: C-21 (3), 1/28/55, box 3, Office of the Staff Secretary Records, 1952-1961, White House Office, DDE Records. lxxxiv Ibid.
- lxxxv Ray's statement, dated April 27, 1955, is attached to Charles F. Willis, Jr. to Albert M. Cole, April 29, 1955; see also Cole to Willis, May 3, 1955 and Charles F. Willis, Jr. to Joseph R. Ray, May 5, 1955, all in folder: OF 120- 1955 (2), box 614, Central Files, Official Files, DDE Papers.
- lxxxvi Albert M. Cole to Honorable Craig Hosmer, November 16, 1955, in folder: Racial Relations (5), box 116 and Albert M. Cole to Honorable Herbert H. Lehman, February 2, 1956, in folder: Racial Relations (2), box 134, both letters in HHFA General Subject Files, 1947-1960, RG 207; "Address by Albert M. Cole to the Annual Convention of the National Association of Housing Officials, Milwaukee, Wisconsin," October 15, 1953, in NAACP Papers, Part 5: Campaign Against Residential Segregation, reel 6, frames 0526-0534.
- lxxxvii Albert M. Cole to Honorable Herbert H. Lehman, February 2, 1956, in folder: Racial Relations (7), box 134, Subject File 1947-1960, RG 207.
- lxxxviii Albert M. Cole to Honorable Charles C. Diggs, Jr., March 14, 1956, in folder: Racial Relations (7), box 14, Subject File, 1947-1960, RG 207.
- lxxxix Albert M. Cole to Honorable Prescott Bush, May 3, 1956, in folder: Racial Relations (7), box 134, Subject File, 1947-1960, RG 207.
- xc Cole to Diggs, March 14, 1956; Cole to Bush, May 3, 1956. The Eisenhower quotation is taken from the letter to Senator Bush.
- xci Cole to Lehman, February 2, 1956.
- xcii Ibid.
- xciii Hirsch, "'Containment,'" 169.
- xciv Albert M. Cole to Arthur Burns, December 6, 1955, in folder: Housing-HHFA Miscellaneous Correspondence, 1953-1954, box 109, Arthur F. Burns Papers, DDE Library; "Address by Albert M. Cole to the Annual Meeting of the Ohio Association of Real Estate Boards," September 15, 1954, in frames 0590-0600, reel 6, Part 5: Campaign Against Residential Segregation, NAACP Papers.
- xcv Albert M. Cole, "Address to the Mid-Atlantic Conference, National Association of Housing and Redevelopment Officials, New York," April 1, 1954, in frame 0563, reel 6, Part 5: Campaign Against Residential Segregation, NAACP Papers and "The Slum, the City, and the Citizen," Speech at St. Louis Chamber of Commerce Lunch, February 24, 1954, in frame 0537, reel 6, Part 5: Campaign Against Residential Segregation, NAACP Papers.
- xcvi Cole to Bush, May 3, 1956.
- xcvii See pp. 13 and 20, above.
- xcviii Frank S. Horne to Albert M. Cole, February 15, 1955, in folder: 1, box 748, Program File, Racial Relations File, 1946-1958, RG 207; Frank S. Horne to Albert M. Cole, February 17, 1955, in folder: 1, box 11, Subject Correspondence Files, Albert M. Cole, Administrator, 1953-1958, RG 207.
- xcix Joseph R. Ray to Albert M. Cole, October 26, 1956, in folder: Racial Relations (3), box 116, HHFA Subject Files, 1947-1960, RG 207.



- c Albert M. Cole to Honorable Robert T. Ashmore, August 27, 1957, in folder: Racial Relations, box 309, General Subject Files, 1949-1960, RG 207.
- ci Hirsch, "Searching for a 'Sound Negro Policy'," 428.
- cii George L-P Weaver to Friends of the National Committee [Against Discrimination in Housing], August 12, 1955, in box 5, RG 48S13, Baltimore City Archives (BCA); I am grateful to the American Civil Liberties Union - Maryland Foundation and Barbara Samuels for uncovering this source. Vivian C. Mason (National Council of Negro Women, Inc.) to The Honorable Dwight D. Eisenhower, August 15, 1955, in folder: GF 50-A (2), Horne, Frank, box 399, Central Files, General Files, DDE Papers.
- ciii [Max Rabb] to Lester B. Granger and Lillie M. Jackson, n.d., in folder: GF 50-A (1), Horne, Frank, box 399, Central Files, General Files, DDE Papers.
- civ Ibid.
- cv Frank S. Horne to Albert M. Cole, August 17, 1955, in box 5, RG 48S13, BCA.
- cvi Lester B. Granger to President Dwight D. Eisenhower, August 4, 1955. Granger included a cover note to Max Rabb: "This letter to the President is more than 'for the record'. It represents a very strongly held opinion not only by myself but by every Urban League leader whom I know." See Lester B. Granger to Max, August 4, 1955. Both letters are in folder: GF 50-A (1), Horne, Frank, box 399, Central Files, General Files, DDE Papers.
- cvii Joseph C. Coles to The President, August 9, 1955, in folder: GF 50-A (1), Horne, Frank, box 399, Central Files, General Files, DDE Papers; George Schermer to Honorable Dwight D. Eisenhower, August 31, 1955; Mason to Eisenhower, August 15, 1955; Morris Milgram to Honorable Dwight D. Eisenhower, August 15, 1955; William L. C. Wheaton to Governor Sherman Adams, August 22, 1955; all in folder: GF 50-A (2), Horne, Frank, box 399, Central Files, General Files, DDE Papers.
- cviii George L-P Weaver to Honorable Dwight D. Eisenhower, August 22, 1955 and Herbert T. Miller to President Dwight D. Eisenhower, August 17, 1955, both in folder: GF 50-A (2), Horne, Frank, box 399, Central Files, General Files, DDE Papers.
- cix Pauli Murray to Honorable Dwight D. Eisenhower, August 27, 1955, in folder: GF 50-A (2), Horne, Frank, box 399, Central Files, General Files, DDE Papers; and Pauli Murray to Mr. Cole, September 27, 1955, in folder: 1, box 11, Subject Correspondence Files, Albert M. Cole, Administrator, 1953-1958, RG 207.
- cx Val J. Washington to General Wilton B. Persons, August 12, 1959, in folder: OF-50 (5), box 397, General Files, Official Files, DDE Papers.
- cxi Several documents, or parts of documents, regarding the Horne-Morrow controversy are attached to Frances Levenson to Maxwell Rabb, January 23, 1956, in folder: GF 50-A (3), Horne, Frank, box 399, Central Files, General Files, DDE Papers.
- cxii Frances Levenson to Executive Board Members and Friends of the NCDH, March 19, 1956, and NCDH Press Release, July 9, 1956, both in Supplement to Part 5: Residential Segregation, General Office Files, 1956-1965, frames 0631-0632, reel 8, NAACP Papers; see the statements attached to Levenson to Rabb, January 23, 1956. cxiii See the statements attached to Levenson to Rabb, January 23, 1956.

- cxiv Joseph R. Ray to Albert M. Cole, December 12, 1955, in folder: Racial Relations (5), box 116, HHFA Subject Files, 1947-1960, RG 207.
- cxv Joseph R. Ray to Frank J. Meistrell, January 5, 1956, in folder: Racial Relations (7), box 134, HHFA Subject Files, 1947-1960 and Joseph R. Ray to Albert M. Cole, April 16, 1956, in folder: 1, box 11, Subject Correspondence Files, Albert Cole, Administrator, 1953-1958, both in RG 207; Philip G. Sadler to Commissioner, PHA, May 22, 1957, in box 10, RG 196.
- cxvi Joseph R. Ray to Albert M. Cole, May 20, 1958, in folder: 1, box 166, Subject Files, 1947-1960, RG 207.
- cxvii Joseph R. Ray to Albert M. Cole, December 22, 1958, in folder 1, box 166, Subject Files, 1947-1960, RG 207.
- cxviii Albert M. Cole to Charles E. Slusser, July 10, 1957, in folder 3, box 11, Intergroup Relations, 1936-1963, RG 196. A draft of the statement for the RNC is attached to this letter.
- cxix Joseph R. Ray to Albert M. Cole, July 24, 1957, in folder: Racial Relations, box 151, HHFA General Subject Files, 1947-1960, RG 207.
- cxx [Albert M. Cole] to Honorable Val J. Washington, July 30, 1957, in folder 3, box 11, PHA Racial Relations, RG 196 contains the revised and final statement to the RNC.
- cxxi Ibid.
- cxxii New York Times, November 14, 1958, clipping in folder 5, box 10, RG 196.
- cxxiii Albert M. Cole to Reverend William J. Villaume, December 30, 1958, in folder 1, box 166, Subject File, 1947- 1960, RG 207.
- cxxiv Franklin H.. Williams, Memorandum Re FHA Proceedings Against Gerald S. Cohen, January 27, 1959; and Franklin H. Williams to Director, FHA, January 27, 1959, both in folder: Racial Affairs- Correspondence and Materials, 1960-1959, box 10, Frederic Morrow Papers, DDE Library.
- cxxv Albert M. Cole to Robert Hinton, December 19, 1958, in folder 1, box 166, General Subject Files, 1947-1960, RG 207.
- cxxvi U. S. Commission on Civil Rights, Report (Washington, D. C.: GPO, 1959) , 480-81; John Goering and Modibo Coulibably, "Public Housing Segregation in the United States," in Elizabeth D. Huttman, ed., Wim Blauw and Juliet Saltman, co-eds., Urban Housing Segregation of Minorities in Western Europe and the United States (Durham, N. C.: Duke University Press, 1991), 307, 314.
- cxxvii U. S. Commission on Civil Rights, Report, 480.
- cxxviii Ibid., 419, 421, and 427.
- cxxix Ibid., 459, 488.
- cxxx Massey and Denton, American Apartheid, p. 48-49.
- xxxix U. S. Commission on Civil Rights, Report, 462.
- xxxix [Bryce Harlow?], "Proposal for Analysis of Housing and its Relationship to the Political Campaigns of 1956," (typescript, n. d.), in folder: Housing (4), box 11, Bryce Harlow Papers, DDE Library.

- cxxxiii U. S. Commission on Civil Rights, Report, 465.
- cxxxiv U. S. Commission on Civil Rights, Report, 426.
- cxxxv A. Maceo Smith to Dr. George W. Snowden, December 15, 1954 and deLesseps S. Morrison to Ralph Agate, September 20, 1954, both in folder: Minority Group Housing, General, (1954), box 3, Program Correspondence of the Assistant Commissioner for Operations, 1936-1956, RG 31; see also Arnold R. Hirsch, “Race and Renewal in the Cold War South: New Orleans, 1947-1968,” in Robert Fishman, ed., The American Planning Tradition: Culture and Policy (Washington, D. C.: Woodrow Wilson Center Press, 2000), 220-26.
- cxxxvi M. Stewart Thompson to Dwight D. Eisenhower, September 23, 1955 in folder: GF 50-B, 1952-1955 (2), box 403, General File, DDE Records.
- cxxxvii Frank S. Horne to William A. Ullman, May 9, 1955 and B. T. McGraw to Joseph R. Ray, July 19, 1955, both in folder: (5) Racial Relations, box 116, HHFA Subject Files, 1947-60, RG 207; U. S. Commission on Civil Rights, Report, 492-93.
- cxxxviii Ibid., 461-72.
- cxxxix Radford, Modern Housing for America, 189-91, 197-98; Bauman, Public Housing, Race, and Renewal, 43-44. cxl U. S. Commission on Civil Rights, Report, 473, 476; John Goering and Modibo Coulibaly, “Public Housing Segregation in the United States,” in Elizabeth D. Huttman, ed., Wim Blauw and Juliet Saltman, co-eds., Urban Housing Segregation of Minorities in Western Europe and the United States (Durham, N.C.: Duke University Press, 1991), 305-34.
- cxli U. S. Commission on Civil Rights, Report, 474-76.
- cxlii Elizabeth Wood, The Beautiful Beginnings, The Failure to Learn: Fifty Years of Public Housing in America (Washington, D. C.: National Center for Housing Management, 1982), 28-45,
- cxliii Philip G. Sadler to Commissioner, PHA, March 26, 1957, in folder 7, box 10, RG 196.
- cxliv Elizabeth Wood, The Beautiful Beginnings, The Failure to Learn: Fifty Years of Public Housing in America (Washington, D. C.: The National Center for Housing Management, 1982), 45. There were many reasons – and many good reasons – to provide public housing to the elderly who needed it; not the least of which was to halt the painful and distasteful eviction of single, surviving spouses who no longer fit the traditional, legal definition of a “family.” Changing that definition “greatly increased the size of the market,” according to Wood.
- cxlv Commissioner, PHA to Jack T. Conway, Deputy Administrator, HHFA, July 3, 1961, in folder 7, box 10, RG 196.
- cxlvi Goering and Coulibaly, “Public Housing Segregation,” 313-16. The Dallas Morning News published a Pulitzer Prize-winning series on public housing February 10-17, 1985; see, especially, the articles on elderly housing that appeared on Feb. 11, 1985.
- cxlvii Clipping from the Washington Post and Times Herald, April 20, 1959, in folder: (2), box 398, General Files, GF 50-A, DDE Papers.
- cxlviii Norman P. Mason to David M. Walker, May 17, 1960 in folder: (8) URA – Policy Memos, box 44, Subject Correspondence Files, Norman Mason, Administrator, 1959-1960, RG 207.
- cxlix DSCUR, “Racial Relations Workshop Report,” (typescript, June 4, 1954), 2 and passim; in folder 12, box 745, Program Files – Racial Relations Files, 1946-1958, RG 207.

- cl George B. Nesbitt to J. W. Follin, October 19, 1954, in folder: Racial Relations, box 284, General Subject Files, 1949-1960, RG 207; Frank S. Horne to Albert M. Cole, September 24, 1954 and September 27, 1954, both in folder: (1) Racial Relations, box 96, General Subject Files, 1947-1960, RG 207.
- cli Norman P. Mason, "Report to the President on Housing," attached to Norman P. Mason to Mr. President, January 11, 1961; and Dwight D. Eisenhower to Norman P. Mason, January 11, 1961, both in folder: Norman P. Mason, box 26, Administration Series, Ann Whitman File, DDE Papers.
- clii U. S. Commission on Civil Rights, Report, 519; Citizens' Commission on Race and Housing, Where Shall We Live? Report of the Commission on Race and Housing, (Berkeley: University of California Press, 1958), 32.
- cliii Philip G. Sadler to Commissioners, PHA, September 22, 1959, in folder 7, box 10, RG 196; and Philip G. Sadler to B. T. McGraw, August 31, 1955, in folder 1, box 742, Program Files, Racial Relations Files, 1946-1958, RG 207. cliv U. S. Commission on Civil Rights, Report, 537; Commission on Race and Housing, Where Shall We Live?, 64- 65.
- clv The Commission on Race and Housing was created in 1955 and supported by the Fund for the Republic. See E. B. Schwulst to Dwight D. Eisenhower, November 17, 1958 and Dwight D. Eisenhower to Earl B. Schwulst, December 9, 1958, both in folder: OF 120, 1958 (3), box 615, Central Files, Official File, DDE Papers.
- clvi Jacob K. Javits to Dwight D. Eisenhower, November 4, 1959, in folder: OF 120, 1960, box 616, Central Files, Official File, DDE Papers. The President promised to give the request "careful consideration." See Eisenhower to Jack, November 7, 1959, in the same folder.
- clvii Bryce [Harlow] to Jerry [Morgan], November 6, [1959]; and GDM to Bryce, n. d., both in folder: OF 120, 1960, box 616, Central Files, Official File, DDE Papers.
- clviii Norman P. Mason to A. J. Goodpaster, November 16, 1959; and Norman P. Mason to Jacob K. Javits, August 13, 1960, both in folder: OF 120, 1960, box 616, Central Files, Official File, DDE Papers.
- clix U. S. Commission on Civil Rights, Report, 468; Philip G. Sadler to Commissioner, PHA, September 22, 1959, in folder 7, box 10, RG 196. In treating non-discrimination as a regional peculiarity, Cole took an approach exactly the opposite of that suggested by Frank Horne in 1952-53. The Commission claims that the Intergroup Relations Service was created in 1958; other documents place its origin in April 1959. See Intergroup Relations Branch (HHFA and PHA), "Transmittal #10," March 1960, in folder 6, box 7, RG 196.
- clx The desire to engage in such manipulation was nowhere more apparent than in the pioneering plans devised by the University of Chicago for its Hyde Park community. In a meeting of the URA Commissioner and three members of the university hierarchy, the latter (who learned to speak in racial "code" sooner than most) informed the government "it might be desirable to acquire standard properties solely for the purpose of replacing occupants who are non-professional people with occupants who are." See Urban Renewal Commissioner to Albert M. Cole, May 23, 1958, in folder 3, box 20, Subject Correspondence File, Albert Cole, Administrator, 1953-1958, RG 207. clxi The Wilkins-Cole confrontation over Dayton is presented in more detail in Hirsch, "'Containment' on the Home Front," 175; see also Robert Gray to Fred Morrow, August 26, 1958, in folder: Civil Rights - Official Memos, 1960- 1957, box 10, Administrative Office - Special Problems, Frederic Morrow Papers, DDE Library; Abrams letter, written August 19, 1955, appeared in the   , August 23, 1955.

- clxii Division of Slum Clearance and Urban Redevelopment, "Racial Relations Workshop Report," (typescript, June 4, 1954), 13.
- clxiii Ibid., 13-14.
- clxiv Morrow is quoted in National Committee Against Discrimination in Housing, "Press Release," July 9, 1956, in frame 0632, reel 8, Supplement to Part 5: Residential Segregation, General Office Files, 1956-65, NAACP Papers; Frances Levenson to Executive Board Members and Friends of the National Committee, July 19, 1956, in frame 0630, reel 8, Supplement to Part 5: Residential Segregation, General Office Files, 1956-65, NAACP Papers; Pauli Murray to Dwight D. Eisenhower, August 27, 1955, in folder: GF 50-A (2), Horne, Frank, box 399, Central Files, General Files, DDE Papers. See also Frances Levenson to Albert M. Cole, April 6, 1956, in folder: Racial Relations (5), box 116, HHFA Subject Files, 1947-1960, RG 207.
- clxv Frances Levenson to David M. Walker, October 9, 1959, in folder: Racial Relations, box 330, HHFA General Subject Files, 1949-1960, RG 207.
- clxvi George B. Nesbitt to Sid Jagger, February 16, 1959 and George B. Nesbitt to David M. Walker, September 30, 1959, both in folder: Racial Relations, box 330, HHFA General Subject Files, 1949-1960, RG 207.
- clxvii Norman P. Mason to Brent Spence, April 22, 1960, in folder 2, box 4. RG 196.
- clxviii Norman P. Mason, "Report to the President on Housing," attached to Mason to Mr. President, January 11, 1961, in folder: Mason, Norman P., box 26, Ann Whitman File, Administrative Series, DDE Papers.
- clxix Dwight D. Eisenhower to Norman, January 11, 1961, in folder: Mason, Norman P., box 26, Ann Whitman File, Administrative Series, DDE Papers.

# ENDING AMERICAN APARTHEID: How Cities Achieve AND MAINTAIN RACIAL DIVERSITY

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**PLANNING/COMMUNICATIONS**

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A substantially shorter version of this draft study was published under the title “**Racially Diverse Communities: A National Necessity**” as a chapter in the books *Challenging Uneven Development: An Urban Agenda for the 1990s*, edited by Philip W. Nyden and Wim Wiewel (Rutgers University Press, 1991) and *African Americans in Urban America: Contemporary Experiences*, edited by Wendy Kellogg (Kendall/Hunt Company, 1996). Research for this monograph was funded by the John D. and Catherine T. MacArthur Foundation and the Joyce Foundation.

Planning/Communications hopes to obtain funding to update and expand this monograph into a book or guide of its own. Due to the attention the problems caused by segregation have garnered throughout the nation, this draft is being made available even though it is still subject to updating, extensive refinement, and corrections.

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# Ending American Apartheid: How Cities Achieve and Maintain Racial Diversity

By DANIEL LAUBER, AICP

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By DANIEL LAUBER, AICP

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## Executive Summary

Whites who wish to live in an all-white community and blacks who wish to live in an all-black neighborhood have plenty of places to choose. But there are precious few to select from for those blacks and whites who wish to live in a stable, racially-diverse community. In the Chicago-area, a neighborhood that integrates is likely to have no choice but to resegregate no matter how much residents may wish to preserve its racial diversity.

American apartheid continues to flourish as *forced resegregation* turns one neighborhood after another from all-white to all-black in a just a few years.

If American apartheid is to end, it won't come from any proclamations issued by Washington or the courts — Congress and federal and state courts continue to chip away at the laws that fight housing discrimination, many of which were never intended to be effective in the first place. The end won't come from some great epiphany of good will. The battle to end American apartheid will be won only neighborhood by neighborhood and city by city. The battle to conquer American apartheid will prevail slowly as individual cities manage to overcome the odds and achieve stable, racial diversity that reflects a colorblind housing market.

Although, or perhaps because, the Chicago area still ranks as the most racially segregated metropolitan area in the country, with Cleveland in hot pursuit of Chicago's title, these two areas are the nation's hotbeds of municipal and private efforts to preserve racial diversity in the face of institutional, governmental, cultural, and individual pressures that have historically made integration the period between the dates the first black moves into a neighborhood and the last white moves out.

There is nothing natural about the extreme segregation in the Chicago area. Differences in income between African-Americans and white Americans did not cause housing segregation 25 years ago nor does it explain segregation today. Segregation in housing is the product of a complex and inter-related set of discriminatory practices that institutionalize racial prejudice performed by private parties — particularly real estate brokers, lenders, developers, home sellers, and the media — in which the federal government and most local and state governments actively participate. Decades of their interaction produced a dual housing market, one exclusively for whites and one exclusively for blacks, that remains largely intact today.

During the past 40 years, a growing number of communities in the Chicago and Cleveland areas have defied the odds to preserve their racial diversity by attacking the discriminatory practices that perpetuate the dual housing market and force the resegregation of integrated neighborhoods. This study reports on their state-of-the-art efforts and explains why they are necessary. It identifies the factors and institutions that affect the ability of communities to achieve and preserve diversity and explores the efforts that have been taken to overcome the cultural, individual, institutional, and governmental forces that make racially diverse communities so rare. The study concludes with suggestions for research to be conducted and policies implemented to enable these communities and others to preserve their diversity.

Although efforts to achieve and preserve racial diversity generally arise out of the self-interest of whites who see diversity as a way to continue to live in their community after blacks start moving into it, the need to put an end to housing discrimination and segregation is much more essential to America's welfare and security than just their interests. This is not a question of right or wrong. It is not a matter of any moral imperative. It's

a matter of survival. The costs of resegregation are so high that this nation cannot continue to let “American apartheid” continue to drain its scarce resources much longer.

Resegregation has so divided the nation into two separate and inherently unequal societies that relatively few African-Americans are able to enjoy the trappings of the American Dream. Middle-class blacks who buy homes in all-black or resegregating neighborhoods rarely enjoy the same appreciation in equity that white homeowners savor -- and that's the chief source of wealth for most Americans. It's no wonder that the average white household's wealth is 11.5 times that of the average black household. As the ghetto expands, opportunities for quality education vanish -- and quality education continues to be the main vehicle to middle-class jobs and income. As job opportunities move to ever more distant suburbs, blacks are unable to move with the jobs thanks to widespread discrimination in housing and exclusionary zoning practices. The move of Sears Roebuck and Company to the distant northwest Chicago suburb Hoffman Estates reflects this problem and how state and local government have worked together to exacerbate it.

This continuing segregation has built an increasingly isolated, but growing permanent underclass that drains the nation's resources, threatens its citizens' safety, and forces ever higher taxes for all Americans. The only beneficiaries of resegregation are politicians, real estate brokers, and others who are invested in segregation. As Dr. Winston Ritchie, a black who heads the East Suburban Council for Open Communities has written, “If segregation has increased [black political power], blacks would be the most politically potent of all ethnic groups.” **Ending housing discrimination and the segregation it produces is an absolute necessity if this country is to ever break the debilitating and costly cycle in which the ghetto produces a growing permanent black underclass, and enable African-American to fully share the American Dream.**

In the traditional model of resegregation, white flight produces the racial transition that resegregates a neighborhood. But even in communities where whites do not panic, complete racial transition is inevitable if white demand for housing in that community disappears and only blacks participate in the community's housing market.

