

6.3.1: Finding a Home- Inequities

Finding a place to call “home” is important. Living in a place that supports access to outdoor spaces, a feeling of security, effective schools, transportation, food and other resources and the potential for community are quality factors that affect a family’s abilities to function effectively and efficiently. We might call these “livable environments”.

Home ownership has been and is still the most basic and viable way to accrue wealth in the United States. Access to home ownership is important to families for both livability and financial investment purposes. Uncovering the inequities in access to home ownership is critical to understanding the well-being of families in the United States.

Power and the American Dream: Home Ownership

The government and financial organizations both hold substantial power in the United States. Together, they affect who and how homes are purchased. Although we know that race is a social construction, it is still used as an identifying feature for families, and has been used by these systems to control home purchases and to segregate living areas. We will discuss housing from the perspective of racial-ethnic groups affected by these regulations and practices.

As noted above, households that rent homes rather than buy are on the increase; more people are renting now than at any time in the last fifty years. This is not due to lack of desire to own a home; in a 2016 Pew Research Center Survey, 72% of renters said that they desire to own a home.^[1] Denial rates for mortgages continue to be higher for Black and Hispanic applicants. When they are approved, they tend to have higher monthly payments, which increases the cost burden on families. This is typically due to having fewer financial resources with which to make a down payment.^[2]

While it may be obvious that home ownership increases stability and enables individuals and families to accrue wealth, it is also true that home ownership has a significant effect on the life satisfaction of low-income people. Home buyers have been found to have higher levels of life satisfaction and may also have increased self-esteem and a sense of control compared to renters.^[3] It is impossible to talk about lower rates of home ownership amongst minoritized groups without discussing the practices of intentional segregation and gouging enacted by the federal government, lending institutions, local governments and housing covenants enacted following the legal end of slavery in the United States.

Redlining



Figure 9.8. Segregated neighborhoods did not come about organically, but through deliberate planning of policies and practices.

Redlining is the discriminatory practice of refusing loans to creditworthy applicants in neighborhoods that banks deem undesirable or racially occupied. Although home ownership became an emblem of the American citizenship and the American dream during the 20th century, Blacks and other nationalities were specifically limited in their abilities to purchase homes. Both the federal government, which created the Home Owners’ Loan Corporation in 1933 and the Federal Housing Association (FHA) in 1934, along with the real-estate industry, worked to segregate Whites from other groups in order to preserve property values.

Lending institutions and the federal government did this by creating maps in which the places where people of color and/or foreign-born lived were colored red. Then those areas were designated to be “dangerous” or “risky” in terms of loaning practices. Because families in these same groups were often denied access to the neighborhoods designated to be “good” or “the best” they were forced to take loans that required higher down payments and/or higher interest rates.

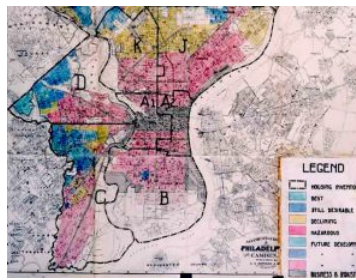


Figure 9.9. Lending institutions and the federal government created maps in which the places where people of color and/or foreign-born lived were colored red.

The Home Owners' Loan Corporation, which regulated home loans, created residential security maps divided into four different categories:

- Green: "the best" for businessmen
- Blue: "Good" for white-collar families
- Yellow: "Declining" for working-class families
- Red: "Detrimental" or "Dangerous" for foreign-born people, low-class Whites, and "negroes"

These ratings indicated to lending institutions how "risky" it was to provide loans by area. It was then less likely that loans could be secured in the red and yellow neighborhoods; interest and payments would be higher. Unscrupulous private lenders used this opportunity to create unfair practices such as unreasonably high payments with devastating consequences if one payment or partial payment was missed, such as the Black homeowner losing their home and all equity that had been earned.^[4]

In 1968 these practices were outlawed by the Fair Housing Act which was part of the Civil Rights Act. The Fair Housing Act is an attempt at providing equitable housing to all. It makes discriminating against someone based on skin color, sex, religion, and disability illegal. Also banned is the practice of real estate lowballing, where banks underestimate the value of a home, in effect forcing a borrower to come up with a larger down payment to compensate for the lower loan value. The offering of higher interest rates, insurance, terms and conditions to minority loan applicants is illegal. Denying loans and services on the basis of an applicant's protected class is also illegal.

Still, much damage was done prior to its passage. For decades the federal government poured tax monies into home loans that almost exclusively favored White families. Home ownership is the most accessible way to build equity and wealth and it was denied to many minority families for decades. Once the Fair Housing Act passed, local governments, residential covenants, and deed modifications continued to discriminate well into the 2000s, and families in minoritized groups still had less success in achieving home loans.

The result of these institutionalized efforts resulted in residential segregation, the physical separation of two or more groups into different neighborhoods. Many times this is associated with race but can also be associated with income. Segregated neighborhoods did not come about organically, but through deliberate planning of policies and practices that have systematically denied equal opportunity to minority populations. Segregation has been present in the United States for many years and while now it is illegal to do so it has been institutionalized in neighborhood patterns. From information collected in the 2010 census we see that a typical White person lives in a neighborhood that is 75 percent White and 8 percent African American, while a typical African American person lives in a neighborhood that is 35 percent White and 45 percent African American.^[5]



Play this six-minute video for a summary of housing segregation in the U.S.