The following factors have combined to create and preserve this dual housing market that is at the heart of resegregation and threatens the stability of racially-diverse communities:

- ◆ Real estate agents
- ◆ Financial lending institutions
- ◆ Real estate appraisers
- ◆ Rental managers and landlords
- ◆ Builders and developers
- ◆ Community image and the mass media
- ◆ Schools
- ◆ Community organizations
- ◆ Location

Preserving racial diversity requires a two-pronged strategy to (1) maintain a sufficient level of white demand to keep the community stably integrated while (2) the long-term effort to replace the dual housing market with a single, unitary market proceeds. No single tactic will implement either strategy. Not every implementation tool described in this study is necessarily effective, nor even appropriate for every racially-diverse community.

**There are, however, a number of techniques that the experiences of the past 40 years have shown to be absolutely essential to short- and long-term success:**

- ☐ Whatever is done, it must start early before any neighborhood becomes racially identifiable.
- ☐ Integrate the public schools systemwide well before any schools are racially identifiable. Establish and maintain the same racial composition at each public school to take the public schools out of the equation when people decide whether or where to move into the community.

- ☐ Strong, vocal support for diversity by both municipal government and public school officials at an early stage.
- ☐ An aggressive community organization that adopts the goal of racial diversity before any neighborhood becomes racially identifiable.
- ☐ Develop a coordinated and comprehensive plan for achieving and preserving diversity.
- ☐ Educate, persuade, cajole, and, if necessary as a last resort, threaten local real estate brokers and rental agents to market affirmatively. Make them aware that they can make a fine living this way.
- ☐ Establish both a local and subregional housing service center;
- ☐ Plan and implement a public relations program to build the community's image.
- ☐ Maintain a high level of services to all neighborhoods within the jurisdictions.
- ☐ Particularly in communities with an old housing stock, implement an aggressive housing and building code enforcement program with financial assistance for repair or rehabilitation.
- ☐ Collect racial data from real estate and rental agents to spot trends, identify violations of local ordinances and the Fair Housing Act.
- ☐ Do not allow any new public housing to be built in or close to the racially diverse neighborhood.
- ☐ Foster economic development.
- ☐ Coordinate racial diversity efforts with other racially diverse communities to attack the dual housing market at the subregional and metropolitan levels.
- ☐ Maintain these efforts at full strength until the dual housing market is eliminated throughout the metropolitan region.

## **New Directions in Research, Strategy, and Policy**

While researchers know that these techniques are vital to preserving diversity and why so many neighborhoods have resegregated, more information is needed to gauge the actual extent of discrimination and devise more effective local, regional, and national strategies to alleviate the unnatural pressures on racially diverse communities that force them to take extraordinary measures to preserve their diversity. Steps that need to be taken include:

**Conducting a systematic, multi-disciplinary study of racially-diverse communities.** A thorough, systematic, and multi-disciplinary study of stable, racially-diverse communities that compares them to analogous communities that resegregated would enable researchers to determine why certain techniques have worked for some communities but not for others. In addition to systematically examining the tools that have been used to preserve diversity, this type of study would enable researchers to also identify the demographic, attitudinal, physical, and political factors that affect the ability of communities to preserve diversity.

**Altering institutional and governmental impediments to preserving racial diversity.** Those institutional and governmental practices and policies that cause or hamper efforts to preserve racially diverse communities must be changed. For example, it's essential that the institutionalized practices of the real estate industry be altered to enable African-Americans who wish to, to fully participate in the housing market throughout the Chicago area.

The federal government established a national policy of integrated housing long ago. To supplement the relatively ineffective case-by-case enforcement of federal and state fair housing laws, the federal government and state governments should condition virtually all programmatic and general funding to local governments on the progress they make toward achieving the proportion of minority population they would have in a color-blind housing market. But attaining this major policy change requires achieving the next step.

**Rebuilding a political constituency for racial diversity.** Government support for racial diversity will not come by merely appealing to the public's rectitude. A politically-astute strategy must be developed to

bring the issue to the forefront of public policy debate and rebuild a political constituency for racial diversity in housing and education as well as employment. Such a strategy includes effectively demonstrating the costs of housing and school segregation that all Americans must bear. To effectively influence public opinion, these costs need to be quantified. In addition, it is essential to develop a public relations blitz to debunk the long-standing myths about housing and school integration that lead to the self-fulfilling prophecies that result in resegregation and its attendant problems.

- ☑ Conducting the following research will help implement these three inter-related steps:
- ☑ Determine the extent of racial steering.
- ☑ Determine the extent of housing discrimination experienced by minorities other than African-Americans, principally Hispanics and Asians.
- ☑ Determine the extent to which enforcing fair housing laws change housing market practices.
- ☑ Identify techniques that broaden the housing choices and counter self-steering.
- ☑ Determine the impacts of neighborhood racial transition on employment opportunities within the community following transition, the types and quality of merchants and merchandise, types and quality of professional services and medical services.
- ☑ Identify the extent to which businesspeople, lenders, landlords, and other investors believe that racial change causes economic deterioration. How do these expectations relate to actual investment decisions and how often do they produce a self-fulfilling prophecy?
- ☑ Conduct an up-to-date study that identifies the hypothetical racial composition of each Chicago neighborhood and suburb in a color-blind housing market where residency is determined solely by income and cost of housing. This information could serve as a measure of the level of racial discrimination in housing. It would also serve as the standard against which to measure 1990 census data to determine which communities are progressing towards a unitary housing market.
- ☑ Determine the rates of residential property value appreciation for comparable all-white neighborhoods, stably integrated neighborhoods, all-black neighborhoods, and resegregating neighborhoods in recent years.

All this research, though, will be for naught if there is no vehicle available to utilize it. A regional agency to coordinate local and subregional fair housing service centers and adequate funding for all three levels are essential to preserving racial diversity in the long run.

**Regional Coordinating Agency.** Lacking a major national constituency for the fair housing movement, resources for promoting racial diversity continue to be scarce. An ongoing, staffed agency is needed to coordinate these efforts and others on the metropolitan level. Such an organization could grow out of the Chicago Area Fair Housing Alliance. While it would not supplant any existing fair housing organizations, it would coordinate their efforts in such arenas as auditing. In addition to targeting real estate and rental firms suspected of discriminatory practices, there is a need to conduct random sample audits to determine the actual extent of racial steering throughout the metropolitan area and to heavily publicize the findings.

Since frequent, well-publicized audits tend to reduce steering and other discriminatory practices, this agency should also serve as the main public relations vehicle for the fair housing movement. It should develop a media kit that would explain the fair housing movement and the need for racial diversity efforts, explain how the media can inadvertently perpetuate stereotypes and how vital it is that the media exclude racial factors that are not relevant to a story, and supply an annotated list of experts on fair housing and racial diversity to contact when stories break or features are prepared.

Education and training are vital for many of the players in the housing market. This regional agency should develop training in fair housing and racial diversity for newspaper, magazine, television, and radio reporters and editors. Special training will be necessary for real estate section editors and writers.

The regional agency should build upon the quality affirmative marketing training for real estate brokers, rental agents, and lenders already conducted by municipal and subregional open housing agencies. It should

facilitate communication between the subregions. For example, there is a need to have brokers from Oak Park to speak with brokers in other parts of the region to explain how profitable, and desirable, a stable, racially diverse community is for real estate and rental agents.

**Funding.** Existing funding and staffing are clearly inadequate. There is a need for new housing service centers in the outer ring suburbs where most new jobs and the most desirable new housing are being created. In addition to using existing funding sources, both the proposed regional agency and existing fair housing agencies need to tap the business community for funding. Once the Chicago-area business community discovered how the low quality of the public education was leaving them with a shrinking qualified workforce, it started pouring hundreds of thousands of dollars into public school reform. Similarly, if the business community can discover how much continuing “American Apartheid” is costing business, its coffers could be tapped on behalf of open housing and racial diversity efforts. ■



## Introduction

*“The toughest obstacle to achieving and preserving diversity is the fear of offending folks who’ve come to be invested in segregation — folks who are black, white, and other.”* — Donald DeMarco, then Director, Community Services Department, Shaker Heights, Ohio, April 1989

American apartheid continues to flourish as *forced resegregation* turns one neighborhood after another from all-white to all-black in a just a few years.

If American apartheid is to end, it won’t come from any proclamations issued by Washington or the courts — Congress and federal and state courts continue to chip away at the laws that fight housing discrimination, many of which were never intended to be effective in the first place. The end won’t come from some great epiphany of good will. The battle to end American apartheid will be won only neighborhood by neighborhood and city by city. The battle to conquer American apartheid will prevail slowly as individual cities manage to overcome the odds and achieve stable, racial diversity that reflects a color-blind housing market.

Whites who wish to live in an all-white community and blacks who wish to live in an all-black neighborhood have plenty of places to choose. But there are precious few to select from for those blacks and whites who wish to live in a stable, racially-diverse community. In the Chicago-area, a neighborhood that integrates is likely to have no choice but to resegregate no matter how much residents may wish to preserve its racial diversity.

Although, or perhaps because, the Chicago area still ranks as the most racially segregated metropolitan area in the country, with Cleveland in hot pursuit of Chicago’s title, these two areas are the nation’s hotbeds of municipal and private efforts to preserve racial diversity in the face of institutional,

governmental, cultural, and individual pressures that have historically made integration the period between the dates the first African-American moves into a neighborhood and the last white moves out.

There is nothing natural about the extreme segregation in the Chicago area. Differences in income between African-Americans and white Americans did not cause housing segregation 25 years ago (Tauber and Tauber 1965) nor does it explain segregation today. (Rabin 1985) Segregation in housing is the product of a complex and inter-related set of discriminatory practices that institutionalize racial prejudice performed by private parties -- particularly developers, real estate brokers, lenders, sellers, and the media -- in which the federal government and most local and state governments actively participate.

According to an early report of the U.S. Civil Rights Commission, “It is the real estate brokers, builders and the mortgage finance institutions which translate prejudice into discriminatory action.... The housing industry, aided and abetted by government, must bear the primary responsibility for the legacy of segregated housing.” (U.S. Commission on Civil Rights 1973:3) Decades of their interaction produced a dual housing market, one exclusively for whites and one exclusively for blacks, that has remained largely intact today.

The past 35 years have witnessed a growing number of communities in the Chicago and Cleveland areas defy the odds and preserve their racial diversity by attacking the discriminatory practices that perpetuate the dual housing market and force the resegregation of integrated neighborhoods. This chapter reports on their state-of-the-art efforts and explains why they are necessary. It identifies the different factors and institutions that affect the ability of communities to achieve and preserve diversity and explores the different efforts that have been taken to overcome the cultural, individual, institutional, and governmental forces that make racial, ethnic, and socioeconomic diverse communities so rare. This chapter concludes with further suggestions of the sort of research that needs to be undertaken and which policies implemented to enable these communities and others to preserve their diversity.

Although efforts to achieve and preserve racial diversity generally arise out of the self-interest of whites who see diversity as a way to continue to live in their community after blacks start moving into it, the need to put an end to housing discrimination and segregation is much more essential to America's welfare and security than just their interests. It is no longer a question of right or wrong. It is no longer a matter of any moral imperative. **Ending housing discrimination and the segregation it produces is an absolute necessity if this country is to ever break the debilitating and costly cycle of the ghetto's increasingly permanent black underclass and enable black Americans to share in the American Dream.** The damage caused by re-segregation has hurt both blacks and whites and weakened our national security. It has led to a growing permanent underclass that drains the nation's resources, threatens its citizens' safety, and forces ever higher taxes for all Americans.

Until the practices that foster housing discrimination end, the communities that have achieved diversity will be forced to continue to take extraordinary measures to overcome the individual, institutional, cultural, and governmental customs that have made segregated housing the norm in large portions of the United States and the commonly accepted standard in Chicagoland.

## The High Cost of Housing Discrimination and Resegregation

The African-American experience has been unlike that of any other ethnic group in America. As soon as earlier migrants to America reached some occupational and economic stability, they moved away from the central city slums in which they first settled as quickly as they could. The black migrant inherited the blight left by earlier city migrants and also settled in and around the central cores of cities. But blacks were not able to leave these blighted areas as readily as the earlier migrants had thanks to four crucial reasons. (Saltman 1989:26)

First, migrating to northern cities at a later time in history, uneducated blacks arrived at a time when

occupational skills and training were already necessary for economic opportunity and advancement. Second, unlike other migrants, African-Americans had spent most of the last 300 years in that peculiar institution called slavery where many states prohibited slaves from living as man and wife, learning English, congregating, and being taught how to read and write. Blacks had been treated as chattel which resulted in a slave psychology of whites and a continuing inferior status for blacks. Third, thanks to the color of their skin, blacks could not be easily absorbed into society. Earlier migrants could change their names and lose their foreign accents. But blacks could not change the color of their skin. Finally, these technological, historical, and cultural factors combined with increasingly covert and overt discrimination to force blacks to remain in and near the central city's ghetto areas. No ethnic or nationality group currently suffers the extremely high levels of segregation as blacks. Segregation for those other groups declined rapidly over time while it has remained at exceptionally high levels for blacks. But of all the factors to have separated blacks from whites today, discrimination stands out as the one controlling force. (Saltman 1989:26-27)

Continued housing discrimination and its primary product, re-segregation, exact a tremendous dollar and emotional toll on our entire society. The most immediate costs emanate from the almost inevitable component of racial change: economic decline and disinvestment in the changed neighborhood by both the private sector and local government. William Peterman, Director of the Natalie Voorhies Center for Neighborhood and Community Improvement at the University of Illinois-Chicago, has found that "anticipation of wholesale racial change causes the economic base to pull out of neighborhoods." This disinvestment by the business community reflects its self-fulfilling prophecy that the newly black community cannot support many of the businesses that long been located in the community. Consequently, the municipality's tax base shrinks from the loss of business and employment in the expanded ghetto. (Leadership Council for Metropolitan Open Communities 1987:1) At the same time, the quality of public services ranging from the public schools to garbage pick-up, decline as local governments traditionally cut back services to minority areas. Resegregation often leaves black residents as a captive market which is subject to



systematic exploitation by merchants and others. (Grier and Grier 1980:5)

Blacks are not the only ones who pay the price of residential discrimination and resegregation. Whites suffer directly and indirectly as well. Whole communities and their local institutions dissolve. Long-established businesses, social organizations, and churches close, sometimes permanently. (Leadership Council for Metropolitan Open Communities 1987:1) Long-time homes are left -- a particularly painful experience for older citizens -- well-established adult friendships are torn apart, and a whole way of life is shattered. (Molotch 1972:27) Children are forced to leave familiar surroundings and friends. Workers often find themselves moving to locales that leave them with a much longer commute to work and less time with their families. Air quality suffers as longer automobile commutes generate more air pollution.

But the costs run even higher. While a few resegregated Chicago-area black communities have remained middle-class, most have experienced a second wave of black in-migration composed of lower-income households. As explained in detail later, many lenders fail to distinguish between middle-income and lower-income borrowers and eagerly sell houses to unqualified households who are financed by high-risk mortgages from the Federal Housing Administration or Veterans Administration with down payments of less than five percent. Strapped for cash, these unqualified buyers are unable to properly maintain their homes and all too often default on their mortgages. The result is deteriorated and abandoned houses.

The rental sector fares no better. Once the first African-Americans move into a neighborhood, some landlords immediately seek black tenants at premium rents which they pay for the same reasons pioneer homebuyers buy houses at inflated prices. As one researcher learned by surveying landlords in South Shore during its initial period of integration, most landlords felt their most profitable course was to either reduce expenditures for maintenance or modify maintenance policies so beautification of the building suffers. Interestingly, even with this decline in maintenance, the new black residents felt that their new apartment buildings were better maintained than the buildings they left behind in the slums. But to South Shore's white residents,

these buildings now looked like slums. (Molotch 1972:103-104)

This pattern of physical decline and disinvestment is one of the most obvious costs that the factors that perpetuate housing discrimination and resegregation produce. But the immediate and long-term costs are even more widespread among both blacks and whites.

As noted above, black in-migrants pay inflated prices for ownership and rental housing in the desegregating neighborhood thanks to the scarcity of appropriate housing options they have. But these black homeowners are denied the normal perquisites of middle-class status: "a home in a secure community where home values accrue and whose schools provide access to good jobs and further education." (Leadership Council for Metropolitan Open Communities 1987:1) As the community resegregates with more and more lower-income blacks entering it, demand for homes declines and prices fall. Decaying homes abandoned by unqualified buyers further depress property values and often serve as havens for crime.

Blacks move to the suburbs for the same reasons whites do: better conditions, access to jobs, safety, and especially a good education for their children. (Slayton 1986:243) But the suburbanization of blacks in the Chicago area, and elsewhere, has rarely resulted in stable, integrated communities. (Rabin 1985:1) Although there was a measurable black presence in more than half of Chicago's suburbs by 1984, there is still "piling up in a few largely black suburbs." There is evidence that most of the other suburbs that have measurable black populations are not experiencing the rapid racial change that Chicago neighborhoods underwent. (Hartmann 1986:414) As will be suggested later, this slower racial change may be a result of demographic factors combined with the exceptional measures many integrated suburbs are taking to preserve their diversity.

However, despite the slower pace of racial change and greater number of suburbs into which blacks have been moving, the Chicago area "was and is marked by intense segregation of the races and while that situation may change, it will take a very long time before any word other than "segregated" is more appropriate to describe geographic patterns of residence." (Hartmann 1986:414)

While suburban whites enjoy the advantages of homeownership and suburban life, moving to the suburbs has often failed to change much for the middle-class black homebuyer whose new community resegregates. "Suburbanization is not the avenue to capital accumulation for blacks that it has provided for generations of whites for whom equity in a home represented the best guarantee of membership in the middle class." (Lake 1981:240) Robert Lake's extremely thorough research in New Jersey also found "strong evidence of a suburban housing market explicitly and implicitly organized along racial lines." (Lake 1981:239) Generally, homeowners sell their homes for more than they bought them, the difference in price being their increased equity. But Lake found that suburban blacks in integrated communities sold their homes almost exclusively to other blacks while suburban whites sold them to both whites and blacks. This dual housing market has resulted in black sellers being unable to reach as wide and representative a market as whites when selling equivalent homes. This reduced market yields less demand and lower selling prices. (Lake 1981:244)

This continuing situation is generating yet another disparity between the African-American experience in America and other ethnic and immigrant groups. For these other groups, dispersal into the suburbs was typically synonymous with assimilation, breaking down ethnic enclaves, and unfettered upward mobility. If suburban resegregation continues unchecked, this disparity raises the question of whether black suburbanites will enjoy the same rewards as the white middle-class. (Lake 1981:44)

This pattern reduces the net worth of black families since equity in a home is the only substantial source of wealth for most American households. In turn, this reduced wealth makes black households more vulnerable to short-term economic reverses and lessens their ability to finance college educations and exercise the choice to trade-up to more costly homes. In 1986 the typical white family had 11.5 times the wealth of the typical black household. This homeownership problem is one of the reasons why the gap in wealth is much greater than the black-white income gap. (Leadership Council for Metropolitan Open Communities 1987:4)

It's unknown how widespread this pattern is. Other studies have looked at housing appreciation in grosser terms than Lake did. Their findings contradict the myth that property values inevitably fall or appreciate less in neighborhoods with a sizeable black population than in virtually all-white areas. In the Cleveland metropolitan area, integrated neighborhoods, where there was both white and black demand for housing, enjoy the greater increases in value than either virtually all-white or virtually all-black areas. (Day 1982:15,20) "A simple economic principle may explain their [integrated areas] housing success -- the increased buyer demand for their homes has resulted in higher price appreciation." The activities of government and private agencies to stimulate biracial demand helped keep white demand high in these communities. (Day 1983:20)

Keep in mind that in a dual housing market like that in the Chicago and Cleveland areas, only 20 percent of the population could compete for housing in the African-American market while 80 percent competes for it in the white market. In a single, unitary market 100 percent of the population competes for the housing.

In addition to undermining much of the progress that has been achieved in race relations, "serving as a symbol of fear and hatred to most whites and a perpetual reminder of segregation to most blacks," the ghetto breeds a vicious cycle for blacks. "The ghetto isolates blacks from employment opportunities in the suburbs, perpetuates segregation in the schools, and creates an environment where crime, gangs, drug use, and a range of other social problems flourish." The severe problems of the ghetto become yet another hurdle many young blacks must overcome to enter the mainstream of American life. (Sander 1988: 875)

But the costs don't stop there. When neighborhoods resegregate the neighborhood school resegregates as well, even before housing does because the heads of the new black households are usually younger than the whites they replace and have more schoolage children than the families they replaced. In addition, those white families that pull their children out of the public schools for a private education pay an even higher price for education. Although extensive research suggests that there's no reason a predominantly middle-class black school can't provide as high a quality of education

as a middle-class integrated or white school, schools in resegregated neighborhoods rarely stay predominantly middle-class because lower-class households follow the middle-class pioneers into the community and soon outnumber them. Denying African-Americans the opportunity to live in desirable, stable, integrated communities, forecloses access to better education and mainstream socialization for their children. (Leadership Council for Metropolitan Open Communities 1987:4)

Obtaining a quality education that leads to completing high school and college is a key to improving employment and income. Where children go to school plays a major factor in determining school achievement and completion. There's a highly significant difference in dropout rates and academic achievement between children in all-black versus pre-dominantly white and integrated schools. Consequently, children with identical abilities face very different educational and lifetime opportunities due to where they live. (Leadership Council for Metropolitan Open Communities 1987:4)

School dropouts pose an expensive drain on the taxpayer's pocketbook. It's well established that failure to complete high school and go on to college increases the probability of criminal behavior and welfare dependency. (Leadership Council for Metropolitan Open Communities 1987:4) For example, 43 percent of the Chicago's high school graduating class of 1982 dropped out of school. Over their lifetime, these 12,804 dropouts will cost the taxpayer over \$2 billion in terms of higher welfare expenditures, lost taxes due to being on welfare or working in low-paying jobs instead of fully participating in the economic system, and greater law enforcement and incarceration costs. (Lauber and Hess 1985:4) And that's the price all taxpayers must pay for just one year in one city!

With two decades of school integration in parts of the nation, long-term evidence has surfaced to further confirm the debilitating effect of segregated schools on inner-city African-American children, and the very positive effects of integrated classrooms. The National Institute of Education examined the adult lives of 661 black students who attended public schools in Hartford, Connecticut, from 1966 to 1970. Carefully matched to control for family backgrounds and socioeconomic levels, 318 of the students attended integrated, predominantly

white schools while 343 were educated in all-black schools as part of Hartford's Project Concern, a compensatory education program. Those who attended the integrated schools were significantly more successful as adults in occupational, income, social, and academic terms than the students from the all-black schools. The former group had a higher rate of college attendance, finished more years of college, had fewer police incidents, fewer fights as adults, parented fewer children before they reached 18, and were more likely to live in an integrated neighborhood as an adult. (National Institute of Education 1986)

While these phenomena persist, there's the continuing pattern of industry and jobs moving to the increasingly distant suburbs. This isn't a new pattern and it isn't restricted to the Chicago area. (National Committee Against Discrimination in Housing 1970) Between 1972 and 1982, the City of Chicago lost 168,000 jobs while suburban Cook County gained 125,000 jobs and DuPage County 76,000 of the 237,000 jobs all suburbs gained. (McCourt and Nyden 1986:321) The 1989 decision of Sears, Roebuck and Company to leave Chicago's downtown for northwest suburban Hoffman Estates illustrates the dilemma this trend poses. Because so much of the land in Hoffman Estates and its neighboring communities is exclusionarily zoned to prohibit the construction of housing many of Sears' employees, especially black workers in clerical positions, can afford, many of them will be unable to move northwest with the company. Thanks to the dearth of public transportation from Chicago's African-American community and the lengthy automobile trip (over two hours in rush hour), many of Sears' black employees will simply be out of work. Restriction of black housing to the central city ghetto and inner-ring suburbs effectively eliminates access to where the job opportunities are growing.

(Given Sears' alleged past treatment of minority employees, there is some plausibility to the theory that one of Sears motivations for choosing Hoffman Estates was to rid itself of much of its black workforce. A 1977 secret decision of the Equal Employment Opportunities Commission cited "patterns of sex, race, and national origin discrimination at all levels of the Sears organization" in violation of Title VII of the 1964 Civil Rights. (Tell 1979:1,3))

With educational and employment opportunities moving further away from the central city, the avenues of escape from the ghetto to a nice home in a desirable community are closed to middle-class African-Americans and to members of the growing and increasingly permanent black underclass. Unless resegregation can be halted, and stable, racially diverse communities achieved throughout the Chicago metropolitan area, even most middle-class African-Americans will be permanently consigned to the ghetto.

If this resegregation that destabilizes neighborhoods in our central cities and inner-ring suburbs is allowed to continue, we can expect to see a continued flight to increasingly remote suburbs by the white middle class and the black middle class that can gain access, as well as most of the capital investment and resulting tax base that give cities their vitality. As the central city becomes increasingly unable to support quality education and housing from its own resources, it will become ever more dependent on increasingly scarce resources from the state and federal governments. (Obermanns 1988:76-77)

Apparently many Americans recognize that the domestic problems that are exacerbated by continuing housing discrimination and resegregation draining so much of nation's limited financial resources threaten the country's national security. In March 1989, a political cross-section of 907 citizens participating in forums on the national defense at twelve sites across the country, chose domestic social concerns as the one of the three top priority threats to national security, behind nuclear/chemical proliferation and the global environment, and far ahead of drug trafficking, third world poverty and repression, global economic competition, the Persian Gulf, Defense Department waste, terrorism, nuclear war, and the spread of communism. (Roosevelt Center for American Policy Studies 1989:9-10)

Yet there are voices raised against efforts to preserve the racial diversity of neighborhoods and whole municipalities. The reappearance of the black separatist movement in 1966 has led to a gradual de-emphasis of the long-sought goal of integration by a relatively small, youthful, and very vocal minority of African-Americans. Although the unity of the national civil rights movement had been shattered, its momentum continued into the 1970s along with

legal, political, and judicial decisions that aided the goals of equal access and racial integration. (Saltman 1989:32)

Many separatists argue that encouraging members of the black middle class to follow other ethnic groups out of the ghetto skims the cream off the top and leaves lower-class ghetto youths with few positive role models. Yet, among other ethnic groups, the middle-class left the ghetto before the lower-class. As suggested by the substantial presence of lower-income white ethnics in many suburbs and outer edges of the City of Chicago, discrimination, not economic status, has been the primary obstacle to lower-income blacks moving out of the ghetto. Middle-class blacks face a troublesome conundrum. Do they leave the ghetto to be close to where the jobs are and enjoy the middle-class trappings they have earned -- a safer, better home and better education for their children -- just like their white ethnic predecessors did, or do they remain in the ghetto to serve as role models for lower-income black youth and possibly sacrifice the future and safety of their own children? Why should they be expected to act any differently than their middle-class white ethnic predecessors?

Who benefits from housing discrimination and consequent resegregation? Clearly those white and black politicians who can be elected only on the basis of their race capitalize from maintaining concentrations of blacks within the ghetto and its expansions. While many would argue that integration dilutes African-American political power, Winston Ritchie, a black who heads the East Suburban Council for Open Communities outside Cleveland, responds, "If segregation increased this power, blacks would be the most politically potent of all ethnic groups." (Ritchie 1989)

Given the highly segregated status of the real estate industry (Williams and DeMarco 1979:21), it's not surprising that the many members of the real estate profession are perhaps the most ardent opponent of efforts to preserve racial diversity. Black realtors, and whites to a lesser extent, are prime beneficiaries of continued resegregation. As the detailed discussion of the real estate industry below points out, real estate sales is a highly territorial business. Black brokers depend almost exclusively on other blacks for business. White-owned firms serve white areas and black-owned firms serve



black communities. As neighborhoods undergo re-segregation, there's a major shift among real estate firms handling properties from white-owned to black-owned. (U.S. Department of Housing and Urban Development 1979:153–154) Simply put, black brokers expand their territory as neighborhoods re-segregate.

“Black brokers are hard hit by stable integrated communities. Still frozen out of the white real estate market, they find it easier to deal in black or racially mixed transitional markets.” (Brune 1979: 5) So black brokers often argue that nature should be allowed to take its course and governments should not try to prevent residential resegregation. However, as the section on the factors that contribute to resegregation explains, there is nothing natural about resegregation!

As long as black brokers are restricted to serving just the black community, they have near monopolistic control over their market. As long as a dual housing market persists, black brokers do not have to compete with white brokers in the larger broker universe.

Similarly, many white brokers may welcome continuance of the dual market because, under the classic resegregation model, it's the white brokers who list the houses that pioneer blacks buy at inflated prices -- with concomitant higher commissions for the listing broker. By the time the neighborhood has started to re-segregate and prices fall, the white brokers have abandoned the neighborhood to the black brokers. It remains a mystery why black brokers are so willing to merely pick up the pieces, although they then enjoy a monopoly on housing sales in the expanded ghetto.

Perhaps these factors explain why the extremely segregated real estate industry's leading professional organization, the National Association of Realtors, has historically fought every fair housing initiative and leads the fight against municipal and private efforts to preserve racial diversity.

It is unknown what other disadvantages there might be to achieving and preserving racial diversity. Overall, it would appear that the crucial need to break the costly, debilitating cycles of the ghetto, and to enable African-Americans to fully participate in the American Dream, far outweigh the interests

of politicians, real estate brokers, and others who benefit from resegregation.

The only thing that has changed for African-Americans trapped in the growing underclass is the race of the plantation master. Today black politicians and civil rights leaders have become so invested in segregation that they seem willing to sacrifice the few racially diverse communities that are offering a way out of the ghetto's cycle. Their failure to support the efforts of racially diverse communities to preserve their diversity and achieve diversity in all-white communities is no less a national disgrace than the long-time failure of white politicians and leaders to embrace this goal.

## How the Classic Model of Housing Resegregation Works

The Chicago area is overwhelmingly dominated by virtually all-white and virtually all-black municipalities and neighborhoods. (Hartmann 1986:414) Residential choices are few for the individual or family that wishes to live in a racially, or socioeconomically, diverse neighborhood. Until recently, Chicago-area neighborhoods enjoyed a very short life span as racially diverse communities. In the classic pattern of resegregation, diversity existed only between the time the first African-American household moved into the neighborhood and the last white household departed. To understand why a slowly growing number of communities have been able to achieve and preserve their racial diversity, it is essential to understand the resegregation process and the cultural, individual, institutional, and governmental actions and inactions that perpetuate it. And to appreciate why this resegregation process must end, it is essential to recognize the high costs it imposes on all Americans and how it threatens the nation's security. The advantages, and disadvantages, of integration must be acknowledged.

Ever since the massive post-World War I African-American migration from the South to the big cities of the North, blacks had been consigned to residential ghettos within the central city. Throughout this period and into the last decade of the twentieth

century, the Chicago area has maintained two very separate, and inherently unequal, housing markets: one white and one black. As explained in the discussion of the real estate industry that follows, real estate brokers maintain a virtual stranglehold on information about available housing. Real estate brokers traditionally show home seeking whites houses or apartments only in all-white areas. Home seeking blacks are conventionally shown houses or apartments only in all-black areas or integrated communities. Once real estate brokers identify an area as integrated, they usher white prospects away from them to exclusively white neighborhoods instead, while directing African-American prospects to the integrated neighborhoods in addition to the ghetto. This still widespread practice of racial steering has been one of the key foundations of residential segregation despite being made illegal by Title VIII of the Civil Rights Act of 1968. Practically all by itself, it implements the self-fulfilling prophecy that so many Chicagoans and suburbanites readily believe: once blacks move into a neighborhood, it *will* become all black and suffer from reduced city services and disinvestment.

Many complex and inter-related factors cause resegregation. First this chapter will present a stripped-down description of the classic resegregation process. After examining the costs of housing discrimination and resegregation, each of these causative factors will be examined in depth and added to the resegregation model.

Resegregation begins with the entry of the first “pioneer” middle-class black households into an area adjacent to the ghetto where property values were already a bit depressed. (Openshaw 1973:51) Due to the nearly constant pent-up demand for housing emanating from within the black ghetto, these pioneer households pay a premium price for their new housing outside the ghetto as they compete with still continuing white demand for housing in the adjacent neighborhood. Research has found that property values continue to increase for several years as black in-migration continues. (Openshaw 1973:88)

Large numbers of Chicago-area whites hold the mistaken impression that property values decline with black entry despite media reports to the contrary. (Comarow 1973) One of the most extensive studies on property values in integrating

neighborhoods appeared nearly 30 years ago. Luigi Laurenti’s massive five-year study of over 9,900 property transactions in Oakland, San Francisco, and Philadelphia found that houses in integrated areas sold for more than comparable ones in all-white ones 44 percent of the time. They sold for about the same price 41 percent of the time. Comparable houses in white neighborhoods sold for more only 15 percent of the time. (Laurenti 1961:51–52) “Considering all of the evidence,” Laurenti wrote, “the odds are about four to one that house prices in a neighborhood entered by nonwhites will keep up with or exceed prices in a comparable all-white area.” (Laurenti 1961:52)

Yet despite these facts, blockbusting and panic peddling real estate brokers have repeatedly convinced many whites to sell their houses to them at lower prices even before blacks move into their neighborhood. The brokers then sell them to entering blacks at an inflated price. Blockbusters and panic peddlers attempt to induce whites to sell their dwellings by representing that blacks are moving into, or about to enter, the neighborhood. (Openshaw 1973:12) To further their efforts, blockbusters have been known to hire people to create disturbances and damage property in order to panic whites homeowners.

Neighborhood transition from all-white to all-black gets another assist from widespread racial steering by real estate brokers that keeps those whites who would consider living in the now-integrated neighborhood from even looking at homes in it. At the same time, brokers are directing black prospects to the neighborhood. With only a few neighborhoods open to blacks at any one time, black demand is concentrated, and exaggerated, on the integrating neighborhood. When a prospect requests to see homes in a neighborhood that would represent a nontraditional move (whites moving into an integrated neighborhood or blacks moving into a virtually all-white stable neighborhood not adjacent to the ghetto), many realtors, who have a near monopoly on access to housing availability, will tell a prospect that none is available or make overt or covert remarks to discourage him from considering the unconventional move. (Galster 1989:13–14)

Just ten years ago, two national studies examining real estate practices found that blacks could expect to encounter discrimination when buying a

home 62 percent of the time, and when seeking to rent, 75 percent of the time. Subsequent research in regional areas shows that not much has changed since then. (Saltman 1989:28)

This channeling of demand makes racial change inevitable even in the absence of blockbusting or panic peddling. For example, despite its best efforts, Chicago's South Shore community was unable to preserve its diversity in the 1960s even though it never experienced any white flight or wave of panic selling. It underwent nearly complete racial change simply through a process of stable property turnover in which virtually all homebuyers and new renters were black. As long as housing demand is nearly exclusively black and discriminatory practices in the sale and rental of housing continue, re-segregation seems inevitable even in stable neighborhoods like South Shore was. (Molotch 171–173, 205)

Blockbusting appears not to be that common any more, particularly in the suburbs. More typically, as white households move out of the heterogeneous neighborhood for a variety of reasons, some of which are related to race, they are replaced by black households. Whites, who have many options of where to live, can easily choose from a wide variety of neighborhoods to live in. Blacks, who generally have a very restricted set of viable housing options, tend to concentrate in areas where apparent housing opportunities are available. These areas are limited to integrated and all-black segregated neighborhoods. The following model describes how these areas re-segregate: (Onderdonk, et al 1977:9)

- ☐ All-white neighborhood — no homes are sold to blacks
- ☐ Blacks move into the neighborhood — a few homes are sold to blacks
- ☐ Whites begin to leave the market for homes in the neighborhood — most homes are sold to blacks
- ☐ Neighborhood becomes identified as for “blacks only” and whites are excluded from the market for homes in the neighborhood -- few homes are sold to whites
- ☐ Neighborhood becomes a black ghetto — no homes are sold to whites

Today, even suburbs not adjacent to the central city's black ghetto have experienced either block-

by-block re-segregation or scattered black in-migration. For example, Maywood, Bellwood, North Chicago, Waukegan, University Park, Calumet Park, Harvey, Blue Island, Chicago Heights, Skokie, and Evanston, have developed racially identifiable neighborhoods or completely re-segregated. Meanwhile, other suburbs such as Park Forest, Country Club Hills, Hazel Crest, Matteson, and Oak Park (which is adjacent to Chicago's black ghetto), among others, continue to take extraordinary measures to overcome the institutional, cultural, and governmental practices that foster discrimination and re-segregation. They are defying historical patterns of racial change to achieve and preserve their racial diversity without any racially identifiable neighborhoods developing. To achieve their goal, they are seeking to replace the dual housing market with a unitary market in which households of all races participate. This achievement would yield the following model of housing integration: (Onderdonk, et al 1977:9)

- ☐ All-white neighborhood — no homes are sold to blacks
- ☐ Blacks move into the neighborhood — a few homes are sold to blacks
- ☐ Whites remain in the market for homes in the neighborhood — homes are sold to both whites and blacks
- ☐ Neighborhood becomes stably integrated — whites and blacks freely compete for housing

To understand why their efforts work and why they are necessary, it is essential to understand the role each of the cultural, institutional, and governmental actors play in perpetuating housing discrimination and segregation. These roles are discussed below following an examination of the costs of housing discrimination and re-segregation.



## Factors that Contribute to Preserving the Dual Housing Market and Residential Resegregation

The extreme segregation of the Chicago area and the transition of so many neighborhoods and municipalities from all-white to all-black results from a complex, inter-related set of discriminatory practices that have institutionalized racial prejudice and produced the dual housing market. How these practices cause and perpetuate the dual housing market were identified more than 30 years ago. Yet they persist today, nearly as strong as they were in 1960.

Until passage of civil rights and fair housing legislation in the 1960s, most of these practices were legal. It was not unlawful to discriminate on the basis of race in the sale or rental of housing. Restrictive covenants in property deeds that prohibited the transfer of property to blacks or Jews were enforceable until the U.S. Supreme Court ruled in 1948 that the courts and government could not enforce them. (*Shelley v. Kraemer*, 334 U.S. 1 (1948)) The real estate and lending industries considered discrimination to be normal. Black and other minority consumers were relegated to limited geographic areas while the rest of the market was open only to whites. (Onderdonk et al 1977:8)

Although the National Housing Act of 1968 and the Illinois Constitution of 1970 banned such discrimination on the basis of race, the legacy of decades of overt, legal discrimination in housing, preceded by more than 200 years of slavery, maintained their stamp on the market and has perpetuated a *de facto* dual housing market. The now unlawful patterns and practices of housing suppliers have been so deeply ingrained in the housing industry, coupled with past practices that have left a strong psychological residue in the minds of housing consumers, have maintained as nearly as rigid a dual housing market as before discrimination was outlawed. (Onderdonk et al 1977:8)

In order to design strategies and activities to preserve racially diverse neighborhoods and municipalities, it is first essential to understand the history

of how each of the institutional, governmental, cultural, and individual factors that created and maintain the dual housing market contributes to proping up the dual housing market and forcing resegregation of biracial neighborhoods.

### Real Estate Practitioners

Probably no single actor has contributed more to perpetuate the discriminatory practices that created and maintain the dual housing market than real estate practitioners and the official representative of their otherwise most honorable profession, the National Association of Realtors and its predecessor, the National Association of Real Estate Boards. The real estate broker's nearly monopolistic grip on information about housing availability and the homebuyer's dependence on brokers, this highly segregated industry has been able to preserve a dual market almost all on its own. Without this industry's cooperation, extraordinary efforts to preserve racially diverse communities will always be necessary.

The realtor holds a special place in the home seeker's psyche. Buying a home is, of course, the largest financial investment most Americans ever make. Homebuyers, particularly first-time purchasers, usually need and want professional advice when looking to purchase a home. The real estate broker is the professional they rely upon for advice and counsel about where to buy, what to buy, and how to finance the purchase. Consequently, brokers strongly influence where people look for homes and what homes people actually get to see.

Today's real estate practices can best be understood within the contexts of how the real estate brokerage industry operates, its history of legal and later illegal, but institutionalized discriminatory practices, and its official consistent opposition to fair housing legislation and open housing policies.

Today's illegal, but common practice of racial steering has deep roots in the real estate industry's history. Real estate brokers have long considered themselves to be the "gatekeeper" of the community who protects against incursions "by undesirable and incompatible types" and against the loss of property values. Once the laws that required housing separation of the races were repealed or outlawed, the real estate community, with the positive

sanction of broad sections of society, took upon itself, with some exceptions, the responsibility for continuing this tradition. (Onderdonk et al 1977:53)

In 1917, while mandatory housing segregation laws were being terminated in other cities, the Chicago Real Estate Board adopted this policy: "Inasmuch as more territory must be provided [for Negroes], it is desired in the interest of all, that each block shall be filled solidly and that further expansion shall be confined to contiguous blocks with the present method of obtaining a single building in scattered blocks discontinued." (*Chicago Real Estate Board Bulletin* XXV, No. 4 April 1917, p. 313, quoted in Helper 1969:225) Restrictive covenants that prohibited the transfer of a property to African-Americans were used to implement this policy.

For a quarter of a century, Article 34 of the *Code of Ethics* of the National Association of Real Estate Boards (NAREB) provided: "A realtor should never be instrumental in introducing into a neighborhood a character of property or occupancy, members of any race or nationality, or any individual whose presence will clearly be detrimental to property values in the neighborhood." (Quoted in Laurenti 1961:17) One text used to train brokers and other textbooks of the period make the meaning of this article abundantly clear:

"It is a matter of common observation that the purchase of property by certain racial types is very likely to diminish the value of other property." (Fisher, Ernest M. *Principles of Real Estate Practice*, New York: Macmillan Company. 1923. p. 116. Quoted in Laurenti 1961:9)

"With the increase in colored people coming to many Northern cities they have overrun their old districts and swept into adjoining ones or passed to other sections and formed new ones. This naturally has had a decidedly detrimental effect on land values for few white people, however inclined to be sympathetic with the problem of the colored race, care to live near them. Property values have been sadly depreciated by having a single colored family settle down on a street occupied exclusively by white residents." (McMichael, Stanley L. and Bingham, Robert F. *City Growth and Values*. Cleveland: Stanley McMichael Publishing Organization. 1923. p. 181. Quoted in Laurenti 1961:9)

The intervening years saw real estate professionals soften their assessment of the effects of black in-migration very little. The major change came in the 1940s when a few appraisal experts began to question the inevitability of declining property values when blacks moved into a white neighborhood by actually studying the sale prices in such neighborhoods. However, even as the 1960s began, the real estate industry's literature and policies were still dominated by the "axioms" that black in-migration inevitably led to white flight and community decline. (Laurenti 1961:10-20) As a public statement of the San Francisco Real Estate Board read:

"It is a matter of fact and experience that when a Negro or Chinese or Japanese or Filipino moves into a white district, the house values drop.... Other whites won't buy into the district. Owners can only sell to other Negroes and so value goes down and down. . . . *We don't look at this as a social problem. That's not our job. For us this is an economic problem.* Looking at it this way, the Board has asked that its members "not introduce" into a residential district "any occupancy or race" which will have the effect of lowering values." ("The Negro in San Francisco," *San Francisco Chronicle*. November 6, 1950. Quoted in Laurenti 1961:20)

In 1950, the Article 34 was changed to read: "A realtor should never be instrumental in introducing into a neighborhood a character of property or use which will clearly be detrimental to property values in that neighborhood." (Quoted in Laurenti 1961:17) Despite the change in language, brokers clearly recognized the continuance of the organization's prohibition on introducing black residents into white neighborhoods. As one broker told Laurenti in the 1955, "Our Code doesn't mention race, but certain things are understood." Violations of the code could result in expulsion from the national organization. Local boards also adopted similar language, the violation of which would lead to suspension or expulsion from the local board, which would have devastating effects on the broker's business. (Laurenti 1961:17)

Since then the National Association of Realtors and its many state and local boards consistently and officially opposed integration well into the 1970s.

Most local real estate boards still maintained a *de facto* prohibition against black members. (Lake 1981:216) Real estate boards actively opposed passage of state and local fair housing laws in Illinois, Ohio, California, and Michigan. The California Real Estate Board went so far as to try to overturn the state's fair housing law by referendum. (Lake 1981:216) When anti-steering provisions became an inevitable provision of Illinois' fair housing statutes in 1974, the real estate industry successfully lobbied for provisions that would seem to also make illegal any real estate agent's attempt to influence someone so as to promote integration or avoid segregation. (Onderdonk et al. 1977:56)

The NAREB lobbied vigorously against the fair housing title in the federal Civil Rights Act of 1968. And just one week after Congress passed the Fair Housing Act, the NAREB issued a memorandum entitled "Some questions (and their answers) suggested by a reading of Title VII of Public Law No. 90-284, related to forced housing." Distributed to local boards, this memorandum told brokers that they would not be in violation of the new law if they told a qualified black prospect that "the office has no listings in that category. . . . The law does not give any person the right to purchase or right to inspect dwellings whose identity is vague and uncertain. The essence of the offense is the discriminatory refusal to sell a dwelling which the purchaser wants to buy." (Quoted in Grayson and Wedel 1969:15-16)

Once the legislative battle was lost, the unanimity in the real estate community was shattered. Some brokers continued to resist while others hoped "to make a commercial success of going with the current rather than continuing to paddle upstream." (Onderdonk 1977:55) The National Association of Realtors adopted a "go-with-the-current approach," the most fascinating example of which is the 1975 Affirmative Marketing Agreement it drafted with the U.S. Department of Housing and Urban Development for local boards to voluntarily adopt.

Three years earlier, HUD had issued affirmative marketing guidelines to developers of housing assisted or insured by any federal program. The guidelines defined affirmative marketing in terms of promoting balanced racial demand and required developers to take special care and design programs to attract minority or non-minority residents who

were of underrepresented in residence, or might reasonably be expected to be underrepresented in residence or in the housing demand. While various special public interest groups started to exert pressure to make these guidelines meaningful and to cover the resale realty industry as well, the NAR warmed up to negotiating an agreement with HUD. But its Affirmative Marketing Agreement, which is still in effect, defined affirmative marketing as providing "information that will enable minority buyers to make a free choice of housing location." Under the NAR-HUD agreement, affirmative marketing became a public relations tool for reaching out to minorities to sell them homes in areas they choose rather than a tool to achieve an unitary housing market. Since so many minorities self-steer themselves away from all-white neighborhoods, this agreement posed little threat to the dual housing market. (Onderdonk et al. 1977:56)

The agreement also includes a fascinating feature to protect real estate brokers against pressures from community groups and local governments seeking a unitary housing market with both white and black traffic. The NAR has told local realtors that they will lose their nationally-negotiated liability insurance if they enter into any locally-negotiated affirmative marketing agreement, effectively thwarting many local attempts to promote a racially representative market demand. (Onderdonk et al. 1977:56)

Three years later, only 25 percent of the NAR's 1735 member boards had adopted the agreement. (Lake 1981:217-218)

Despite being illegal, racial steering has replaced the outright denial of housing to minorities as the real estate agent's primary practice employed to maintain the dual housing market and frustrate the efforts of communities to preserve their racial diversity. Although no research has been funded to identify the precise extent of steering in the Chicago area or elsewhere, audits of suspected real estate firms that fair housing groups in the Chicago and Cleveland areas have conducted, confirm that racial steering in the sale and rental of housing exists, and is not lessening, despite substantial settlements and damage awards against agents and firms convicted of steering. (Peterman and Hunt 1986, South Suburban Housing Center 1988) The real estate audit techniques of testing brokers for steering are

explained in the discussion of successful techniques used to preserve racially diverse communities.

Racial steering simply involves a real estate agent directing white prospects only to all-white neighborhoods and discouraging them from considering a move to an integrated community, and directly African-American prospects only to all-black and integrated communities. As described earlier, the inevitable result of these practices is to artificially preserve a dual housing market, one for blacks and a separate one for whites. By working to curtail white demand for housing in integrated communities and funnel only blacks to racially diverse neighborhoods, brokers make sure that the prophecy of inevitable resegregation is self-fulfilled. And by excluding whites from the housing market in integrated communities, agents reduce demand enough to assure that the prophecy of lower property values in an integrated community is also self-fulfilled.

Why do so many real estate agents practice steering given the substantial penalties for this practice such as fines and loss of one's real estate license? What incentives are there for brokers to maintain a dual housing market?

According to Bob Butters, Deputy General Counsel for the National Association of Realtors, the NAR and real estate agents are only trying their "level best to reflect societal values as they exist. The fact is, whites are willing to pay a premium to live in predominantly white neighborhoods, and blacks are willing to pay a premium to buy a damn house, period, where they feel comfortable.