As a recipient of federal funding the city of Portland is required to abide by the rules of the Fair Housing Act, but like many cities in the United States, Portland has a history of redlining and other discriminatory practices. In order to better understand Portland's practices, learning about Oregon's history is useful. [The Oregon Encyclopedia contains a summary of Black exclusion laws in Oregon](#); these laws were put in place when the state was founded in order to discourage people of color from settling in Oregon.

Between 1900 and 1930 Portland began zoning practices, the act of separating land based on what it will be used for, such as residential, industrial and commercial. In 1924, Portland approved its first zoning code, Zone 1–SingleFamily, Zone 2–Multi-Family, Zone 3–Business-Manufacturing, and Zone 4–Unrestricted. Most residential areas were designated Zone 2, except for 15 neighborhoods considered the “highest quality” that were designated Zone One.^[6]

Table 9.1. Some of the 15 neighborhoods that were designated Zone One
Data from [Mapping Inequality: Redlining in New Deal America](#)^[7]

Neighborhood	Environment	Occupants	Building Zone
Alameda	Convenience to schools, churches, shopping centers and transportation. Fully improved streets and sufficiency of utilities and conveniences.	Foreign born: Few to none Black: Few to none	5-7 rooms mansions
Arlington-Heights	Schools, churches, transportation, recreational and trading areas reasonably available.	Foreign born: Few to none Black: Few to none	7-10 rooms mansions
Eastmoreland	Convenience to grade schools, churches, transportation, recreational and trading centers. Presence of all utilities and conveniences.	Foreign born: Few to none Black: Few to none	5-7 rooms houses
Abernathy	A sheltered and secluded neighborhood of great natural appeal. Schools, churches and trading centers reasonably available.	Foreign born: Few to none Black: Few to none	Mansions and Farm houses



Figure 9.10. Portland City Council's rezoning in the 1930s-40s was used as a tool to further reinforce racial segregation.

Between the 1930s and '40s, Portland City Council rezoned large areas of multi-family zoning to single-family zoning. This was done to protect real estate values of single-family homes and make it easier for homeowners to obtain Federal Housing Administration loans in those areas. During this time roughly 14.25 square miles was rezoned from multi-family to single-family housing. This was used as a tool to further reinforce racial segregation by restricting federal and private lending. It made it really difficult, sometimes even impossible, for residents living in "redlined" neighborhoods to receive residential and commercial loans.

Neighborhood planning from 1960 to 1970 included the ideas of residents instead of only the real estate industry. In 1973 a Senate bill was passed which eventually led to the creation of the state's land use planning program. This program required cities to have a 20 year plan to accommodate growth. There was a strong interest from Portland residents in housing policies which would distribute low-income housing throughout the entire Portland area. Although many strong neighborhood associations formed, power continued to reside with the more affluent, mostly White neighborhoods and the 1980 Comprehensive Plan favored expanding and protecting single-family zones.

In 1994 the Community and Neighborhood Planning Program was adopted to address issues that sprouted after the Comprehensive plan. With this they did the opposite of what had been done for many years in the past, they expanded the multi-family zones. Central City, Albina, Outer Southeast, Southwest, Inner Southeast, Peninsula area, Northwest Portland, and Northeast Portland were identified as focus neighborhoods. The program involved staggering the plans and completing them periodically and systematically. The program sought to expand and intermix multi-family housing, but was met with resistance and controversy that led to uneven results.

VisionPDX came forward in 2005 as an effort to engage community members, especially those from underrepresented communities, in developing a shared vision of Portland. They wanted to focus on providing a space for other folks who previously had no say in the future of Portland to now have the opportunity to do so. The new way of thinking about equity in planning led to the development of new goals and policies in the most updated version of the Comprehensive Plan in 2016.



Figure 9.11. Portland has failed to create more mixed neighborhoods.

Today, single-family zoning accounts for approximately 74% of the total land area for housing in Portland. Since the 1920s, very little change has occurred with the original 15 single-family-zones. These neighborhoods have remained stable and demographically homogeneous with low levels of vulnerability to displacement and tend to be the zones for White households. Similarly, the zones originally designated as less desirable are homes for many families from marginalized groups, and contain fewer resources and amenities desired by families.

So what can we learn from this? Portland's land use planning history, intentional or not, has resulted in discrimination and segregation. These planning practices and the decisions made have predominantly benefited and privileged White homeowners while communities of color have been burdened, excluded, and displaced. Decision-making for collective improvement is often complicated when it affects individual outcomes. The same people who may believe in equity may also resist change when they perceive that it affects them individually. This is called the "Not in my Backyard" (NIMBY) phenomenon and likely affected Portland's failure to move toward creating more mixed neighborhoods. Portland and all cities can do better. Fair housing regulations can be achieved by understanding the history and then creating policy change which will lead to more equitable outcomes.