"We're not the reason why whites pay a premium. We don't make the market, we take it as we find it. It's sad morally that that kind of prejudice exists. We as an organization would stand up and say it should be dealt with -- but I don't know how." (Quoted in Henderson 1987:30)

Given the practices and history of real estate agents and their organizations this century, it is tempting to dismiss Butters' comments as lacking any credibility. However, Robert Lake's in-depth examination of real estate brokers and their practices explains why Butters can say what he said with a straight face.

Lake found, "Racial discrimination is inherent in the structure of the real estate industry, the nature of day-to-day realty operations, and the broker's

perception of his professional role as guardian of neighborhood compatibility. To not discriminate puts a broker at a competitive disadvantage in a highly competitive and localized industry." (Lake 1981:232)

The real estate brokerage industry is extremely territorial and localized. While agents can list and sell homes anywhere in the state, they concentrate their practice within a much smaller geographic area, often within a single municipality and its neighboring communities. The broker's bread and butter is the listings he obtains. Even if another agent sells a house a broker lists, the listing broker still gets a commission on its sale. In the highly segregated real estate industry, which seems to reflect highly segregated housing patterns, white brokers who rarely interact with black persons on a social basis, do not perceive blacks as likely to list with them, nor as sales prospects. Similarly, black brokers see only other African-Americans as likely to list with them. These patterns are broken only in racially-diverse communities like Oak Park, Illinois.

Brokers obtain listings primarily from referrals or repeats from previous clients, and from canvassing or "farming" (soliciting) in which an agent is assigned a specific area to get to know residents and make his firm's name synonymous with real estate so homeowners will list their homes with his firm. This practice significantly narrows the broker's focus and may help to explain so many brokers' localized recommendations to buyers. But, this focus also helps explain why white brokers rarely have black clients. (Lake 1981:223-224)

This overwhelming importance of close local ties and the agent's heavy investment in localized marketing "constitute irrefutable incentives to protect local stability and the continuity of the status quo. From the white broker's perspective, black prospects are not seen as potential future clients. To introduce blacks into one's territory is to risk alienation of potential white clients and to replace whites with blacks in whose social networks one does not participate. The consequence for the broker is to undermine the carefully developed local contacts necessary to continue to obtain the listings which, as one real estate textbook puts it, "make the brokerage business." (Lake 1981:219)

"Given the broker's perception of strong racial preferences held by both prospects and



neighborhood residents, selection of appropriate neighborhoods inevitably involves racial considerations.” (Lake 1981:232)

Lake found that most of the basic elements of the real estate business provide substantial incentives to discriminate. These include:

- The importance of, and methods for, obtaining listings – this is broker’s primary activity.
- The significance of the broker’s social and personal reputation in the community as a primary business asset.
- The highly localized nature of brokerage activities.
- The brokers’ perception of racial submarkets.

These elements, which were discussed above, offer great incentives to preserve the dual housing market and discourage black in-migration. First, given the segregated nature of society, blacks from outside the broker’s territory are unlikely to be part of the white real estate agent’s social network, and therefore unlikely to use the local agent to find a house in the community.

Second, the self-fulfilling prophecy of inevitable racial change once a black moves into a neighborhood has been ingrained in the minds of real estate agents for at least 70 years through the industry’s textbooks and folklore. White brokers believe that black areas are lost to them as a source of listings and that there is no demand from white prospects for homes in neighborhoods with a black presence. In fact, in the very segregated real estate industry, sales in predominantly black neighborhoods are handled almost exclusively by black realtors. (Lake 1981:225)

Third, it is extremely difficult to re-establish real estate operations in a new locale. Consequently, the real estate agent sees assisting black entry into a white neighborhood within the agent’s territory would initiate a process that will ultimately result in the loss of that carefully cultivated territory. The broker believes white demand will decline and it will be more difficult to find buyers for his listings. Black households who want to purchase homes in the area will be tied into a different set of community institutions and the broker’s carefully developed social networks will begin to unravel. Combined with the difficulty of moving to a new

territory, these factors lead white brokers to discourage black entry and steer blacks away from the all-white community. (Lake 1981:225)

Additional elements of the real estate business that encourage real estate agents to discriminate include:

- The broker’s belief in her responsibility to ensure neighborhood compatibility;
- Methods for selecting neighborhoods and houses to show prospects.
- Beliefs regarding the problem of showing houses in white neighborhoods to black prospects.

As Mr. Butters comments suggest, many white brokers feel they are merely responding to white preferences for an all-white neighborhood -- perhaps an institutionalization of the prohibition in the old NAREB’s Code of Ethics against introducing “incompatible” racial groups into a neighborhood. The governing consideration is the broker’s perception of the intransigence of white prejudice. (Lake 1981:228) Many brokers see preserving homogeneity as an important part of their function and necessary to maintain ties to the neighborhood. A broker certainly would not want to antagonize potential white clients by introducing unwanted blacks into the neighborhood; after all he has his reputation in the community to protect and cannot afford consumer reprisals that might reduce his number of listings. (Lake 1981:226)

Lake also found that most brokers would warn a black family interested in a white neighborhood of potentially inhospitable white neighbors. Volunteering such information, true or not, is a subtle form of steering blacks away from white neighborhoods. Most brokers felt it is their responsibility to transmit their perceptions of white neighborhood sentiment to their black customers. (Lake 1981:231)

It seems likely that operating under the present dual housing market is simply a comfortable arrangement for both black and white real estate agents. Each group has its designated submarket and by maintaining these they will rarely have to deal with the members of a different race. They don’t have to develop social networks with individuals of a different race or become involved with institutions with which they are unfamiliar. The status quo simply offers most brokers the path of least

resistance. They believe they are simply reflecting society's preferences, and as members of one of the least flexible and segregated professions, they are not ones to rock the boat.

But as the section on implementation tools to preserve diversity shows, members of the local real estate industry in a small but growing number of municipalities have rallied behind municipal efforts to preserve racial diversity. Where these brokers once had exclusively white clients, they now enjoy a biracial clientele and still flourishing businesses despite all the disincentives the industry provides. For the real estate industry, the way it is in most communities is not the way it must be.

## Financial Institutions and Real Estate Appraisers

The lending industry has always had a profound impact on the housing industry. When the credit is hard to come by or interest rates rise, home sales invariably falter. When interest rates decline and credit becomes more readily available, sales soar.

To keep it simple, the classic model of neighborhood resegregation described in the early pages of this chapter did not mention the lending practices that have played a well-documented major role in accelerating racial change and promoting a dual housing market. (Shlay 1986:112–113) But the lending industry has worked hand-in-hand with the real estate industry to foster rapid racial change -- and a profitable very high volume of real estate and mortgage transactions.

Just as in the real estate industry, the lending industry believed that the entry of even a single black into a white neighborhood would depress property values. And as in the real estate industry, officials of banks and savings and loan associations felt they were only responding to societal values by refusing to issue mortgage loans to qualified blacks households who wished to purchase in a white area. Many feared retribution from their depositors. (Laurenti 1961:20–22)

The property appraisers lenders rely upon when making mortgage loans have also long equated the presence of black residents with lower property values. Before issuing a loan on a piece of property, a lender hires an appraiser to estimate the value of

the property and indicate the nature and future of the market. The value an appraiser places on a property heavily influences the lender since regulatory agencies may ask the lender to defend any loans that are out of line with an appraisal. (Onderdonk et al. 1977:44)

The courses and institutes sponsored by the Society of Real Estate Appraisers and the American Institute of Real Estate Appraisers shape how the decision-making process appraisers use. Even in the 1970s, these courses and texts state that neighborhood homogeneity affects the value of real estate in the neighborhood. These educational tools make the same assumptions about the effect on property values of blacks living in a neighborhood as the old real estate books examined earlier. (Onderdonk et al. 1977:44–45) A 1973 appraisers' text states:

"No matter how attractive a particular neighborhood may be, it does not possess maximum desirability unless it is occupied by people who are reasonably congenial. This implies a community of interest based upon common social or cultural background.... Long bound together by vocational, social, racial or religious ties, a neighborhood may nevertheless tend to change its character.... This development tends to change the neighborhood's social structure, and may alter values." (American Institute of Real Estate Appraisers 1973:96–97)

These strongly negative racial references remained in appraisal manuals until 1977 when the U.S. Department of Justice issued orders to revise them. (American Institute of Real Estate Appraisers 1977) Even as late as 1975, the appraiser's "bible," Stanley McMichael's *A Manual for Appraising*, still contained Homer Hoyt's 52 year-old realtor's rank ordering of minority groups according to their effect on property values. At the bottom of the list as the least desirable group were African-Americans. (Saltman 1989:28–29)

To the classic model of community resegregation, add the lenders who first underassess property in the newly-integrated neighborhood and then withdraw credit from the white neighborhoods when more black residents move in. With conventional financing mechanisms unavailable to support normal market processes, house prices would decline, white demand decrease, and an ensuing panic escalate the movement of white residents out of the neighborhood. Sales from whites to blacks would be

financed largely through other mechanisms and intermediaries such as the land installment contractor and mortgage banker, both of whom profited from speculating on pent-up black demand for housing as well as white panic. Neighborhoods would change rapidly as whites undersold and black overpaid. (Shlay 1986:113)

New black homeowners have often lost their homes due to unscrupulous terms in contract purchases or rapid foreclosures by mortgage bankers on mildly delinquent black-owned properties financed with Federal Housing Administration (FHA) or Veterans Administration (VA) loans. In addition, many of the black households who kept up their mortgage payments, could not afford maintenance costs. Racial change would be accompanied by high rates of foreclosure, abandonment, and property deterioration. (Shlay 1986:113)

Many of these practices are now illegal. Withdrawing credit for mortgages or home improvement loans for either racial or socioeconomic reasons that have nothing to do with the bona fide qualifications of borrowers is known as redlining and is illegal under both federal and state fair housing laws. (Obermanns 1989:1)

Yet redlining is still common in the Chicago area. Anne Shlay's examination of residential lending practices by Chicago area depository institutions (savings and loan associations and banks) and the lenders of government insured mortgages (FHA) for 1980 through 1983 revealed that commercial banks, savings and loan associations, mortgage bankers, and other actors in the home finance system still use racial change as a guide for their investment decisions. (Shlay 1986:178)

Shlay found that depository institutions incrementally reduced conventional loans in areas as they approached minority dominance. Within the City of Chicago, race-based disinvestment starts when substantial numbers of blacks move into an area and picks up steam as racial change accelerates. Once the area is almost completely black, the depository institutions essentially write them off -- redlines them. (Shlay 1986:179)

In the suburbs, depository institutions slowly start to disinvest when just small numbers of blacks or Hispanics first settle in a suburban neighborhood. Disinvestment gradually accelerates as these

neighborhoods become more racially mixed. As minorities begin to become the majority in the neighborhood, disinvestment quickens again and more conventional financing is withdrawn. (Shlay 1986:179)

In Chicago, FHA financing replaces some, but not all of the lost conventional financing. Mortgage bankers originate the vast majority of FHA loans. These loans are targeted to Chicago neighborhoods which are in transition or which have black majorities. Those areas undergoing the most rapid and extensive racial change are the main targets for FHA loans, followed by those undergoing slower transition and those with African-Americans in the majority. Racial patterns did not affect the distribution of FHA loans in the suburbs. (Shlay 1986:179-180)

FHA loans have historically posed a problem because they are very high risk loans. Numerous statistical studies have established that the size of the downpayment is the most reliable indicator of mortgage risk. The higher the downpayment, the less risk there is to a mortgage loan. The more equity -- represented by the downpayment -- a household has in a property, the more money it has to lose if it defaults on its mortgage. Buyers who put down 20 percent or more are considered low risk and are not required to purchase mortgage insurance. Purchasers who put down five to 19 percent can still obtain conventional loans, but must purchase mortgage insurance from a private mortgage insurer. These are considered moderate risk loans.

But any loan with less than five percent down is considered to be a high risk. Because private mortgage insurers won't accept that degree of risk, conventional loans are unattainable. A veteran can obtain a loan from a lending institution which is the Veterans Administration (VA) guarantees against loss in case of default. These loans usually require no downpayment. Buyers who are not veterans can obtain mortgage insurance through the Federal Housing Administration (FHA) which requires a minimum three percent downpayment. (Brier and Maric 1985:3-4)

Both insured and uninsured conventional loans carry about half the risk of VA or FHA government-backed loans. For example, for the state of Ohio, the Mortgage Bankers Association of America study of loan status 1984 found that 1.85 percent of all VA loans and 1.76 percent of all FHA loans were in



foreclosure compared to 0.88 percent of all conventional loans. Altogether only 1.45 percent of all Ohio mortgages were in foreclosure, but 77 percent of those were VA or FHA loans. (Brier and Maric 1985:4–5)

Normally these foreclosures would present no problem to any particular community. But when FHA loans are concentrated in a community, as they are in racially changing and predominantly black communities in the Chicago area, the effect can be devastating in neighborhoods where marginal FHA and VA purchasers have built up little equity in their property. These purchasers pay high monthly payments relative to their income and tend to be more vulnerable to foreclosure if they experience even a short term income loss. They may also tend to have inadequate disposable income available for unforeseen repairs or personal medical emergencies. (South Suburban Housing Center 1988:26)

The result is an unusually large number of boarded up and abandoned homes vulnerable to vandalism and poorly maintained properties that add to the visual degradation of the neighborhoods, exactly the sort of decline so many whites expect when blacks move into a neighborhood. This is exactly what happened in the 1970s when the Beacon Hills Development in Chicago Heights, Illinois, was developed almost exclusively with FHA Section 235 Homeownership Loan Guarantees and the project was marketed almost exclusively to African-Americans. Fraudulent practices by mortgage bankers obtained loans for many unqualified purchasers. Not only did this create an instant ghetto and slum, but it also contributed to block by block resegregation in the adjacent community. (Onderdonk et al. 1977:42)

Recent studies have found that blacks obtain FHA and VA financing more often than whites with comparable incomes. (Brier and Maric 1985:29, South Suburban Housing Center 1988:26) Are conventional lenders discriminating against blacks and redlining integrated and black neighborhoods? Did black buyers first approach an institutional lender and learn they could not qualify for a conventional loan and then go to a mortgage banker who obtained financing for them for property that was really beyond their means, thereby virtually guaranteeing default?

What explains the proclivity of real estate brokers to recommend FHA/VA lending, and not even mention conventional financing, to blacks who qualify for conventional loans? (South Suburban Housing Center 1988:25) Are these practices vestiges of long illegal lending and real estate industry customs? How ingrained are they?

## Rental Managers and Landlords

In addition to ownership housing, the other major player in the housing market is rental housing. In those neighborhoods with a substantial proportion of rental housing, rental managers play a major role in perpetuating the dual housing market. Harvey Molotch's mid-1960s interviews with landlords and apartment managers in Chicago's South Shore found a universally held belief of two separate housing markets, one for whites and one for blacks, a viewpoint supported explicitly in the most commonly used real estate textbooks and endorsed by the National Association of Real Estate Boards and local realty groups throughout the country. (Molotch 1972:22) As reported earlier, virtually all white property managers and landlords felt that once a property "goes Negro," the most profitable course to follow is to reduce expenditures for maintenance or cut back other services. (Molotch 1972:101) Once again, the prophecy that when African-Americans move into a neighborhood property maintenance will decline is self-fulfilled by others than the African-Americans.

It may actually be more difficult for blacks to enter the rental housing market than homeownership market, and once blacks do enter, it may be more difficult to achieve stable integration since it is easier to move from a rental than an ownership dwelling. Landlords or their managers, who are frequently realtors, often act as gatekeepers to their apartment buildings. Like real estate agents, they may see themselves as merely reflected societal values and protecting the interests of their white tenants by keeping blacks out. (Onderdonk et al. 1977:51)

Keeping black tenants out is easy. Recent audits have found rental agents telling black prospects that there are no vacancies while they show the vacancies to white prospects. (South Suburban Housing Center 1988:29) Delay and red tape are also

commonly used methods. Failing to follow-up an application also works effectively. Most minority applicants are easily turned away. Many are too proud to force the issue and are also worried about the time it takes to follow through on a complaint while they still need to find another apartment. (Onderdonk et al. 1977:51)

Landlords can control information about vacancies on a broader scale by placing advertisements that reach only the types of tenants they want. Failing to advertise in newspapers with substantial black readership limits the number of blacks who would learn about vacancies.

And as Molotch found in the mid-sixties, once a neighborhood has been integrated and white demand starts to falter, many apartment building managers not only let blacks in, but may even encourage rapid turnover. Blacks can be charged higher rents than whites -- since blacks, with pent-up demand, have fewer choices of where to live -- and receive fewer services or poorer maintenance for the same reason. Steering away white applicants and encouraging current white tenants to move can be accomplished pretty easily by playing on their fears and prejudices. (Molotch 1972:24, Onderdonk et al. 52)

## **Builders and Developers**

As a group, builders and developers carry the same baggage of prejudice as real estate agents and financial institutions. Not only have they long believed that the presence of black residents reduces property values, but they also feel that black homebuyers will drive away white traffic and they will be unable to successfully market their homes. (Onderdonk et al. 1977:49, Laurenti 1961:22) They, too, may simply believe their discriminatory activities, albeit illegal, merely reflect society's values.

Developers don't even have to resort to overt discriminatory practices to assure the "racial purity" of their housing projects. Many passively let community practice determine the racial occupancy of their developments. Such passivity is clearly illegal for developers backed by federal subsidies. HUD's affirmative marketing guidelines require efforts to attract and sell to African-Americans in communities where white demand predominates and to actively try to stimulate white demand in

areas where black demand prevails. HUD has allowed far too many developers to ignore the affirmative marketing plans they submit. (Onderdonk et al. 1977:49)

Active discrimination still occurs. For example, after receiving discrimination complaints by bona fide black home seekers against several south suburban developers, the South Suburban Housing Center included these Oak Forest and Calumet Park subdivision builders in its eleventh annual set of housing audits. An audit involves sending separate pairs of white and black trained "testers" to pose as housing prospects. Each pair is assigned the same identify -- the same income, credit history, housing needs, location of employment, etc. Their only difference is that one is white and the other black. A black tester may visit the developer's sales office in the morning and the matched white tester in the afternoon.

The results are startling to the uninitiated. The developers' sales representatives told every black tester that there were no lots presently available while 75 percent of the white testers were told lots are available. Over 80 lots were offered to white testers and none to African-Americans. When the builders' representatives told whites no lots were available, they offered to arrange to find a lot for one-third of the white prospects and none of the black ones. They asked half the white testers for information about themselves so they could get back to them. They didn't ask a single black tester for this information. Financing information was offered to 42 percent of the white inquirers and to none of the blacks.

None of the testers requested information about housing in any other project or area. While this information was not volunteered to any of the white testers, 27 percent of the black testers were told about home available several blocks west of one subdivision tested. These were all located on the same street in an integrated area and were owned by relatives of the builder who was being audited. (South Suburban Housing Center 1988:8-11)

Since most developments are heavily advertised, it is hard to keep African-American prospects from knowing they exist. But as the South Suburban Housing Center audits have consistently shown, developers and their salespeople utilize techniques that effectively steer away black prospects. In

addition to the technique just described, a salesperson can make no effort to sell or may even actively deflect a black prospect by pointing out defects rather than the usual selling points. A salesperson can make paper work difficult, delay, be “out,” or say the home is already sold when it really isn’t. Advertising can be done in a way to not suggest open housing. Prospective black buyers do not need or want these wrangles; most will get the message and continue their lengthy housing search elsewhere. (Onderdonk et al. 1977:50)

On the flip side, some developers have taken a “sell and get out quickly” attitude where they build the “instant ghetto:” a substandard subdivision marketed exclusively to low-income minority households, most of whom finance their home purchases with high-risk FHA or VA mortgage loans. (Onderdonk et al. 1977:21,50) Such an intense concentration of high-risk mortgages seems to inevitably lead to the self-fulfilling prophecy of black occupancy equals neighborhood deterioration; another prophecy fulfilled thanks to the decisions of those who make the prophecy.

## Community Image and the Mass Media

Without a favorable community image, any integrated municipality faces great difficulty maintaining a biracial demand for housing. Since whites have so many choices of where to live, they can easily bypass communities to which the mass media assigns a bad reputation. African-Americans, however, have fewer residential choices and their demand for housing is concentrated on those few choices.

The mass media substantially influence people’s opinions and images of communities. Bad press can easily sour the public’s view of a city’s desirability. Unfortunately, the mass media routinely assigns unfavorable images to integrated communities as well as all-black neighborhoods. The media reports on neighborhood integration focus on troubled block-by-block expansion of big city ghettos. The media have a very limited understanding of racially stable neighborhoods and little commitment to the concept of maintaining racially diverse communities. That’s not surprising since it takes time and concerted effort to understand the process of neighborhood resegregation and a social awareness to

understand the important role that the media can play in promoting racially stable neighborhoods. (Onderdonk et al. 1977:48) Given the increasingly “tabloid” nature of reporting today, few reporters have the time, much less the will, to make this effort.

One of the most recent examples of the media’s failure to fully investigate a news issue related to integrated housing has been the media’s reports on the efforts of all-white Chicago neighborhoods to win legislation, first from the City Council and then, successfully from the State Legislature, to allow communities to establish equity assurance programs similar to Oak Park’s. The General Assembly’s law allows voters to place a referendum on the ballot to impose a nominal tax themselves to build an insurance fund to reimburse home sellers for lost value upon sale of their homes. The whole concept is based on the patently false premise that black immigration results in lower property values, a point the media failed to make in its coverage.

Second, the media frequently referred to Oak Park’s equity assurance program as an example of how such programs prevent white panic. No major Chicago-area media outlet ever bothered to carefully examine the Oak Park program. Had they bothered to investigate, they would have learned that the program has always been dormant in Oak Park. Only 156 of Oak Park’s 13,000 homeowner households have registered for equity assurance during its 12 years of existence. There have been no payouts. Had the media made any effort to understand Oak Park’s equity assurance program and the racial diversity issue, they would have learned that the village’s equity assurance program is but one of dozens of programs the village, community organizations, realtors, and other private entities have instituted -- all of which have combined to help Oak Park achieve its stable racial diversity. (See the section towards the end of this chapter on equity assurance programs.)

But the Chicago media never bothered to check out the claims made by proponents and opponents of this scheme that, admittedly caters to racist stereotypes. Reporting the facts on the effect of blacks entering all-white areas, reporting on the successful racial stabilization of communities in the Chicago and Cleveland areas, and reporting the facts on Oak Park’s equity assurance program would have gone a long way toward reducing stereotypes and myths to

which so many white Chicagoans and institutions still cling, and toward the public having a better understanding of integration maintenance and those communities that engage in it. Instead, Chicago's television and radio stations and newspapers merely accepted racist myths as truths and did nothing to further racial understanding and reduce racial tensions.

This treatment is but the latest example of the media's long-time insensitivity toward integrated communities. Even the Chicago Association of Commerce and Industry has been concerned with the media's portrayal of the south side and south suburbs. Why, for example, does a favorable review of a south suburban restaurant have to be prefaced by remarks about the restaurant's location in the dirty, grimy south suburbs? (Onderdonk et al. 1977:48)

Newspapers' real estate section regularly feature promotional articles on individual suburbs and Chicago neighborhoods. They routinely report the racial/ethnic mix of the community -- something a real estate agent cannot volunteer to a prospect -- as well as the cost of homes -- a very relevant fact. But why does a recent *Chicago Tribune* "Home Guide" feature on Cicero focus so heavily on the town's racist attitudes? The article exudes the clear message to African-Americans that they cannot move into Cicero. It opens with an account of Dr. Martin Luther King's march down Cicero Avenue 20 years ago and features former city attorney, now Criminal Court judge Christy Berkos comment that if a black family moved it even today, "I think there'd be an uproar." (Myers 1989:1) The article makes no effort to explain the practices used to keep blacks out of Cicero are illegal. The message is clear to blacks: don't even look for a home in Cicero!

The *Chicago Tribune's* emphasis on race extends to its crime reporting. A July 31, 1989 front page article, "Holdups jar changing neighborhood," reports on a series of delicatessen holdups in the Cragin neighborhood and indicates the neighborhood's changing racial composition: "populated by blacks, Hispanics, and Asians." The article states, "Now, Hispanics from Logan Square and Humbolt Park and blacks from Austin are moving in and changing the face of this community. Many Poles are leaving behind their two-story brick bungalows and migrating to the northwest suburbs." The entire article carried the unsubtle suggestion that holdups were

perpetrated by non-Caucasians. But when a white man was arrested for the crimes, did the *Tribune* report the arrest and the alleged perpetrator's race as prominently as the first article? No, the *Tribune* did not even report it! Apprehension of the alleged criminal did not make it into the *Tribune* until the state senator wrote a letter to the editor. (*Chicago Tribune* August 19, 1989, Section 1, p. 10)

In both articles, the media unnecessarily focused on racial composition. The Cicero article made it abundantly clear that African-Americans should not even consider moving there. The Cragin holdups article emphasized the integrating nature of the neighborhood when it was completely irrelevant to the story. And after implying that a non-Causasian committed the crimes, the *Tribune* ignored an opportunity to report that the alleged perpetrator actually was white. This type of reporting only reinforces false stereotypes and myths. If this is what it means when folks say "Chicago is a great newspaper town," it would be frightening to see what a bad newspaper town is.

If a town has an open image, media coverage, although meant to be complimentary, tends to be of a nature that hypes minority demand and diminished white demand. (Onderdonk et al. 1977:48) The media fall into the trap of treating "open housing" and "equal opportunity housing" as code words for housing for minorities only. These perceptions which the media perpetuates work against maintaining racial integration within an apartment complex, a neighborhood, or a whole municipality. (Onderdonk et al. 1977:60)

Since 1977, little has changed to alter the finding that, "in general, the mass media tend to focus on racial matters as a problem rather as an opportunity for stable integrated living. The media can be an important agent in social change. Stable integrated living can work and the media can play an important role in making it work." (Onderdonk et al. 1977:48) But the way the media usually covers racially diverse communities only throws obstacles in the way of their efforts to preserve their diversity.

## Schools

Schools strongly affect housing choices. The racial diversity of one is intimately linked to the racial diversity of the other. (Obermanns and Oliver



1988:2, Onderdonk et al. 1977:70, Lauber 1974:15) How potential home seekers perceive the “quality of schools” is a major factor in choosing a home. Regardless of objective standards, predominantly white schools are usually perceived as superior and predominantly minority schools are seen as inferior. (Saltman 1989:629) White families, unaccustomed to being in the minority, will seldom choose to move to a school district which is majority African-American. (Obermanns and Oliver 1988:2) School officials who ignore racial imbalance only contribute to the resegregation of a community.

Real estate advertising and agents often use the quality of the schools to sway prospective buyers to or away from a community. (Engstrom 1983:18) In Illinois, the State Board of Education rule that implements the state law that mandates school report cards (Illinois Revised Statutes, chapter 122, para. 10–17a, 1987) requires school districts to annually publish the racial composition and test scores of each public school. The release of this data receives substantial coverage in the metropolitan and local media.

But the racial compositions nearly always overstate the proportion of blacks who live in racially diverse school districts. Blacks moving into new neighborhoods often are younger families with school age children. They tend to replace older white families without school age children which results in the percentage of African-American pupils in the schools probably being higher than the proportion of blacks in the overall population. (Husock 1989:15, Lauber 1974:15)

In addition, unless the initial black in-migration is dispersed throughout a community, blacks students are likely to be concentrated in a single school. Coupled with the just described demographic pattern, a sudden surge in minority enrollment could trigger resegregation by leading some whites to move out of the neighborhood (Onderdonk et al. 1977:70) and prospective white purchasers to steer themselves away from the neighborhood. School districts that replace neighborhood schools with grade centers with a district-wide attendance area help prevent this situation and enable the community to buy time to take additional steps to preserve its racial diversity. District-wide attendance zones eliminate the neighborhood school as a visible measure of neighborhood racial change. (Lauber

1974:15) For example, realtors in Montclair, New Jersey, report that the elimination of neighborhood schools resulted in opening up the entire town and city staff report that neighborhoods have been reintegrated. (Obermanns and Oliver 1988:125)

Replacing neighborhood schools with grade centers with district-wide attendance is a more productive alternative to establishing magnet schools and retaining neighborhood schools. Not only does the latter fail to solve the problems caused by neighborhood schools, but far too many magnet schools skim off the best students and leave the neighborhood schools resegregated socioeconomically.

## Community Organizations

Community organizations continue to influence the ability of communities to preserve their racial diversity. On the one hand, community organizations have spearheaded efforts to achieve and preserve diversity and forced local and state government to undertake the actions necessary to preserve diversity in a dual housing market so hostile to it. On the other hand, some community organizations have led the fight to preserve two entirely separate housing markets.

This latter category has included groups like Save Our Suburbs (SOS) and the Southwest Parish and Neighborhood Federation which have consistently, and often successfully, fought against any kind of open housing initiative that would enable African-Americans to live in their neighborhoods they “represent.” (Onderdonk et al. 1977:58) Albeit unjustifiable, their viewpoint is understandable. A great many members of their constituency have experienced classic block-by-block resegregation and honestly believe that resegregation is the inevitable result of black entry. These are the sort of groups that have more recently sought the “protection” of equity assurance as they recognize that it may be impossible to keep African-Americans completely out of their neighborhoods. And they have made support of open housing initiatives by their elected officials a form of political suicide.

Other community groups have literally forced local governments to formally undertake programs to preserve racial diversity. Such groups are much more influential in the suburbs than in Chicago. While the South Shore Commission was able to put

together a major redevelopment plan for integrating South Shore, it was such a small fish in a large pond that it could not garner the City Hall support necessary to implement its plans. With two members of the city's Board of Education South Shore residents, it was finally able to get the Board to recognize the role of the public schools in preserving racial integration, years after changes in school attendance policies could make a difference. (Molotch 1972:95, 103–104) The Beverly Area Planning Association has, so far, been more successful at preserving racial diversity than the South Shore Commission, partially due to the lessons it learned and partially due to different demographic factors. But it also has been unable to win support for its efforts from any city hall administration. City Hall has continued to kowtow to dominant white and black political constituencies invested in segregated housing.

Community organizations in the suburbs have been much more successful at winning local government support for integration stability efforts. These groups are relatively large fish in comparatively small ponds. Suburbs are often the same size as a Chicago neighborhood. The community they represent is a much larger proportion of the total jurisdiction covered by the local government. Consequently, the political climate is much more conducive to preserving racial diversity -- it's an issue that immediately affects the whole municipality, not just a small portion of it.

One of the major obstacles community organizations face is what seems to be a natural tendency to focus solely on their local issue, an understandable focus. They are responding to local needs and fail to see how outsiders can contribute to achieving their goals. Such attitudes lead many local groups to work in isolation and duplicate or overlap other organizations' programs. Local organizations fighting for racial diversity can sometimes fail to fully consider the need to open all communities for their own efforts to ultimately succeed. (Onderdonk et al. 1977:58)

In both the Chicago and Cleveland areas, many community organizations have recognized that the dual housing market functions at the local, regional, and national levels. Many have joined together, sometimes with local governments, to form metropolitan or regional associations like the Chicago Area Fair Housing Alliance and the South Suburban

Housing Center to attack factors external to their communities that perpetuate the dual housing market.

This wider focus is essential because what happens in the rest of the metropolitan area influences the local community, and what occurs in the local community affects the larger region. When a racially diverse community seeks to open the minds of potential minority to consider making a nontraditional move, there must be predominantly white communities to which they can move. Merely shifting minority demand to another racially diverse community would fail to open additional housing choices and alleviate pressures toward resegregation from diverse communities. Failure to open up other communities could also serve to keep black demand pent up even more. A community organization that secures a degree of stability for its own area while ignoring or aggravating the situation elsewhere may serve itself for the short term, but harms itself and other diverse communities in the long run. (Onderdonk et al. 59)

## Location

The location and distribution of minority households in the metropolitan area strongly affects the maintenance of racial integration. Neighborhoods on the edge of an expanding black concentration will often find it much more difficult to maintain the white demand for housing necessary to achieve and preserve racial diversity. (Onderdonk et al. 1977:68) A suburb, with its own government, has a much better chance of achieving and preserving diversity than does a neighborhood within a large city like Chicago where City Hall has won't take the steps essential to preserving diversity. The independent suburb of Oak Park has been able to preserve its racial diversity, while the adjacent Austin neighborhood in Chicago never had a chance given City Hall's antipathy toward biracial neighborhoods.

A community that is further removed from an area of African-American concentration will be more attractive to white home seekers than one adjacent to the expanding ghetto, and have a better chance of maintaining essential white housing traffic.

Historical patterns of household movement can also affect racial diversity. In the Chicago area, south

siders traditionally relocate to the south, west sides to the west, and north sides to the north. Since minorities have been concentrated on Chicago's south and west sides, they have tended to gravitate to the south, and some south suburbs, and the west, and some western suburbs. This pattern results in unbalanced minority demand for housing in these suburban sectors and can lead to racial resegregation in parts of that sector. (Onderdonk et al. 1977:68)

## Homebuyers and Home Sellers

Both black and white homebuyers are manipulated by the powerful market forces discussed above that are beyond their control (Shlay 1986:111–116, Onderdonk et al 1977:72) But perhaps the most manipulative of all is the fear white homebuyers have of racial change, a fear that has led geographer Dr. Brian Berry to conclude that race is the major determinant shaping our urban environment. (Onderdonk et al 1977:72)

Many majority homebuyers, who have a wide range of housing choices, simply want to isolate themselves from minority families. Minority homebuyers, with fewer housing choices, are more concerned with the overall quality of the house and neighborhood than its racial composition. They are less willing and less able to pay a premium for racial exclusivity. (Onderdonk et al. 1977:72)

Many homebuyers address these interests through self-steering. Many majority homebuyers who feel their investment and status are enhanced if they live in an all-white neighborhood will not even look at houses in any neighborhood they think is integrated or about to become integrated. Minority buyers, however, are reluctant to be pioneers and tend to take the path of least resistance. They will limit their housing search only to neighborhoods and towns that already have a reputation for minority families. (Onderdonk 1977:72) This self-steering seriously hampers efforts of racially diverse communities to overcome the resegregation pressures of the dual housing market.

Few home sellers realize that they cannot refuse to show or sell their homes to someone on the basis of race. They may think that the Fair Housing Act applies only to real estate agents and developers. Consequently, some home sellers may illegally set a

“skin tax” by establishing two asking prices, one for whites and a higher one for blacks to discourage blacks from buying.

In addition, many low- and moderate-income white homeowners see their socioeconomic status as tied to the racial composition of their neighborhood. Couple this perception with the higher level of overt racial prejudice among low- and moderate-income whites, and you get home sellers intent on keeping blacks out of their community. Economically depressed and depressing Cicero, Illinois, is a perfect example of such a community.

## Housing Stock Characteristics and Homeownership Patterns

These two factors can play a role in resegregating a community. Even though older, obsolete housing may be predominantly sound, it depresses property values and sets up a community for resegregation by reducing white demand well before initial black in-migration, as may have been the case in South Shore. (Molotch 1972:9) Older communities may find themselves at a disadvantage at attracting white demand simply because whites have so many other residential location choices that allow them to live in newer communities with newer housing stocks that are not obsolete.

In addition, a large proportion of rental housing may increase the chances of resegregation. (Molotch 1972:9) As explained earlier, it may actually be more difficult for blacks to enter the rental housing than homeownership market, and once blacks do enter, it may be more difficult to achieve stable integration since it is easier to move from a rental than an ownership dwelling. (Onderdonk et al. 1977:51)

A large proportion of rental housing is a double-edged sword in another sense as well. Since African-Americans as a group, have lower incomes than whites as a group, they are more likely to rent than own a home. A large proportion of rental housing could lead to a rapid and large influx of blacks into a neighborhood. However, renters also have relatively little financial investment in their apartments. Consequently, unfounded white fears of the effects of the presence of black residents on property values will not lead white renters to panic. The key to



preserving diversity in an integrated municipality's rental stock, of course, is to maintain biracial demand for it.

## Federal Government

During the last 60 years, the federal government has gone from acting as a prime mover directly fostering racial segregation in housing, to a relatively brief fling with enforcing seemingly strong anti-discrimination laws in the late 1960 and the 1970s, to

Subsequent federally-subsidized housing programs partially intended to expand minority housing opportunities have instead concentrated new low- and moderate-income housing in minority and integrated neighborhoods. A local option clause enabled most white suburbs to refuse to allow public housing to be constructed within their borders which forced virtually all public housing construction into the central cities where politicians funneled most of it to existing minority neighborhoods, and sometimes to integrating communities. (Ober-

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For a much more detailed documentation of the actions, policies, and laws that all levels of government employed to force housing desegregation upon this nation, see Richard Rothstein's tome *The Color of Law: A Forgotten History of How Our Government Segregated America*, 2017.

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finally abdicating its civil rights enforcement responsibilities and becoming an active partner with the National Association of Realtors in efforts to dismantle pro-integrative strategies.

First through the Federal Housing Administration and later through a series of post-World War II programs, the federal government actively fostered segregated housing. Following World War II, more than 13 million homes were built for returning veterans and other moderate-income families *in suburban areas*. A substantial body of research confirms that FHA policies have long covertly and overtly excluded minorities from access to this housing (Saltman 1989:27) and contributed to creating and preserving racial concentrations. (Murphy 1977:8) Back in 1938, the FHA's *Underwriting Manual* stated: "If a neighborhood is to retain stability it is necessary that properties shall continue to be occupied by the same social and racial classes." (Quoted in Laurenti 1961:25) Consistent with that position, the FHA insisted on restrictive covenant against nonwhites as a prerequisite for FHA-insured financing. (Laurenti 1961:25) Since then, the FHA's underwriting practices that have concentrated FHA loans in integrated neighborhoods, have fostered resegregation in the ways detailed earlier in this chapter.

manns and Oliver 1988:26, Onderdonk 1977:62-63)

Other federal programs intended to extend housing opportunities and open exclusionary communities to persons of all incomes and races have been routinely twisted to do the opposite. One former assistant secretary of HUD asserts that the 701 comprehensive planning assistance program has paid for much of the exclusionary zoning legislation in this country. (Lauber February 1975:24)

When Congress consolidated many categorical programs into Community Development Block Grants (CDBG) under the Housing and Community Development Act of 1974, it established a clear mandate for open and integrated housing. Title I of the act directed that CDBG funds be spent for "the reduction of the isolation of income groups within communities and geographical areas and the promotion of an increase in the diversity and vitality of neighborhoods through the spatial deconcentration of housing opportunities for persons of lower income." (42 U.S.C. para. 5301 (1974)) The act also provided that no persons could, on the ground of race, color, national origin, or sex, "be excluded from participation in, or be denied the benefits of, or be subjected to discrimination under any program or activity" funded under the act. (42 U.S.C. para. 5309

(1974)) Due to the disproportionately high concentration of African-Americans and Spanish-speaking Americans in the lower-income category, the sort of economic segregation the act was intended to overcome has always been accompanied by racial segregation as well. (Lauber February 1975:24)

In 1979, the U.S. Commission on Civil Rights noted that the Housing and Community Development Act calls for “promoting maximum choice within the community’s total housing supply, lessening racial and economic concentrations and isolation, and facilitating desegregation and racially inclusive and diverse neighborhoods and use of public facilities, through the spatial deconcentration of housing opportunities.” (U.S. Commission on Civil Rights 1979)

- ◆ Federal regulations for implementing the Housing and Community Development Act required HUD to consider three factors to determine if a community has achieved “reasonable results” in providing equal housing opportunities:
- ◆ The extent to which housing units promote the geographical dispersal of minority families outside areas of minority concentration;
- ◆ Whether housing choice is being promoted in all neighborhoods through participation in an areawide Affirmative Marketing effort or other fair housing activities; and
- ◆ Whether relocation has expanded housing opportunities for minorities outside areas of minority concentration. (Saltman 1989:634–635)

Siting requirements for dwellings built under the Section 23 housing assistance program were considered to be the standard for the housing assistance plans the act required recipient municipalities to prepare. (Alexander and Nenno 1974:13) These standards precluded construction of assisted housing in an area of minority concentration or in “a racially-mixed area if the project will cause a significant increase in the proportion of minority to non-minority residents in the area.” (*Federal Register*, April 22, 1974) But HUD has not implemented these regulations, nor the three stated just above. (Saltman 1989:635)

The federal government routinely approved funding for exclusionary municipalities under the

Community Development Act of 1974 even though the act and its rules and regulations required that recipient municipalities submit and implement Housing Assistance Plans to meet the needs of low- and moderate-income households, both locally and regionally. HUD simply rubber-stamped the vast majority of plans with virtually no analysis. The overwhelming majority of municipalities that blatantly violated the act’s provisions received their funding with nary a whimper from HUD. (Lauber 1977)

Since World War II, the federal government’s action and inaction has probably done more than any other jurisdiction to make racially and socioeconomically segregated suburban American possible. By funding metropolitan area superhighways, the federal government furnished the essential vehicular transportation link to the central city that enabled increasingly distant suburbs to be established and flourish. By continuing to furnish these segregated communities federal assistance for everything from roads and infrastructure to major capital facilities without offering inducements to open their doors to minorities and low- and moderate-income housing, the federal government has missed key opportunities to break the ghetto’s cycle. (Onderdonk 1977:62)

During the 1960s and 1970s, the federal government participated in a number of lawsuits to open up communities under the Fair Housing Act of 1968, commonly referred to as Title VIII. (42 U.S.C. para. 3601–3614 (1982)) The act created a three-pronged attack on housing discrimination by:

- ☑ Prohibiting discrimination by homeowners and landlords in 80 percent of the nation’s rental and ownership housing stock and enabling those discriminated against to sue for relief and damages;
- ☑ Prohibiting discrimination by a wide range of institutional actors in the housing market, including real estate agents and mortgage lenders; and
- ☑ Given the federal government the responsibility of “affirmatively” promoting fair housing and creating specific administrative mechanisms for enforcing the act. The Secretary of Housing and Urban Development was made responsible for investigating complaints and the Attorney General was authorized to bring suits against parties engaged in a

“pattern or practice” of discrimination. (Saunders 1988:880)

With the federal government leading the charge, the courts interpreted the Fair Housing Act’s provisions as prohibiting blockbusting, racial steering, racial preferences in advertising, outright refusal to deal with black and devices that deterred black customers. (Saunders 1988:881–882) Even in the 1980s, the courts have liberally construed the act to allow “any person to receive truthful information about housing availability regardless of race.” (*Havens Realty Corp. v. Coleman*, 445 U.S. 363 (1982)) This decision enabled fair housing groups to use testers to detect discriminatory practices and gave them and the testers standing to sue on the basis of the testers’ experiences. But given this record, “it is all the more striking that fair housing laws have barely dented the persuasiveness of racial segregation in America.” (Saunders 1988:882)

The failure of the Fair Housing Act, and state and local fair housing laws, to curtail housing segregation derives from their focus on preventing specific, individual acts of discrimination from taking place. These laws failed to attack group behavior as well as individual behavior. (Saunders 1988:903) Hopefully this review of the factors that produce and preserve racially identifiable neighborhoods shows that the persistence of segregation is the result of the behaviors of many groups rather than just individual actions.

By the 1980s, the federal courts had certainly taken notice of these federal laws. In his 1988 decision generally upholding local and regional tactics to preserve racial diversity, District Court Judge Harry Leinenweber concluded, as a matter of law, “It is a fundamental national policy to promote stable, long-term racial diversity in the communities of the United States.” (*South Suburban Housing Center v. Board of Realtors*, 713 F.Supp. 1068, 1086 (1989)) Leinenweber noted that the U.S. Supreme Court had repeatedly ruled that there ‘can be no question about the importance’ to a community ‘of promoting stable, racially integrated housing.’” (*Ibid.*) And he noted the Seventh Circuit’s observation that the Fair Housing Act “was intended to promote ‘open, integrated residential housing patterns and to prevent the increase of segregation, in ghettos, of racial groups whose lack of opportunities the Act was designed to combat.’” (*Ibid.*, quoting from

*Metropolitan Housing Development Corporation v. Village of Arlington Heights*, 558 F.2d 1283, 1289 (7th Cir. 1977), *cert. denied* 434 U.S. 1025 (1978), quoting *Otero v. New York City Housing Authority*, 484 F.2d 1122, 1134 (2nd Cir. 1973))

But despite the courts’ general ringing endorsement of policies intended to preserve racial diversity and integration, the past decade has seen the federal government become downright hostile to efforts to overcome the effects of segregation and preserve racially diverse communities. The Justice Department has repeatedly sought to reopen successful school desegregation suits and settlements. **(INSERT CITATIONS)** It has opposed municipal minority hiring plans and set asides. **(INSERT CITATIONS, hey this is a draft, you know)**

One of the federal government’s most revealing actions against efforts at racial diversity came in its successful suit against Starrett City to outlaw the racial quotas Starrett City employed to maintain racial diversity. Starrett City had been a stable, racially integrated self-contained community of 20,000 residents on the border of Brooklyn’s black ghetto. Because New York City’s supply of affordable housing is so tight and black demand is much greater than white demand, the developers established a quota system that had resulted in 64 percent of the units being occupied by white households, 22 percent by black, 8 percent by Hispanic, and 5 percent by Asian households. (*United States v. Starrett City Associates*, 660 F.Supp. 668, 670 (E.D.N.Y. 1987) Without the quota system, the operators claimed the development would resegregate due to the highly concentrated black demand for housing in that part of New York. In October 1985, Starrett City’s waiting list was 21.9 percent white, 53.7 percent black, and 18 percent Hispanic. (*Ibid.* at 672)

The Justice Department successfully argued that the use of quotas led to discriminatory effects on the availability of housing in violation of the Fair Housing Act. The court held:

“We do not intend to imply that race is always an inappropriate consideration under Title VIII in efforts to promote integrated housing. We hold only that Title VIII does not allow appellants [Starrett City] to use *rigid racial quotas of indefinite duration* to maintain a fixed level of integration at Starrett City by restricting minority access to scarce and desirable rental accommodations otherwise available

to them.”(*United States v. Starrett City Associates*, 840 F.2d 1016, 1103 (1988) *emphasis added*)

The government’s likely motives, though, are revealed within the context of this suit. The Justice Department filed suit just a month after Starrett City settled a 1979 private lawsuit, which the Justice Department had declined to join, that challenged the quotas. In the settlement, Starrett City agreed to increase the proportion of blacks admitted to residency and the state housing officials agreed to push for integration of 86 all-white subsidized housing projects by giving preference to blacks and other minorities on Starrett City’s waiting list. Not one person on the 80,000 name waiting list objected to the 1984 settlement agreement. And then one month later, the Justice Department filed its suit which immediately put the 1984 settlement on hold, and eventually discarded it. (Hellman 1988:56) It is hard to believe that the federal government wishes to assure equal access to housing when it acts as it did with Starrett City. Why would a federal government that claims to support equal access to housing seek to discard the 1984 Starrett City settlement that would have opened so much more subsidized housing to minorities? And having done so, why doesn’t the federal government sue to open that all-white subsidized housing to minorities?

Not only has the federal government failed in its responsibility to insure equal access to housing, but it has now chosen to attack some of the tools communities, cities, and school districts use to overcome the effects of decades of discrimination, segregation, and the dual housing market.

## State Government

State government actions, and acts of omission can affect the stability of diverse neighborhoods and the strength of the dual housing market.

In Illinois, the state has exclusive power to license real estate brokers. The Illinois State Real Estate Licensing Department can suspend or terminate the license of agents who engage in discriminatory practices like racial steering. Yet, despite all the successful private lawsuits over the years, it wasn’t until recently that the department suspended an agent’s license due for steering white prospects away from integrated communities. (South Suburban Housing Center April 1988:2) Similarly, the

state’s Civil Rights Commission has been all but silent on racial discrimination in housing.

With the great control it has over awarding funds to developers, the Illinois Housing Development Authority could require genuine affirmative marketing of the developments it finances and site them to assist racially diverse communities. Instead, it has sat on its hands and continues to finance single-racial developments throughout the state.

Some federal programs, such as 701 Comprehensive Planning Assistance, have been administered through state agencies. As administrator of the 701 program for the Illinois Department of Local Government Affairs, this author’s superiors prohibited him from officially notifying Lake County, a 701 funding recipient, that the law required the county to submit a housing allocation plan for low- and moderate-income housing. Other 701 recipients continued to refuse to prepare housing allocation plans despite private, unofficial warnings from DLGA staff that such plans were required by law. Officials in the local HUD office declined to provide DLGA staff with any support and refused to cut off funding to jurisdictions that failed to comply with the rules and regulations for 701 funding.

When this author attempted to deny DuPage County’s application for 701 funding since it was being used to finance exclusionary zoning in direct contravention of the law, his superiors ordered him to conduct a very informal hearing on the application and to approve it “because DuPage is a Republican County and the Governor [Thompson] wants it funded.” DuPage County’s violations were so blatant that HUD cut off funding two years later.

The Illinois State Board of Education and General Assembly have done little to encourage the systemwide school integration so essential to preserving racially diverse neighborhoods. A bill to establish a pilot interdistrict desegregation program cannot get out of committee. A statute that enabled the State Board of Education to order desegregation in 45 school district, not including Chicago, was amended in 1982 to strip enforcement authority from the State Board and shift it to the Illinois Attorney General’s office through litigation. (Obermanns and Oliver 1988:47)



## Local Government and Local Ordinances

Local government actions and practices that have, over the years, influenced residential location by race and promote housing segregation include: (Rabin 1985)

- ◆ **Laws requiring racial segregation in housing and/or public schools** (now clearly illegal);
- ◆ **Changing or failing to change school boundaries** (The racial composition of schools plays a major role in maintaining bi-racial housing demand. Failing to recognize this relationship and adjust school boundaries to maintain racial balance in schools in integrated neighborhoods provides an extra boost to resegregation.);
- ◆ **Discrimination in the provision of public services** (Cities are notorious for providing a lower level of municipal services to identifiable minority hoods. Many larger cities cut back on services to integrated neighborhoods thus reducing white demand for housing there. These blatant practices continue even today. On July 10, 2008, a federal court jury sitting in Columbus, Ohio, returned verdicts totaling \$11 million against the City of Zanesville, Ohio, Muskingum County, Ohio, and the East Muskingum Water Authority for illegally denying water service to a predominantly African-American community on the basis of race from 1956 to 2003. *Jerry Kennedy, et al. v. City of Zanesville, Ohio, et al.* Case No. 2:03-cv-01047, S.D. Ohio. The 67 plaintiffs in the case alleged that the City of Zanesville, Muskingum County, and the East Muskingum Water Authority refused to provide them public water service for over 50 years because they live in the one predominantly African-American neighborhood in a virtually all-white county. Each one of the 67 individual plaintiffs described the hardships caused by living with the continuous practice of discrimination and without water for up to five decades.);
- ◆ **Exclusionary zoning** (By requiring large lots, severely limiting multi-family housing, and requiring expensive amenities, a large number of suburbs have kept out housing affordable to middle-, moderate-, and low-income households of all races. Such restrictions have a segregative effect by excluding a larger proportion of the minority community since there are relatively few minorities who can afford such expensive homes.);
- ◆ **Exclusion of public and/or subsidized housing;**
- ◆ **Locating public and/or subsidized housing in minority and integrated neighborhoods** (Rather than locate public housing in all-white neighborhoods close to potential jobs and away from the black ghetto, municipalities usually place public or subsidized housing that serves a largely minority clientele in an integrated neighborhood. This practice has been known to greatly reduce white and black middle-class demand in integrated neighborhoods and contribute to resegregation. Even in the late 1960s, Philadelphia's city council passed an ordinance that restricted which houses could be purchased under a HUD Use House Program to the North Philadelphia ghetto.);
- ◆ **Segregative tenant assignments for public and/or subsidized housing;**
- ◆ **Clearance and elimination of minority residential areas as in urban renewal projects;**
- ◆ **Segregative relocation practices** (Officials have steered minorities dislocated due to urban renewal or other demolition to minority or integrated neighborhoods and away from white neighborhoods.);
- ◆ **Expulsive zoning** (When an otherwise all-white community has a black population concentrated in an area of very small homes, the city rezones the area to require larger homes. This makes the small homes nonconforming uses which must be demolished after a certain date. Meanwhile, the zoning ordinance prohibits major repairs or replacement with the same size house.)

- ◆ **Using racial criteria to identify and plan for neighborhoods;**
- ◆ **Public pronouncements by public officials that reinforce discriminatory attitudes and practices** (Public officials influence the public's perception of what attitudes and behaviors are acceptable. When the mayor of a large city urges residents of a white neighborhood to resist the construction of public housing there, he has given legitimacy to their fears and racism. When public officials remain silent and apathetic to the pleas of local residents to help preserve the diversity of their neighborhood, as they did to South Shore, the public gets the message that integration is not acceptable.);
- ◆ **Decisions of public officials to deny building permits on the basis of race of the intended occupant.**

Many of these activities continue today even if illegal. For example, in 1987 Pinnacle Builders could not obtain a building permit from Calumet City's Building Department until the building commissioner learned the house was being constructed for a white buyer -- a fact he learned from the city attorney who represented the white buyer.

But when the white buyer was unable to obtain financing, the house was sold to a black purchaser. The building commissioner made numerous racial remarks to the builder and told him that he "had lived in this neighborhood for 27 years" and would never grant an occupancy permit for the house. The city's electrical inspector told the developer that the house would never pass inspection due to a problem with the hot tub. When asked what the problem was, the inspector responded he didn't know, but would find something. These comments were made to the builder with his attorney present. After the building commissioner denied his application for an occupancy permit, the developer filed a lawsuit which is pending as at this writing. (South Suburban Housing Center August 1988:12-13)

In Chicago, even the city's consultants have foisted segregationist policies on the city. Real Estate Research Corporation, the City of Chicago's major consultant on urban affairs, prepared the most comprehensive report to the city, up to that point, on demographic trends, *Economic Analysis of*

*Housing and Commercial Property Markets in the City of Chicago, 1960-1975*. The consultant wrote:

"Massive" neighborhood population transition is the *only* practical way to accommodate rapid growth of large low-income and low middle-income groups in the population. All other conceivable methods of providing housing for these fast-growing groups are simply not feasible. Members of these groups cannot move into new housing in the city or the suburbs because they cannot afford it. Random scattering of individual families in many neighborhoods, true, would eliminate "massive" neighborhood transition. However, it is impractical for the following reasons:

1) Members wish to live together with other people like themselves; hence they would not voluntarily adopt a randomized residential location pattern.

2) These families cannot afford housing accommodations in many middle-income or higher income neighborhoods.

The only two other alternatives are equally impractical. "Leapfrogging" movements would give rise to neighborhood population transition in various enclaves in out outer portions of the city or the suburbs. Thus the location of transition would be shifted, but transition itself would not be eliminated. Finally, restriction of members of these groups to the areas they now occupy is totally unacceptable because this policy is both illegal and morally unacceptable because it is discriminatory. (Quoted in de Vise 1973:4)

Is it any wonder that Chicago's City Hall has been apathetic, at best, and hostile, at worst, to neighborhood efforts to achieve stable racial diversity when the city's consultants have pronounced such diversity impossible?

## **A Comprehensive Program to Preserve Racially Diverse Communities**

So few of the big city neighborhoods that have experienced black in-migration have been able to stem the tide of resegregation, that the general

public has come to think that complete racial transition is the “natural” and inevitable outcome of residential integration. They’ve come to accept one housing market for whites and another for blacks as the “natural” way of things.

The extensive interdisciplinary body of research reviewed for this chapter shows that there is nothing natural about this process of resegregation. Instead, a broad array of complex and inter-related institutional, governmental, cultural, and individual factors work together to force continuation of a dual housing market, one for whites and one for blacks. This dual market obstructs any practical efforts to break the debilitating cycle of the ghetto that maintains a growing permanent underclass that threatens the nation’s very security. All efforts to preserve racial diversity really focus on replacing the dual market with a unitary market in which all Americans participate. And to achieve that end, **it is essential to continue to attract whites to integrated neighborhoods and municipalities, and blacks to all-white neighborhoods and municipalities.** Efforts to preserve racial diversity, therefore, focus intensely on this objective.

Neighborhoods and municipalities that wish to achieve and preserve racial diversity will continue to have to take extraordinary measures to overcome these forces until a single, unitary housing market in which all Americans participate can be achieved. While this unitary market is the long-range goal of every community seeking to maintain its racial diversity, there are many effective strategies they can pursue in the meantime.

This effort, though, requires a broad-based, comprehensive attack on the many factors that promote resegregation. To succeed, communities must launch a concerted two-pronged strategy that focuses on policies, practices, and programs internal to the community, and on policies, practices, and programs external to the community at the regional, state, and national levels.

Although there are some universal truths and common themes in efforts to achieve and preserve racial diversity, there is no simple checklist of what steps a community should take. (deMarco 1989:3) Although each of the state-of-the-art activities that follows contributes to success, not every activity is necessarily appropriate for every integrating community and the exact manner of each implementing

them will vary with each community’s unique characteristics.

Today, the leaders of the movement to preserve racially diverse neighborhoods know what the factors are that have caused the difficulties they must overcome. These leaders have learned from the efforts undertaken elsewhere, devised the comprehensive strategy most appropriate to their local situation, and worked together on the regional efforts that are essential to enable their local efforts to succeed. Their local and regional strategies are dependent upon each other. One strategy will not work without the other. The state-of-the-art strategies and implementation tools that complete this chapter will no doubt soon be augmented by even more creative methods from these innovative and dedicated leaders.

## Local Community Initiatives

In the absence of effective state and federal support, the local level is where pro-integrative initiatives must be taken. Local laws on fair housing, for example, can supplement state and federal laws. Local elected officials and administrators can be the most convincing spokespeople for racial diversity. Local community residents are often the most knowledgeable and enthusiastic promoters of their own villages and neighborhoods to real estate agents and home seekers. Their efforts can be particularly effective when both black and white local residents are involved in the promotion process. The bottom line, though, is that the ultimate responsibility for success or failure rests with local leadership. (Obermanns and Quereau 1989:3-4)

Local governments, and non-profit community-based organizations must employ many inter-related strategies, policies, and programs to preserve racial diversity. This myriad of activities can be classified into the broad strategy categories that follow. Implementation techniques for each strategy are discussed either immediately below or in the section on implementation tools that follows the strategy categories.



## Strategies for Achieving and Preserving Racial Diversity

**Regulatory Measures.** Laws and regulations have historically been used to correct abuses of the market place. Similarly, they can be used to constrain many of the behaviors of developers, real estate agents, and rental managers that contribute to the persistence of the dual housing market. Even though federal and state laws prohibit discriminatory practices, including racial steering, in the sale and rental of housing, the dual housing market has proven remarkably ingrained and resilient. Enforcement efforts which had been spotty at best, are virtually non-existent today, partially due to the lack of a sufficient national constituency for integrated housing.

But communities that are achieving or have attained residential integration are much more likely to possess the necessary constituency in support of integrated housing absent from the state and national scenes. Local governments are in a better position to shape laws that respond to their particular needs. And they can address regulatory questions that fall beyond the scope of the state or federal government. Enacting and implementing these laws help demonstrate the aggressive, prominently-displayed commitment municipal government must have to achieving and preserving racial diversity if a neighborhood is to remain racially diverse. Effective regulatory tools communities have, or can adopt include:

- ◆ Anti-solicitation ordinance
- ◆ “For Sale” sign regulations or informal ban
- ◆ Intent to sell ordinance
- ◆ Inspection ordinances/occupancy permit
- ◆ Fair housing ordinance
- ◆ Racial diversity policy statement
- ◆ Subdivision and zoning controls that condition building permits on preparing and implementing an acceptable affirmative marketing plan
- ◆ Amending the zoning and subdivision ordinances to require preparation of a social or racial diversity impact statement for parcel and major rezonings, zoning and

subdivision text amendments, major developments, planned unit developments, public works projects, school and public facility new construction, and special use permits

These techniques are described below in detail in the section on implementation tools.

**Public Relations, Communication, Education, and Building Community Image.** Since perceptions guide so many of the actors in the housing market, it is vital that these perceptions be accurate. People often assume that past patterns will always hold true and assume that because white to black transition has occurred so often in the past, it will inevitably happen in their community too. Local governments must develop and use public relations skills necessary to deflate this myth and its concomitant myths about declining property values, schools, and services in integrated neighborhoods. (Onderdonk 1977:35)

First, local government must demonstrate its commitment to racial diversity in the community early in the integration process. Oak Park, Illinois, for example, built a new \$4 million village hall in the eastern section of the village as a “vote of confidence” in the area at a time when the area’s residents were anxious about its future. In addition to the village board putting its money where its mouth was, this investment also stimulated economic growth in the surrounding commercial district. (Raymond 1982:88)

Local governments must convince prospective homebuyers and renters, real estate brokers and landlords, lenders, appraisers, and developers that integration is going to work in their communities, that the local government fully supports integration, and that their best interests are served by integration. Realtors and lenders, for example, usually do not engage in racial steering or redlining out of malice. They usually act in ignorance of the actual conditions that exist in an integrated setting. Local governments and their non-profit allies for racial diversity should operate formal training programs for each of these groups within their jurisdiction to educate practitioners on racial diversity issues, fair housing law, and affirmative marketing. See the sections that follow on housing service centers and affirmative marketing for more details.

Efforts should be made to schedule sessions at national, state, and regional conferences, workshops, and continuing education courses for real estate brokers, rental managers, lenders, appraisers, city planners, city managers, housing officials, school administrators, reporters and their editors/producers, and corporate relocation officers, to explain the need for pro-integrative efforts, how they work, and how they benefit the audience's clients.

**Involving the Public Schools.** The racial diversity of a neighborhood or municipality and its public schools are inexorably intertwined. (See Obermanns and Oliver 1988) Schools and whole school systems tend to resegregate before neighborhood and municipal housing markets. School resegregation often foreshadows housing market resegregation and disinvestment. (deMarco 1989:4) Unless a neighborhood's public schools are empirically racially balanced, most white households with children will perceive the neighborhood as undesirable and will not move into it or will leave it. This concern is so vital, that Juliet Saltman labels the absence of systemwide school desegregation one of two "killer variables" that can doom a community to resegregation. The absence of racially identifiable schools eliminates one of the tools used to steer home seekers to or from different parts of a community.

Consequently, it is vital that municipal government, local agencies, and the schools work together to preserve racial diversity. Leaders in stably integrated Oak Park, Illinois, where the elementary school district and village share the same boundaries, have long recognized the role its public schools play in maintaining racial diversity. The village's Racial Diversity Task Force has noted, "As long as a dual housing market exists, District 97 will continue to bear a major responsibility for maintenance of racial diversity in this village." (Task Force on Racial Diversity 1984:8)

Even during the early days of integration, Oak Park leaders recognized that its schools had to adjust to accommodate racial and socioeconomic changes. In 1974, elementary school teachers began intensive training at the National College of Education to prepare them to teach an economically and racially mixed student population. According to the district's hiring manual, teachers are also required

to take training in human relations and an appreciation of cultural differences. (Lauber 1974:15)

Patterns of racially unbalanced enrollment emerged in the early 1970s as larger proportions of African-Americans moved into the village's heavily rental east end. In 1976, the school district reorganized the schools to create two junior high schools in central locations and adjusted elementary school boundaries to achieve racial diversity in every school. Before reorganization, the percentage of minority students ranged from 6.1 to 33.6 percent. Reorganization reduced the spread to 11.7 to 22.8 in 1981. (Raymond 1982:89) As the proportion of black children grew, the district subsequently re-adjusted boundaries another time to preserve systemwide racial diversity. At the beginning of 1988 when the racial composition of the village was 80 percent white and 16 percent black, Oak Park's elementary student body was 66 percent white and 26.5 percent black. Schools ranged from 20.4 percent black to 44.7 percent, with most around 35 percent. Community relations director Sherlynn Reid notes that there has been no movement of white children to private schools. Only 276 of the 1882 students in the village's three private schools live in Oak Park. (Reid 1988)

Although school districts serving Oak Park and Park Forest have reorganized to facilitate racial diversity, no Illinois school district has become as closely involved with local governments in preserving racial diversity as in the Cleveland area. Both the city and school board finance and govern the Shaker Heights Community Services Department which manages the community's housing services and other pro-integrative efforts. The municipal governments and school boards of Cleveland Heights, Shaker Heights, and University Heights jointly sponsor the East Suburban Council for Open Communities (ESCOC), which promotes non-traditional moves by, for example, blacks to the predominantly white Hillcrest suburbs. (Obermanns and Quereau 1989:10)

In addition, local governments should:

- Carefully monitor school racial composition figures because changes in public school composition can foreshadow changes in the racial composition of housing. (Engstrom 1983:18)

- ◆ Widely disseminate a joint public policy statement prepared with local school officials that recognizes the links between school and housing segregation and the mutual responsibility of the schools and local government to alleviate it.
- ◆ Use their influence with both public and private schools to win their assistance for prospective minority home seekers with children and get them to address issues of racial diversity and equity. Some school districts in the Cleveland area started addressing these issues on their own.
- ◆ Invite school officials to serve on all municipal boards/commissions that deal with issues affecting housing integration. Request municipal representation on any school committees whose agenda affects balanced school enrollments.
- ◆ Discuss the potential for regional and metropolitan-wide solutions to patterns of segregation in housing and schools with municipal and school officials through the subregion or metropolitan area.

While an effort should be made to integrate the entire metropolitan region's public school systems, political and judicial realities make achieving this goal a remote possibility today. However, school integration throughout a single school district or throughout a suburban subregion has been accomplished and is still quite effective at helping to preserve neighborhood diversity.

A systemwide program for achieving and maintaining racially-balanced public schools removes the racial composition of the integrated neighborhood's schools from the factors whites consider when choosing where to live since all the schools in the municipality or school district have roughly the same majority white student bodies. There is less reason for whites with children to move out of the integrated neighborhood because wherever they might move in the municipality or surrounding area, all of the public schools are likely to be integrated. (Saltman 1989:627) Equally important, systemwide integration makes the possibility that an individual school would resegregate much more remote. In addition, since blacks and whites are equally distributed throughout the whole school

system, the integrated neighborhood is no longer identified as "the one with black schools," a characterization that discourages white housing demand.

A school system should be desegregated at the earliest stages of black in-migration, particularly when new black residents are scattered throughout the community, and before people assign a racial identity to a school or neighborhood. (Lauber 1974:15, Saltman 1989:628) Successfully integrated municipalities and neighborhoods tend to replace neighborhood schools -- about which there is nothing sacrosanct -- with grade centers or magnet schools that draw pupils from throughout the school district or subregion. Replacing the neighborhood school system eliminates the local school as a measure of racial change and assures both black and white residents in those neighborhoods into which blacks are moving that their school will remain racially-balanced no matter what the composition of the immediate neighborhood may be. Neighborhood schools merely aid and abet the traditional pattern of block-by-block racial change. (Lauber 1974:15)

Systemwide school integration gets much of the credit for the successful stability of racially diverse neighborhoods in Indianapolis, Milwaukee, Denver, Nashville, Rochester, and the West Mt. Airy neighborhood in Philadelphia. (Saltman 1989:626) In the Chicago and Cleveland areas, suburbs like Oak Park and Park Forest, Illinois, and Shaker Heights, Ohio, have desegregated their schools systems as part of their comprehensive racial diversity strategies.

**Advocacy.** Local governments can influence all branches of the state and federal governments through lobbying, either individually or as a group. Local governments can seek state and federal policies and programs that further the goals of integration and elimination of the dual housing market.

Given the present political climate and the failure of so many black leaders and organizations who are invested in segregation to support racial diversity efforts, it is unlikely that widespread support can be found to better enforce state and federal fair housing laws, and change state and federal policies and regulatory practices to help preserve diverse communities and open all-white communities. However, incremental victories are possible as happened in Ohio where pro-integration groups banded together to twice persuade the Ohio

Housing Finance Agency to designate millions of dollars for below-market rate mortgage loans to first-time homebuyers who bought in neighborhoods where their race was underrepresented. See the discussion in the affirmative marketing section below. It is essential, however, to develop a coordinated and focused lobbying strategy.

Diverse communities should also do their best to persuade public housing authorities to agree not to build additional public housing in racially-diverse communities. Juliet Saltman, who has studied attempts to preserve racial diversity, describes the introduction of new public housing into a racially-diverse neighborhood a “killer variable” that has toppled otherwise effective efforts.

Professional and religious organizations can also be added to the lobbying coalition. Efforts by representatives of the East Suburban Coalition for Open Communities and The Cuyahoga Plan led to the National Presbytery to adopt a strong resolution on the Presbyterian Church’s responsibility for achieving fair housing in 1988. (East Suburban Council for Open Communities 1989:7) Winning support for pro-integrative national policies from the leading national associations involved in government, such as the National League of Cities, National Association of Housing and Redevelopment Officials, American Planning Association, American Society for Public Administration, International City Management Association, and others, can create an effective lobbying coalition at the national level. Most of these organizations maintain sophisticated lobbying operations in the District of Columbia.

**Collect and Analyze Data.** By maintaining accurate information on housing questions, a local government can quickly respond to rumors and half truths that inevitably are spread about a community’s integrated housing. (Onderdonk et al. 1977:37) Equally important, no municipality can determine what strategies it should employ unless it has an up-to-date racial profile of all neighborhoods and blocks so it can identify emerging trends that may reflect illegal activities and threaten the delicate balances integration maintenance requires to succeed before they become irreversible. Data that shows rapid racial change can alert a village to possible illegal real estate practices. (Perry 1983:1)

Both Matteson and Glenwood, Illinois, require real estate brokers to submit a monthly report that

identifies the race of home seekers and the addresses of the properties they were shown, the addresses of homes prospects offered to purchase, and the address of the home if they ultimately bought. The realtors are required to keep a record of the name, address, and phone number of each prospect which is available to the village upon request. (*South Suburban Housing Center v. Board of Realtors*, 713 F.Supp. 1068, 1096–1097 (1989)) The ordinances require strict confidentiality in the use of the data, precisely define and limit access to the information, and impose substantial penalties for any violation. (*Ibid.* at 1098)

Judge Harry Leinenweber upheld these requirements against challenges under the Fair Housing Act and the U.S. Constitution. He noted that the municipalities’ interests in collecting data, to identify discriminatory practices and dispel unfounded rumors, are “clearly legitimate government purposes. Obtaining homeseeker information from Realtors enables the municipalities to monitor compliance with their fair housing ordinances and surely is rationally related to the foregoing purposes.” The judge found that the real estate associations that challenged the data collection provisions “failed to offer any credible evidence that these ordinances present any burden to their members, not to mention an unreasonable one.” (*Ibid.*)

Calumet Park and Park Forest, Illinois, both require multi-family rental complexes to periodically report the racial composition of occupants and rental traffic. (Engstrom 1983:15) In addition, Park Forest collects racial data through three other techniques implemented in 1983. Information acquired through these techniques is kept confidential. Only gross figures are ever made public. (Perry 1983:2)

Three data-gathering techniques provide information on the racial composition of new and departing residents, which real estate firms are active in the community, the characteristics of the community that attract new residents and which should be stressed in marketing the community, and evidence of steering. (Engstrom 1983:16) By identifying the race of real estate traffic, these techniques give the local government a better picture of future racial composition than the current occupancy.

❑ **Entrance Interview.** This very effective administrative tool is distributed by the Water Department when new residents arrange for water service.



Those who make arrangement by mail receive a letter that requests them to complete the interview form. These forms typically ask for the resident's race or ethnic classification, place of employment, previous place of residence, what factors influenced his move to the community, and several questions that specifically relate to the real estate transaction and how the real estate agent marketed the community to the new resident. Completion of the interview form is voluntary. (Perry 1983:1)

□ **Exit Interview.** An exit interview form is sent with the final water bill along with a postage paid return envelope. Responses enable the village to learn if people are moving within the village or elsewhere, why they are moving, and the racial composition of those who move. Completion of the interview form is voluntary. (Perry 1983:1) Other south suburban communities that employ entrance and/or exit interviewing include Country Club Hills, Glenwood, Hazel Crest, Richton Park, and University Park. (Engstrom 1983:98)

□ **Seller's Register.** The village used the multiple listing service to identify home sellers to ask them to voluntarily record information about the prospects who see their home. Information requested includes the date of showing, name of the real estate company and agent, and race of the prospect. (Engstrom 1983:16–17) This information enabled the village to monitor compliance with its fair housing ordinance and ascertain ownership housing traffic patterns. (Perry 1983:1) As of 1989, Park Forest has stopped using seller's registers, but it does have the forms ready if needed. (Moore 1989) Other south suburbs that have used seller's registers include Glenwood, Hazel Crest, Matteson, Richton Park, and University Park. (Engstrom 1983:98)

Homewood and Matteson both have used selling experience interviews as an alternative to seller's registers which are difficult to administer. This tool has been used mostly in neighborhoods with the greatest potential for rapid change. Municipal fair housing staff works closely with homeowners' groups to generate resident interest and participation. Longer than the seller's register form, selling experience interviews ask more specific questions about the how long a home has been on the market, whether the sales agent mentioned there would be any difficulties selling the home, and what types of

financing were suggested. Residents have generally been cooperative. (Engstrom 1983:17)

Some of the most valuable data that identifies discriminatory practices comes from real estate audits, or testing, conducted largely by the municipal and regional housing service centers discussed later in this chapter. This data can alert a municipality to the presence of illegal real estate and rental practices that threaten racial diversity.

An audit is a study used to determine if the clients of a real estate firm or rental property manager receive any differences in the quantity, quality, and type of information and service that could result only from a difference in the clients' race. Under a coordinator's supervision, trained pairs of home seekers, one white and one black, attempt to obtain identical housing at different controlled times and sequences from a specific real estate or rental agencies. (Peterman and Hunt 1976:447, Saltman 1978:92). Each testing pair is matched in terms of income, family size, housing needs, and other characteristics relevant to housing choice. The only difference is that one individual/couple tester is black and the other individual/couple is white. They visit the real estate office at different times, request the same type of housing, and give the same basic information to the agent. Immediately afterwards, the tester records her experience on a standardized form. By comparing the treatment each pair of the testers receive, or by comparing the treatment black testers as a group and white testers as a group receive, the level of racial discrimination, if any, can be measured. (South Suburban Housing Center August 1988:1)

Audits have been conducted in the Chicago area since at least 1972. Audits have generally been conducted of real estate and rental agencies against which discrimination complaints have been made. These audits have found virtually no blatant discrimination, such as an outright refusal to deal with a black tester. However, the evidence uncovered by nearly every audit strongly suggests that black prospects are likely to be treated differently than whites. Black testers were usually shown fewer houses than white testers. Often they were told nothing was available while white testers were told the opposite. (Peterman and Hunt 1986:447,481–482,485–486)

Audits have also uncovered considerable evidence of racial steering. Black testers are frequently told only about homes in areas with significant African-American populations while white testers were told only about homes in areas with few or no black residents. (Peterman and Hunt 1986:486–587) More recent testing confirms that steering and other discriminatory practices continue to this day. (South Suburban Housing Center 1988)

When testing is conducted largely at firms suspected of discriminating rather than on a random basis, it is impossible to state how extensive steering and other discriminatory practices are. However, these audits are still valuable because they identify agencies and agents who engage in illegal acts. Testers and housing service centers have standing to sue for damages and an injunction under the Fair Housing Act -- and they have used it to win substantial penalties and settlements. (*Havens Realty Corp. v. Coleman*, 455 U.S. 363 (1982) Suits based on testing data have been used to impose affirmative marketing programs on recalcitrant real estate firms and agents.

As long as their results are well-publicized to the real estate community in particular, audits also serve as a deterrent. The more recent the audit, the less steering after its results have been released. When audits were not conducted recently, the level of discrimination increased. "Clearly, the more auditing done, and the more feedback and follow-up in the community, the greater the likelihood that discrimination will decrease." (Saltman 1978:107–108)

**Plan for Racial Diversity.** To assure the most effective and coordinated efforts, municipalities should develop comprehensive policy plans to guide their endeavors to preserve racial diversity. Subregional and metropolitan-wide policy plans developed with input from all involved parties would also more effectively focus and coordinate each municipality's and each community organization's efforts within the larger regional framework where the dual housing market must be replaced by an unitary market.

In 1977, Park Forest produced a very comprehensive plan, *Integration in Housing: A Plan for Racial Diversity*, (Onderdonk et al 1977) which analyzed the causes of residential resegregation and set

for a set of goals, objectives, and policies to remedy them.

Other jurisdictions have adopted less thorough plans for racial diversity. In the 1973, Oak Park's Community Relations Commission established "The Fourteen Points," (Lauber 1974:15) and Cleveland Heights formally adopted "The Nine-Point Plan" in 1976 to guide their respective diversity efforts. (Resolution No. 26–1976(MS))

**Attack the Dual Housing Market on the Local and Regional Levels.** Anything a local government can do to expand the housing choices of minorities will add to the stability of the city's housing market and enhance the city's prospects for preserving its racial diversity by easing the focus of black demand on the municipality. Actions that get white home seekers to consider integrated neighborhoods in their housing search will help maintain the biracial demand so crucial to preserving diversity.

To be effective, this effort to expand housing choices must be undertaken at both the local and regional level. Municipal and regional housing centers should be established to provide the housing counseling necessary to convince both black and white home seekers to consider non-traditional locations. See the discussion of housing service centers in the implementation tools section below.

To encourage non-traditional moves, some organizations have instituted advertising programs. For example, the South Suburban Housing Center, in the Chicago area, and the East Suburban Housing Service, in the Cleveland region, have published display ads in newspapers with significant black readerships welcoming readers to consider looking at homes in specific cities which just happen to be overwhelmingly white.

In California, the Fair Housing Council of the San Fernando Valley instituted a large-scale advertising and public relations blitz to convince African-Americans that they could move to the valley if they so chose. The campaign used newspaper advertisements, radio commercials on black-oriented stations, billboards, and four-color brochures distributed to 40,000 households in its target area. Of the 1100 respondents, 120 were referred to brokers. At least 12 households actually moved to the valley; an undetermined number went directly to brokers without going through the fair housing council. This



effort did succeed making blacks aware that they could move to the valley. Before it started, a random sample survey found that 20 percent of black respondents felt the valley was receptive to minorities. After the campaign, 75 percent felt the valley was receptive. The campaign did reveal, however, that blacks will not move for the sake of integration. As other research has found, blacks and whites tend to move for the same reasons. (Williams and Mister 1978:29-35)

Oak Park, Illinois, and the three Heights communities near Cleveland, have each operated extensive public relations and advertising programs for at least 20 years. Programs include building a favorable media image and advertising local real estate opportunities in metropolitan newspapers and magazines and in national magazines.

Since virtually every aspect of the real estate business provides incentives to discriminate, funding should be sought to furnish financial spurs to real estate brokers for making pro-integrative sales and to landlords/rental managers for implementing pro-integrative rental policies. Cleveland Heights, Ohio, and Hazel Crest, Illinois both operate a preferred real estate agents program where agents who successfully complete municipally-sponsored training seminars are certified to participate in the city's home sales referral program and are included in on-going promotional literature. (Engstrom 1983:19,97) Cleveland Heights built upon this program to establish its cooperative Preferred Realty Office program which certifies real estate agents and apartment building managers to participate in affirmative marketing activities. "Through a variety of promotional services, these companies will be recommended to prospective home seekers and to residents who wish to sell their homes." (Cleveland Heights City Council Resolution 26,1976 as amend December 3, 1979)

Since real estate brokering seems to be highly race-related, white firms should be encouraged to train and hire minority brokers and black-owned firms white brokers. Ending the extreme segregation in real estate brokering would help remove some of the motivation for real estate firms to fight racial diversity. The Metropolitan Washington Council of Governments instituted a program to recruit blacks into the real estate business in the 1970s in an attempt to change the real estate

institution. (Williams and Mister 1978:13) A number of Chicago's south suburbs are currently developing a program to integrate the real estate offices in the lily-white southwest suburbs under a FHAP II grant from the U.S. Department of Housing.

Some communities and private organizations have offered financial incentives to help build white demand in integrated neighborhoods and black demand in virtually all-white communities. Organizations and government entities offering these incentives include: (Obermanns and Quereau 1989:7)

□ The Shaker Heights Community Services Department has sponsored the Fund the Future of Shaker Heights since 1986. With more than \$300,000 provided by local foundations and private donations, the program offers 6 percent deferred payment loans of up to \$4000 for down payments or to buy down mortgage interest rates, and loans of up to \$4800 to be applied to monthly mortgage payments. Repayment of these loans is deferred for five years. (Husock 1989:11)

- ◆ A non-profit organization that sponsors the Heights Area Project.
- ◆ The East Suburban Housing Fund, run by the East Suburban Housing Service of the East Suburban Council for Open Communities which three cities and two school districts established in 1983. In May, 1985, the fund began offering 5-year, deferred payment loans of up to \$3000 to black households who purchased a home in the virtually all-white nearby Hillcrest communities. This program has been revised several times to keep the incentive attractive to homebuyers. (East Suburban Council for Open Communities 1989)
- ◆ The Metropolitan Open Communities Fund, operated by the Cuyahoga Plan and Living in Cleveland Center.
- ◆ The Heights Fund which Cleveland Heights and University Heights joined ranks to establish in 1987 to encourage pro-integrative moves by blacks and whites throughout these two cities and the Hillcrest suburban region. The qualifications for prospects are typical:

- ◆ The applicant must be racially under-represented in the census tract where the property is located.
- ◆ The applicant must qualify for a mortgage loan with a mortgage financing institution.
- ◆ The applicant must have at least 5 percent of unborrowed money for the down payment.
- ◆ The home must be occupied by the purchaser as his principal place of residence.

In addition, the fund's distribution committee considers factors such as the schools, number of children, and the impact of the specific purpose in the census tract. Loans may be prioritized according to these and other factors. The maximum loan is \$5000 at five percent simple interest. Loan payments are deferred for one year and are then completed over a five year period under a constant monthly payment plan. The loan is secured by a filed second mortgage and/or promissory note. Loan funds may be used to pay for closing costs, points, and/or a portion of the down payment. The Heights Fund pays the loan amount directly to the escrow agent. Any remaining loan payments become due upon sale of the property. (Heights Fund 1987)

After intensive lobbying efforts by pro-integration groups led by the Metropolitan Strategy Group, the Ohio Housing Finance Agency (OHFA) has twice offered a Pro-Integrative Bonus Program to help "remedy the accumulated effects of discrimination which have limited housing opportunity for minorities and people with special housing needs." (Ohio Housing Finance Agency 1988) In July, 1985, it set aside \$6 million of its below-market rate mortgage loan funds to finance pro-integrative home purchases by eligible first time homebuyers. (Keating 1989:5) Sixty percent of these funds went to black homebuyers. (Husock 1989:13)

Political threats by State Senator Gary Suhadolnik, who represented segregated suburbs Parma and Parma Heights, forced a suspension of the pro-integrative loan program until the state's attorney general could rule on its legality. It took 18 months before the attorney general issued his opinion upholding the legality of the integration assistance. In the meantime, the all-black Cleveland Association of Real Estate Brokers, led opposition to restoration of the pro-integrative set-asides, using

language identical to that used by the National Association of Realtors' in arguing against integration maintenance efforts in the Chicago area. (Husock 1989:13) Intensive lobbying efforts by pro-integration groups overcame this opposition and led to reinstatement of the set-asides.

The new \$9 million set-aside program used the racial composition of the public schools to determine in which neighborhoods whites and blacks were underrepresented and, therefore eligible for a pro-integrative loan. An African-American homebuyer is eligible for a pro-integrative mortgage loan when moving into a school zone where the public schools are less than 25 percent black. Whites can qualify for a loan when moving into a school zone where the schools are at least 50 percent black. Loans are not available for school zones with black student populations of 26 to 50 percent. The percentage of blacks attending a neighborhood school tends to be greater than the proportion of blacks in the overall population. The Cleveland metropolitan area is 20 percent black and 80 percent white. Private and public elementary school enrollment is about 25 percent African-American and 75 percent white. (Husock 1989:15)

**Legal Action.** When real estate brokers and rental agents continue to steer or lenders still insist on redlining despite all the education, public relations, regulatory, and lobbying actions a community undertakes, then legal action may be the last resort. While all the lawsuits under the Fair Housing Act have failed to make much of a dent in housing discrimination (Sanders 1988:882), lawsuits can be effective on a "micro" scale. The South Suburban Housing Center has helped victims of racial discrimination win good-sized awards and court orders or settlements that halted illegal practices by some realtors and apartment managers. At least one realtor has had his license suspended thanks to the legal action. (South Suburban Housing Center August 1988) But these are often costly suits that require much data collection and discovery. Worse yet, they only affect the party charged with discrimination and they may counteract a community's public relations effort by generating adverse publicity. (Onderdonk et al. 1977:36) But the possibility of a lawsuit can act as a deterrent to some potential lawbreakers. Obviously, the decision to take legal action will

rest on the facts and circumstances of each possible case.

**Delivery of Public Services.** It is vital that a municipality maintain or increase the level of services it provides integrated neighborhoods. Otherwise, white demand will almost surely falter as residents and housing prospects see one of the assumed results of black in-migration -- deteriorating city services and property maintenance -- appear. With their greater choices, whites can simply move. With their more restricted choices, blacks cannot.

Not all residents of the community will find a reduction in services disturbing. As was learned when South Shore was resegregating, even after the levels of city services and building maintenance were reduced in the integrating neighborhood, new black residents considered them to be higher than the levels they received in the ghetto. (Molotch 1972:103-104) Hence, while reduced services and property maintenance discourages whites from the integrated neighborhood's housing market, it does not necessarily have the same effect on blacks who are leaving the ghetto.

**Tax Policies.** Similarly, the integrated community should strive to maintain a competitive tax rate. Since whites have so many more alternative living options than blacks, they are freer to seek homes in communities with lower tax rates. A high tax policy, at least in theory, can discourage white demand. However, despite its relatively high taxes, primarily for its public schools, Oak Park maintains a very high level of white demand for ownership housing.

## Implementation Tools to Preserve Racial Diversity

### Fair Housing Ordinance

**Targeted Factor/Practice:** Discriminatory practices by real estate agents, lending institutions, landlords and rental managers, property owners. Builds confidence that local government is acting to preserve racial diversity.

Perhaps the most basic action a municipality can take to promote racial diversity is enacting,

**publicizing, and implementing** a fair housing ordinance. While these laws generally track the language of the Fair Housing Act of 1968, as subsequently amended, a local ordinance enables a community to respond quickly to suspected violations through a local mechanism for initiating, investigating and prosecuting complaints. A local fair housing ordinance is vital during periods when the state and federal governments rarely prosecute violators. Many local government officials believe that a local fair housing ordinance functions as an effective deterrent. (Engstrom 1983:7)

Recognizing that local governments can deal with suspected fair housing violations more rapidly than the federal government, the U.S. Department of Housing and Urban Development refers fair housing complaints to the local jurisdiction's fair housing agency if the local law and remedies are "substantially equivalent" to what the federal law provides. (Engstrom 1983:8)

Complaints are generally filed with the city's Community Relations Director who administers the law and monitors real estate activities. The local ordinance should provide for furnishing notice of a complaint to the person charged and for an attempt at conciliation between the two parties that normally requires some sort of affirmative relief by the violator. If conciliation fails, a formal hearing under due process standards is conducted, usually by the local Human Relations Commission or Fair Housing Review Board. The Fair Housing Ordinance can empower this hearing body to require injunctive relief and other remedial measures and impose fines. (Engstrom 1983:9)

Local fair housing ordinances, however, suffer from the same inherent weaknesses attributed to federal and state fair housing statutes earlier in this chapter.

Racially-integrated municipalities in the Chicago area that have adopted a Fair Housing Ordinance include: Calumet Park, Chicago, Evanston, Glenwood, Hazel Crest, Homewood, Matteson, Oak Park, Park Forest, and University Park. Both the Oak Park and Park Forest ordinances were adopted before Congress enacted the federal Fair Housing Act of 1968. (Engstrom 1983:97) In Ohio, racially-diverse Shaker Heights, Cleveland Heights, and University Heights have enacted and implemented fair housing ordinances.

## Racial Diversity Policy Statement

**Targeted Factor/Practice:** Discriminatory practices by real estate agents, lending institutions, landlords and rental managers, property owners. Builds confidence that local government is acting to preserve racial diversity.

A racial diversity policy statement fills in the gaps left by traditional fair housing ordinances to more effectively address racial steering and other practices that generate pressures for resegregation. These statements, whether issued separately as Oak Park does, or incorporated into a fair housing ordinance, declare that promoting a stable, integrated living environment is a basis for policy and decision making by the local government. They discuss the social, economic, and professional benefits of integration over segregation and the importance of replacing the dual housing market with a unitary market. (Engstrom 1983:10) These statements often explain the city's commitment to racial diversity is made because it is "right" and "desirable" for the city's citizens and their children. (Village of Oak Park 1979:6)

The major value of a racial diversity policy statement is that it forcefully states the commitment of the community's elected leadership to preserve racial diversity. Such public pronouncements help build confidence among community residents.

Municipalities in the Chicago area that have adopted a racial diversity statement include Calumet Park, Glenwood, Hazel Crest, Matteson, Oak Park, Park Forest, Richton Park, and University Park. University Heights, Cleveland Heights, and Shaker Heights have adopted racial diversity statements. Over 31 Cleveland-area municipalities have adopted fair housing resolutions or proclamations, but few have publicized them. Without touting them, they can do little to promote racial diversity. (Obermanns and Quereau 1989:5)

## Anti-Solicitation and Solicitation Regulation

**Targeted Factor/Practice:** Real estate agents who engage in blockbusting or panic peddling.

By regulating solicitation by real estate agents, a municipality will either discourage illegal panic peddling and blockbusting or make its detection much easier so a halt can be put to it. (Obermanns and Quereau 1989:6) Since the name of the game in real estate brokering is listings, real estate agents frequently contact homeowners by mail to make them aware of the broker's name so when the time comes to sell their home, they will list it with that broker. Some send just their business card; others send a periodic newsletter that does not solicit a listing, but just provides information a broker feels would interest homeowners.

Blockbusters and panic peddlers, however, go far beyond these practices to prey on people's fears and prejudices to panic them into selling their home because blacks are about to move into the neighborhood or already live there. Such practices are plainly illegal under the Fair Housing Act of 1968 as amended through 1988.

Consequently anti-solicitation provisions, which usually appear in a local fair housing ordinance, cannot completely ban all realtor-homeowner contact, not just contact soliciting listings and sales. They must be narrowly focused to prevent blockbusting and panic peddling. In 1989, U.S. District Court Judge Harry Leinenweber found the anti-solicitation ordinances of the Illinois municipalities of Country Club Hills, Glenwood, Hazel Crest, Matteson, and Park Forest were unconstitutional as applied to some realtors' mailings as a violation of constitutionally-protected free speech and due process, but not a violation of the Fair Housing Act. By effectively banning all mailings from realtors, the ordinances went too far. Judge Leinenweber found that the municipalities' interests to prevent blockbusting and panic peddling "clearly could be met by a much less restrictive ordinance: the banning of solicitations actually seeking to induce the sale, rental or listing of a dwelling..." (*South Suburban Housing Center v. Board of Realtors*, 713 F.Supp. 1068, 1095 (1989))

On the other hand, some municipalities regulate solicitation by requiring any broker or agent who wishes to solicit homeowners for the purpose of selling their homes, to register in person. The agent is required to describe the area to be solicited and the method to be used. A village official issues administrative approval. Many cities will also require



agent to meet with city staff to discuss the city's policy on racial diversity and sign a statement that the agent understand this policy.

Other communities allow residents to sign a statement that they do not wish to be solicited. The village then compiles a list of all residents who sign the "non-solicitation" statement and distributes it on a periodic basis to all real estate firms active in the village. The list should be arranged by street address to avoid unnecessarily burdening local realtors. Municipalities that use this approach frequently seek out residents to participate by obtaining names from homeowners associations, church groups, and other civic organizations. (Engstrom 1983:12-13)

To reach more residents, a community could annually send a "non-solicitation" statement, with an explanation of it, to each household with its water bill. Including a prepaid business reply envelope can significantly increase response rates. A village's regular newsletter is another effective vehicle to use. If new residents have to appear at village hall in person to obtain any permits or registrations, they should also be given a "non-solicitation" form.

Racially diverse communities in the Chicago area that have enacted non-solicitation ordinances that require residents to sign a non-solicitation form include Blue Island, Calumet Park, Country Club Hills, Glenwood, Hazel Crest, Matteson, and University Park. Solicitation regulations that require a realtor to register with the municipality include laws in Homewood, Matteson, and Park Forest. (Engstrom 1983:97)

## **"For Sale" Sign Bans and Regulations**

**Targeted Factor/Practice:** Blockbusting and panic peddling by real estate agents.

Several integrated communities have imposed bans or regulations on residential "for sale" signs because a proliferation of "for sale" signs is widely perceived to destabilize a racially diverse neighborhood. Blockbusting and panic-peddling real estate agents often use the presence of many "for sale" signs to panic residents into selling.

Most of the communities that have legislated to attack this problem have imposed restrictions on residential "for sale" signs rather than ban them altogether. These restrictions are placed in the fair housing ordinance, or more appropriately, the local zoning ordinance where other signs are also regulated. In 1989, U.S. District Court Judge Harry Leinenweber upheld the size and placement restrictions imposed by the Illinois municipalities of Country Club Hills, Matteson, Park Forest, and University Park. However, he invalidated Hazel Crest's ban on "for sale" signs as required by the U.S. Supreme Court decision in *Linmark Associates, Inc. v. Willingboro*, 431 U.S. 85, 87-88 (1977). (*South Suburban Housing Center v. Board of Realtors*, 713 F.Supp. 1068, 1092 (1989)) Other Chicago area communities that regulate or ban "for sale" signs include Blue Island (through its zoning ordinance) and Calumet Park.

Other communities, like Oak Park, Illinois, and more recently Country Club Hills, have sufficiently educated their local real estate community as to the pitfalls of residential "for sale" signs and the benefits of maintaining a racially diverse community that realtors have informally agreed not to use "for sale" signs in the community. "The local Board of Realtors was willing to comply with our ban on 'for sale' signs even after the Supreme Court overturned such bans," Oak Park Community Relations Director Sherlynn Reid explains. "They found that they did not lose business and it was in their best interest to comply because nobody else could put up a sign." (Reid 1988)

This approach avoids the legal entanglements that an ordinance may engender. Note, though, that imposition of a voluntary ban illustrates the success of local efforts to educate the local real estate industry on racial diversity.

## **Intent to Sell Ordinance**

**Targeted Factor/Practice:** Real estate agents; identifies areas of significant levels of market activity.

An intent to sell ordinance requires homeowners who put their homes on the market to notify the city of their intent to sell. The homeowner gives the city her address, the name of the listing real estate

broker and company, and sometimes how the home will be advertised.

The information this ordinance provides allows the city to monitor real estate activity in general and alerts the city to areas where there are suspiciously high levels of activity. This information also alerts the city to schedule a housing inspection if it requires one upon a change in occupancy.

Matteson and Park Forest have enacted intent to sell ordinances. (Engstrom 1983:12,97)

## Inspection/Occupancy Permit Ordinance

**Targeted Factor/Practice:** Potential property deterioration

Fairly common outside the midwest, requiring an occupancy permit upon a change of occupancy in ownership and rental dwellings gives a municipality the opportunity to inspect the unit for code violations. Such ordinances typically require that the unit be brought up to code before an occupancy permit can be issued. Without such a permit, the new owner or tenant cannot move into the dwelling.

Some municipalities inspect residential property on an annual basis. Still others, require an inspection for code violations only upon the initial sale and resale of a condominium. Some, like Oak Park, Illinois, annually inspect the interior of 10 percent of their multi-family housing stock in addition to complete visual exterior inspections. The sale of a building of four or more units requires a certificate of compliance with the housing code. Through the use of a revolving loan fund financed by a \$1.5 million housing bond, Oak Park provides below-market rate loans for apartment building rehabilitation. The village has also used Community Development Block Grant money to pay up to 25 percent of the cost of rehabilitating apartment buildings plus interest rate subsidies. In return, 25 percent of the units must be reserved for low- and moderate-income households for three years. (Village of Oak Park 1979:12)

As the village's senior planner in the late 1970s, this author observed that although this program achieved its aim of improving living conditions, it effectively raised the rents of much of Oak Park's low-

and moderate-income housing beyond the reach of the village's 7,000 low- and moderate-income households. Since 80 percent of Oak Park's African-American population rents (comprising about 24 percent of the tenant population), Oak Park's black population has probably been disproportionately displaced. At the same time, "condomania," the wave of condominium conversions that swept the nation, was substantially reducing the supply of rental housing affordable to middle-, low-, and moderate-income Oak Park households, particularly the heavily tenant black population -- a fact Oak Park officials fully understood. Suggestions that Oak Park restrict conversions like west coast and east coast cities were met with vigorous objections from the local real estate industry which was able to prevent any meaningful regulation of conversions.

Communities can avoid this problem by promoting the conversion of rehabilitated apartments to limited-equity cooperatives or placing their ownership in the hands of a mutual housing association. In the case of Oak Park where a local government agency has bought and rehabilitated a great number of apartment buildings, conversion to limited-equity cooperative is easily achieved.

Oak Park also conducts an annual Neighborhood Walk to inspect the exterior of single-family and two-household dwellings. Deficiencies that are not code violations are also cited. Homeowners with no deficiencies or code violations receive a letter of commendation. In addition, the Oak Park Residence Corporation helps homeowners obtain conventional home improvement loans and provides loans directly to homeowners unable to secure a conventional loan. (Village of Oak Park 1979:11-12)

Other racially diverse communities with an inspection ordinance include Calumet Park, Glenwood, Hazel Crest, Matteson, Park Forest, and University Park. (Engstrom 1983:98)

## Affirmative Marketing

**Targeted Factor/Practice:** Real estate and rental agents practicing racial steering, self-steering, building community image

Getting both whites and blacks to consider non-traditional moves, both within and outside an integrated community, is essential to creating the



unitary housing market every racially diverse community ultimately needs to remain integrated. Traditionally, whites look at housing only in all-white neighborhoods and blacks see housing only in integrated and all-black communities. Real estate brokers and rental agents will often “steer” prospects in these directions. Many people steer themselves in these directions simply because they are unaware of other options. Many African-Americans fear possible violence and harassment for themselves or their children if they are among the first nonwhites to move into a previously all-white neighborhood. But some leaders of the racial diversity efforts ask, “How can ‘some’ harassment in a predominantly white neighborhood even compare to having your children recruited by gangs in ghetto schools?” Many whites steer themselves away from integrated neighborhoods because they believe the myths of inevitable resegregation, declining property values, and increasing crime.

Affirmative marketing is a positive race-conscious approach to housing that attempts to expand the housing choices of both black and white home seekers. To achieve maximum success, affirmative marketing requires the cooperation of local governments with realtors, rental agents, and landlords within and without racially diverse municipalities. (Engstrom 1983:10–11)

The precursor of modern affirmative marketing rests in the 1972 federal government requirement that all developers who use Federal Housing Administration insurance must file an affirmative marketing plan with the U.S. Department of Housing and Urban Development to encourage a racially integrated housing market. These plans are to specify “efforts to reach those persons who traditionally would not have been expected to apply for housing.” (Quoted in Nelson 1985:10)

For example, special steps might be needed to make members of minority groups aware of housing opportunities in virtually all-white suburbs and portions of the central city. Similarly, special efforts might be needed to make white home seekers aware of housing opportunities in areas where members of minority groups live, such as racially-diverse communities. When HUD issued its regulations, it acknowledged that a race conscious effort was necessary and important to achieving equal opportunity in housing. (Nelson 1985:10) Court cases

during the 1970s identified a national policy to promote stable, racially integrated neighborhoods and stressed the affirmative duty of governmental bodies to promote racial integration through their housing policies. (*Gladstone Realtors v. Village of Bellwood*, 441 U.S. 91, 111 (1979); *Lindmark Associates, Inc. v. Willingboro Township*, 431 U.S. 85, 94 (1977); *Trafficante v. Metropolitan Life Insurance Company*, 409 U.S. 205, 211 (1972))

Affirmative marketing is completely different than racial quotas. Affirmative marketing makes home seekers aware of a wider array of housing choices available to them. The choice of where to look for housing and what housing to buy or rent remains with the home seeker.

In Illinois, Hazel Crest and Matteson have adopted ordinances to require developers to affirmatively market their new construction ownership and rental housing. A building permit cannot be issued until the village approves the developer’s affirmative marketing plan. (Engstrom 1983:11,97) Local governments can also develop affirmative marketing plans in conjunction with the management or owners of apartment complexes. Goals would be established and a record kept on the racial composition of current occupants and those looking for housing in the complex so the plan’s success can be evaluated. (Engstrom 1983:11) Affirmative marketing practices were upheld in *South Suburban Housing Center v. Board of Realtors*, 713 F.Supp. 1069, 1086.

For the developer, affirmative marketing means taking special steps to promote traffic from particular racial groups who are otherwise unlikely to compete for their housing. These steps can include:

- ◆ Advertising targeted to the non-traditional group in addition to normal marketing methods;
- ◆ Using press releases, photographs, promotions, and public service announcements to dispel stereotypes and myths concerning multi-racial living patterns;
- ◆ Upgrading housing appearance and tenant selection criteria;
- ◆ Cooperative advertising among promoters of similar housing;
- ◆ Training and educating all personnel participating in real estate sales/rentals and

marketing in affirmative marketing techniques and the facts about multi-racial living;

- ◆ Collecting occupancy and traffic data — accurate racial data is vital for achieving and preserving racial diversity;
- ◆ Using public relations to place newspaper and television features that focus on individuals and groups that represent racial diversity;
- ◆ Educating residents about multi-racial living. (Nelson 1985:12–36)

Local governments can also support and/or work with subregional and regional housing service centers that practice affirmative marketing to educate and train real estate and rental management professionals. See the discussion of Housing Service Centers below.

### **Affirmative Marketing Requirements as a Standard to Receive Zoning or Subdivision Approval**

**Targeted Factor/Practice:** Maintain biracial demand for housing in the community and develop a unitary market in currently all-white communities

Zoning and subdivision regulations protect the health, safety, and general welfare of a community. Most municipalities set forth the goals and objectives they choose to promote health, safety, and the general welfare in their comprehensive plan. Many expand upon the plan's goals in a racial diversity policy statement.

At least since 1978, it's been clear that the federal courts have recognized a "national goal of integrated housing." (*Metropolitan Housing Development Corporation v. Village of Arlington Heights*, 558 F.2d 1283 (7th Cir. 1977), *cert. denied*, 434 U.S. 1025 (1978)) It would seem that such a goal can be incorporated into a city's comprehensive plan. When a municipality has set racial diversity as a goal, its zoning and subdivision ordinances, which are intended to implement and be in compliance with its comprehensive plan, certainly can require a developer to prepare and implement an affirmative marketing plan that meets the city's standards in order

to receive approval for a residential development. This requirement can be set for all residential housing or for developments that exceed a certain number of units, or for only planned unit developments and subdivisions. An exception should be made, of course, for someone building a house for himself.

The author is unaware of any municipality that has adopted this sort of zoning or subdivision provision.

### **Social/Racial Diversity Impact Statement**

**Targeted Factor/Practice:** Maintain biracial housing demand

Virtually any action or policy decision a municipality makes can affect its ability to remain racially diverse. (deMarco 1989:1) To identify such impacts, a city would be wise to establish a policy to review all municipal spending and capital improvements for their "social impacts." A community can amend its zoning ordinance to require a social impact statement for parcel and major rezonings, zoning and subdivision text amendments, planned unit developments, subdivisions, major developments, school and other public facility construction, and special use permits.

"Social" connotes such concerns as housing, education, physical and mental health, dislocation, recreation, personal safety, sense of community, personal mobility, crowdedness, sociability, equity, economic needs, and questions of income and job opportunities. (Lauber 1976)

While no racially-diverse municipality yet requires a social or racial diversity impact statement, Oak Park edged close to it with its "Proposal/Application Checklist for Compliance with *Comprehensive Plan 1979*." This checklist listed all of the plan's goals and objectives, including its racial diversity goal and objective. Space was provided to indicate how the proposal under consideration helped achieve or worked against achieving each goal and objective. (Village of Oak Park 1979:Appendix A) Unfortunately, the village board never mandated use of the checklist and it has largely gone unused.

A number of communities in the U.S. and Canada have informally and formally employed social

impact analysis in their reviews of zoning and development proposals. These include the Social Planning Department in Vancouver, British Columbia (Lauber March/April 1975); the housing impact statement required by Lakewood, Colorado; socially-informed comprehensive planning conducted by Cleveland, Ohio, during the 1970s; and the two-tiered review of social impacts used in Richfield, Minnesota. (Lauber 1976)

## Housing Service Center

**Targeted Factor/Practice:** Real estate and rental agent racial steering, self-steering, community image

Some racially diverse municipalities and non-profit organizations have established housing service centers to assist in the affirmative marketing of their communities and develop a unitary housing market.

example, the Home seekers Service operated by the South Suburban Housing Center counsels prospects to consider all options available to them in Chicago's southern and southwest suburbs and not limit their choices on the basis of race. The service recently inaugurated a Corporate Relocation Service to work with businesses to introduce the southern suburbs to employees moving to the Chicago area. In the Cleveland area, the East Suburban Council for Open Communities operates a similar housing service to encourage both whites and blacks to explore all their housing choices. Oak Park's counseling focuses largely on encouraging integrative moves to apartment buildings. (Fischer 1986:84)

Other housing service center functions include:

- ◆ Receiving, investigating, and pursuing complaints of violations of fair housing laws;
- ◆ Building morale to discourage racial

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A housing service center like the Oak Park Regional Housing Center may be the single most essential component for a successful effort to facilitate stable housing integration.

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In the Chicago area, municipally-operated centers are fully funded by municipal moneys. Privately-operated centers receive an average of 53 percent of their funding from government sources, including Community Development Block Grants and federal Fair Housing Assistance Plan (FHAP II) funds.

During the first half of the 1980s, Chicago area housing centers largely served a mix of poor single black females with children who seek affordable housing, anxious middle-income black and white residents concerned about racial stability, and market rate clients who are potentially interested in an integrative move or who have faced an incident of discrimination. (Fischer 1986:72)

Among the basic services housing service centers provide is housing counseling to introduce prospective tenants and homebuyers to the wider range of housing choices that lies beyond traditional race-determined choices promoted by self-steering and racial steering by real estate agents. For

turnover through public relations efforts to promote a positive image of the racially diverse community or communities;

- ◆ Auditing and testing;
- ◆ Litigation;
- ◆ Marketing, such as the South Suburban Housing Center's newspaper ads that encouraged African-Americans to look for housing in the overwhelmingly white southwest suburbs, and the Metropolitan Leadership Council's televised public service announcements where Chicago Bears players promoted open housing and pro-integrative moves;
- ◆ Operation of a corporate relocation center such as the ones run by the South Suburban Housing Center and Chicago Area Fair Housing Alliance.

- ◆ Education and training workshops for real estate agents and rental managers and landlords, such as those conducted by the South Suburban Housing Center; and
- ◆ Escort services for clients who may be reluctant to view a home by themselves in a non-traditional area. (Fischer 1986)

Fully-developed housing service centers, like those in Shaker Heights and Cleveland Heights, Ohio, also conduct tours of the community and schools, and refer homebuyers to real estate agents who have demonstrated a commitment to racial diversity and affirmative marketing by promoting areas where the buyer's race is underrepresented. (Obermanns and Quereau 1989:7) Publicly recognizing and rewarding the efforts of real estate agents who promote integrated housing patterns through their sales practices appears to be effective. (Engstrom 1983:11) Recognizing that real estate brokering has so many built-in incentives to discriminate, it might be desirable to offer financial incentives, like a bonus commission, to real estate agents who generate pro-integrative sales.

Chicago-area housing centers include local centers in Bellwood and Oak Park. Regional and subregional centers include the South Suburban Housing Center (which serves Calumet Park, Chicago, Country Club Hills, Glenwood, Hazel Crest, Matteson, and University Park, among others), HOPE (serving DuPage County), Minority Economic Resource Corporation (northwest suburbs), Northwest Indiana Fair Housing Center, SER/Lake County (Illinois), North Suburban Housing Center, Near West Suburban Housing Center (in Westchester, serving western Cook County suburbs), and the Leadership Council for Metropolitan Open Communities. (Fischer 1976) Housing centers in the Cleveland area include those in Shaker Heights, Cleveland Heights, and University Heights, and the more regional and subregional Cuyahoga Plan's Housing Information Service and East Suburban Council for Open Communities. (Obermanns and Quereau 1989:3)

## Equity Assurance Program

**Targeted Factor/Practice:** Blockbusting and panic peddling; removing fear of declining property values

One of the most common, albeit inaccurate, fears that whites have of residential integration is that their property values will fall substantially. To allay that fear, Oak Park, Illinois, established the nation's first Home Equity Assurance Program in 1977 after four years of discussion. Financed by bond funds, this program insures owners of single-family houses against depreciation in the market values of their homes. Under this voluntary program, a homeowner pays for an appraisal of his home (cost about \$110) and registers it with the village. There is an initial five-year waiting period, during which the house must be owner-occupied, before a house is eligible for coverage. Once the owner notifies the Equity Assurance Commission's part-time staff that she has put the house on the market, a 120-day cycle kicks in. During the first 90 days, no claim can be made. During the next 30 days, if the highest offer is less than the appraised value, the homeowner forwards the offer to the commission which can approve the offer and pay 80 percent of the difference between the offer and the five-year old appraised value, or buy the house itself at the offered price and pay 80 percent of the difference, or order that the house be kept on the market until the 120 days end. After the 120 days expire, the commission buys the house at the highest price plus the 80 percent difference. (Reid 1988)

In its first 12 years, only 156 homeowners have even registered for the Equity Assurance Program. Most of the owners who have registered live in the village's overwhelmingly white northwest quadrant. Very few who lived in the southeast section where blacks were most heavily concentrated chose to participate. "By the time we adopted the ordinance, few people needed its security blanket," explains Community Relations Director Sherlynn Reid. "We had openly discussed equity assurance for four years first. During that time realtors learned they could make money selling to both blacks and whites and residents had already developed a sense of confidence about Oak Park." No claim has ever been made. (Reid 1988)

In recent years, equity assurance has become a hot topic in some Chicago neighborhoods. For the last three years, the Southwest Parish and Neighborhood Federation, whose constituency is largely composed of white ethnics who have previously experienced resegregation and who oppose



residential and school integration, very effectively used equity assurance as its organizing theme. Its constituency came to believe that with equity assurance would prevent white flight and protect their property values.

They, and other white ethnic community organizations, persuaded the state legislature to enact a law that allows neighborhoods to vote to tax themselves to establish an equity assurance fund and program. But according to Oak Parker Reid, they are in for a big disappointment. “We didn’t expect to ever have to use equity assurance. The problem in Chicago is that they expect to use it. If we ever have to pay a claim, then it isn’t working.”

“By itself, equity assurance is nothing. To have any value, it’s got to be accompanied by an array of other things,” explains Reid. “The mindset of people is what’s most important. Living in a racially integrated community is an Oak Park attitude.” (Reid 1988)

Reid is almost certainly correct. By itself, equity assurance can have little or no effect on the ability of a community to peacefully and successfully become and remain racially diverse. As the racially diverse communities examined for this chapter illustrate, it takes a veritable plethora of programs, and the right attitude, to achieve and maintain racial diversity. The community leaders and elected officials of these municipalities openly expressed strong support for racial diversity early in the process. Without local government’s broad commitment to diversity, an equity assurance program is almost certain to fail.

## Conclusion: Essential Strategies

Preserving racial diversity requires a two-pronged strategy to (1) maintain a sufficient level of white demand to keep the community stably integrated while (2) the long-term effort to replace the dual housing market with a single, unitary market proceeds. No single tactic will implement these strategies. Not every implementation tool described above is necessarily effective, or even appropriate for every racially-diverse community.

There are, however, a number of techniques that a quarter of a century of experience has shown are absolutely essential to short- and long-term success:

- ◆ Whatever is done, it must start early before any neighborhood becomes racially identifiable.
- ◆ **Integrate the public schools systemwide well before any schools are racially identifiable. Establish and maintain the same racial composition at each public school to take the public schools out of the equation when people decide whether or where to move into the community.**
- ◆ Both municipal government and public school officials must offer consistent and strong vocal support for racial integration both an early stage and in the long run.
- ◆ An aggressive community organization that adopts the goal of racial diversity before any neighborhood becomes racially identifiable is essential.
- ◆ Develop and implement a coordinated and comprehensive plan for achieving and preserving diversity.
- ◆ Educate, persuade, cajole, and, if necessary as a last resort, threaten local real estate brokers and rental agents to market affirmatively. Make them aware that they can make a fine living this way.
- ◆ Establish both a local and subregional housing service center.
- ◆ Plan and implement a public relations program to build the community’s image.
- ◆ Maintain a high level of services to all neighborhoods within the jurisdictions.
- ◆ Particularly in communities with an old housing stock, implement an aggressive housing and building code enforcement program with financial assistance for repair or rehabilitation.
- ◆ Collect racial data from real estate and rental agents to spot trends to identify violations of local ordinances and the Fair Housing Act.



- ◆ Do not allow substantial amounts of new public housing to be built in or close to the racially diverse neighborhood.
- ◆ Foster economic development.
- ◆ Coordinate racial diversity efforts with other racially diverse communities to attack the dual housing market at the subregional and metropolitan levels.
- ◆ Maintain these efforts at full strength until the dual housing market is eliminated throughout the metropolitan region.

## New Directions in Research, Strategy, and Policy

While researchers know that these techniques are vital to preserving diversity, and why so many neighborhoods resegregate, more information is needed to gauge the actual extent of discrimination and devise more effective local, regional, and national strategies to alleviate the unnatural pressures on racially diverse communities that force them to take extraordinary measures to preserve their diversity. Steps that need to be taken include:

**Conducting a systematic, multi-disciplinary study of racially-diverse communities.** This chapter has only been able to touch the surface of all the efforts a growing number of communities have taken to achieve and preserve diversity. Some of these communities have remained stably integrated for over 20 years. Although, as in this chapter, it is possible to identify the techniques that have worked, researchers have had to rely on the word of the groups that are using these techniques. A thorough, systematic, and multi-disciplinary study of stable, racially-diverse communities that compares them to analogous communities that resegregated would enable researchers to determine why certain techniques have worked for some communities but not for others. In addition to systematically examining the tools that have been used to preserve diversity, this type of study would enable researchers to also identify the demographic, attitudinal, physical, and political factors that affect the ability of communities to preserve diversity.

**Altering institutional and governmental impediments to preserving racial diversity.** Those institutional and governmental practices and policies that cause or hamper efforts to preserve racially diverse communities must be changed. For example, the predominant practices of real estate institutions are major factors that cause resegregation.

There's a crying need to reduce the intense segregation in real estate brokering. Programs should be implemented to not only promote greater African-American participation in real estate brokering, but also to encourage white-owned real estate firms to hire black agents and black-owned firms to hire white brokers. Incentives should be offered to brokers who promote pro-integrative moves. More effective enforcement of laws that prohibit steering and blockbusting is essential. It is vital that all Americans have equal access to housing market information. If the real estate industry won't do it, an institutional structure must be developed to disseminate housing market information in a nondiscriminatory manner. Fair housing councils can play this role. Requiring homeowners to file an intent-to-sell notice with local or county government would make the availability of the home public information which housing centers could disseminate. (Lake 1981:247-248)

While enforcement of federal and state fair housing laws needs to be stepped up, the case-by-case approach that underlies them are insufficient to relieve the systematic bias that bars African-Americans as a group from participating in the housing market on equal terms with whites. (Lake 1981:246) To break down barriers to achieving an unitary housing market, the federal government and state governments should condition virtually all programmatic and general funding to local governments on the progress they make toward achieving the proportion of minority population they would have in a color-blind housing market. But attaining this major policy change requires achieving the next step.

**Rebuilding a political constituency for racial diversity.** Government support for racial diversity will not come by merely appealing to the public's rectitude. A politically-astute strategy must be developed to bring the issue to the forefront of public policy debate and rebuild a political constituency

for racial diversity in housing and education as well as employment. Such a strategy includes effectively demonstrating the costs of housing and school segregation that all Americans must bear. To effectively influence public opinion, these costs need to be quantified. In addition, it is essential to develop a public relations blitz to debunk the long-standing myths about housing and school integration that lead to the self-fulfilling prophecies that result in resegregation and its attendant problems.

Conducting the following research will help implement these three inter-related steps:

- Determine the extent of racial steering.
- Determine if the extent of housing discrimination experienced by minorities other than African-Americans, principally Hispanics and Asians.
- Determine the extent to which enforcing fair housing laws change housing market practices. (Leadership Council for Metropolitan Open Communities 1987:6)
- Identify techniques that broaden the housing choices and counter self-steering.
- Determine the impacts of neighborhood racial transition on employment opportunities within the community following transition, the types and quality of merchants and merchandise, types and quality of professional services and medical services.
- Identify the extent to which businesspeople, lenders, landlords, and other investors believe that racial change causes economic deterioration. How do these expectations relate to actual investment decisions and how often do they produce a self-fulfilling prophecy? (Leadership Council for Metropolitan Open Communities 1987:6)
- Conduct an up-to-date study that identifies the hypothetical racial composition of each Chicago neighborhood and suburb in a color-blind housing market where residency is determined solely by income and cost of housing. This information could serve as a measure of the level of racial discrimination in housing. It would also serve as the standard against which to measure 1990 census data to determine which communities are progressing towards a unitary housing market.
- Determine the rates of residential property value appreciation for comparable all-white neighborhoods, stably integrated neighborhoods, all-black

neighborhoods, and resegregating neighborhoods in recent years. The most recent research has focused on the early 1980s during which there was a recession in housing that may have skewed results.

All this research, though, will be for naught if there is no vehicle available to utilize it. A regional agency to coordinate local and subregional fair housing service centers and adequate funding for all three levels are essential to preserving racial diversity in the long run.

**Regional Coordinating Agency.** Lacking a major national constituency for the fair housing movement, resources for promoting racial diversity continue to be scarce. They must be used “more efficiently by significantly increasing the level of systematic monitoring of market practices, sharing of information, and targeting enforcement and other resources on the most important problems at any given period.” (Orfield 1986:32)

An ongoing, staffed agency is needed to coordinate these efforts and others on the metropolitan level. Such an organization could grow out of the Chicago Area Fair Housing Alliance. (Orfield 1976:32–33) While it would not supplant any existing fair housing organizations, it would coordinate their efforts in such arenas as auditing. In addition to targeting real estate and rental firms suspected of discriminatory practices, there is a need to conduct random sample audits to determine the actual extent of racial steering throughout the metropolitan area and to heavily publicize the findings.

Since frequent, well-publicized audits tend to reduce steering and other discriminatory practices, this agency should also serve as the main public relations vehicle for the fair housing movement. It should develop a media kit that would explain the fair housing movement and the need for racial diversity efforts, explain how the media can inadvertently perpetuate stereotypes and how vital it is that the media exclude racial factors that are not relevant to a story (as in the Cragin neighborhood holdup story), and supply an annotated list of experts on fair housing and racial diversity to contact when stories break or features are prepared.

Education and training are vital for many of the players in the housing market. This regional agency should develop training in fair housing and racial diversity for newspaper, magazine, television, and

radio reporters and editors. Special training will be necessary for real estate section editors and writers. An effort should be made to get newspapers to establish a policy that real estate section feature articles, like the one on Cicero discussed in this chapter, shall always include a side-bar that explains the provisions of the Fair Housing Act and emphasizes that persons of all races are free to move to the featured community.

The regional agency should build upon the quality affirmative marketing training for real estate brokers, rental agents, and lenders already conducted by municipal and subregional open housing agencies. It should facilitate communication between the subregions. For example, there is a need to have brokers from Oak Park explain to brokers in other parts of the region how profitable, and desirable, a stable, racially diverse community is for real estate and rental agents.

**Funding.** Existing funding and staffing are clearly inadequate. There is a need for new housing service centers in the outer ring suburbs where most new jobs and the most desirable new housing are being created. (Orfield 1976:33) In addition to using existing funding sources, both the proposed regional agency and existing fair housing agencies need to tap the business community for funding. Once the Chicago-area business community discovered how the low quality of the public education was leaving them with a shrinking qualified workforce, it started pouring hundreds of thousands of dollars into public school reform. Similarly, if the business community can discover how much continuing "American Apartheid" is costing business, its coffers could be tapped on behalf of open housing and racial diversity efforts.

For over 20 years, Oak Park and Park Forest, Illinois, and Shaker Heights, University Heights, and Cleveland Heights, Ohio, have proven that black immigration into a previously all-white community does not inevitably lead to any of the myths associated with integrated communities. These municipalities and a growing number of other cities are demonstrating that racial diversity can be achieved and preserved as long as the community and local government view integration as an opportunity, not

a problem, and they take the steps necessary to overcome the pressures to resegregate generated by the dual housing market and all the institutional, cultural, governmental, and individual factors that continue to prop it up. Until this dual market is replaced with a single, unitary housing market in which all Americans participate, communities that have the opportunity to integrate will have to take extraordinary steps to overcome these extraordinary forces.

But until America builds an unitary housing market, the debilitating and costly cycle of the ghetto will continue, the black underclass will continue to grow and become more permanent, and the nation's limited resources will continue to be fruitlessly drained to deal with a problem that would not continue were it not for the deeply ingrained racial prejudice that has shaped local, state, and national housing policy in the twentieth and twenty-first centuries.

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