Bluelining

Blue Lining is a current banking and lending issue as a result of climate change. Real estate that is considered high risk due to low elevation may not qualify for loans. With the current rate of ocean warming, sea levels are expected to rise and warm water generate storms that displace millions of people in the US and worldwide. Flooding could displace 126 million people, or 40% of the US population, by 2021. Climigration is the act of people relocating to areas less devastated by flooding, storms, drought, lack of clean water or economic disaster due to the forces of climate change.



Figure 9.12. Flooding could displace 126 million people, or 40% of the US population, by 2021.

Many American families relocate as jobs disappear or land becomes flooded or arid. In response to immediate disaster, many families move to live with relatives or friends. Some families have nowhere to turn. “In January 2018, 3,900 people were staying in sheltered locations specifically for people displaced by presidentially declared national disasters. People in these locations were displaced from areas struck by Hurricanes Harvey, Irma, Maria, and Nate; western wildfires; and other storms and events.”^[8]

Climate change has also changed the economic desirability of entire regions, creating a new divide between the poor and the privileged. In the Southern California region of Los Angeles, shade has become an increasingly precious commodity, giving respite from the searing heat that bakes the community during longer, hotter warm seasons.



Figure 9.13. People who live in less desirable neighborhoods and use public transportation suffer the highest heat index

In the 1950’s, the lure of the California sunshine attracted settlers from across the US to propel LA into a major metropolis. Now, shade provided by large tree-lined neighborhoods and areas of upscale urban design are enjoyed by the affluent but absent for those who need it the most. There is a public health benefit of trees, with studies showing benefits like lower asthma and improved mental health of those exposed to greenspaces.

People who live in less desirable neighborhoods and use public transportation, wait at the more than 750 bus stops where police ordered the removal or minimization of trees in an earlier era.

They spend more time outdoors traveling to jobs and needed resources and suffer the highest heat index.^[9]



Figure 9.14. The accessibility of greenspaces is proving to have a direct impact on health.

The accessibility of greenspaces is proving to have a direct impact on health. This will be discussed more thoroughly in the Food, Water, and Air chapter.

Reservation Land and Home Ownership

There is another group of families unable to build capital via home ownership: Native American Indians who reside on reservations. When the United States government sequestered Native Americans to reservation lands, it also retained ownership of that land, creating a “ward: guardian relationship” between the government and the Indian Nations, as characterized by Supreme Court Chief Justice John Marshall in 1831.^[10] The government holds reservation lands “in trust” for the tribe nations.

While there is much public debate about other aspects of tribal rights such as casinos, and the effects of using Native or Indian images and names for sport teams, there is little discussion about the ways the U.S. government has limited the abilities of Native Americans to own property within the communities where they live.^[11] This most basic way of building equity in a country that values individualism and capitalism has been restricted for the people who have inhabited it the longest. Native Americans have the highest poverty rate of any racial-ethnic group (28% in 2015) and it is likely that the control the government has exerted over their living conditions contributes to this circumstance.^[12]

Fair Housing Act

What legally constitutes as a family has influenced a multitude of the availability of resources and within that bubble of needs, housing is one of them. Housing distribution appears to have always been a necessity that was, historically discriminatory towards minority groups regarding social identities such as; people of color, sexual orientation, gender and sex, country of origin and disability. The Fair Housing Act passed in 1968 and originally banned the sale and rental of housing (and other housing practices) indicating preference or discrimination based on race, color, religion or national origin. In 1974 it was amended to include sex, and in 1988 people with disabilities and people with children. To date, it does not include gender identity or sexual orientation. Only a handful of states have it illegal to discriminate based on sexual orientation and gender identity and that creates a challenge for LGBTQ couples.

Socially constructed ideas of “normal” or “acceptable” identities are barriers to many people in accessing shelter, housing and many other services. Specifically in the case of homeless shelters, transgender women may be refused admittance by the women’s shelter and at risk of violence at the men’s shelter.^[13] More progress must be made to provide security for all, regardless of identity.

Another barrier some women with children face in seeking shelter from domestic violence is the shelter rules themselves. Early curfews and overly strict rules can compromise the empowerment of residents. Many women fleeing domestic violence find themselves facing punitive and inflexible environments that mimic the patterns of control they are trying to escape. The Washington State Coalition Against Domestic Violence created a resource called Building Dignity, which “explores design strategies for domestic violence emergency housing. Thoughtful design dignifies survivors by meeting their needs for self-determination, security and connection. The idea here is to reflect a commitment to creating welcoming and accessible environments that help to empower survivors and their children.”^[14]

Stigma

It is important to note the critical nature of stigma. When a characteristic or behavior is devalued in society, whether it be by legal status or by social construction of difference, individuals and families have a more difficult time accessing needs of survival, including housing. When negative labels are placed on people the consequences that the labels create can have lasting effects. Being called “homeless,” “drug-addict,” “unemployable,” can in fact cause the persons being called these things to self fulfill the negative labels that society has placed on them. Because people of color, the LGBTQ+ kinship groups, immigrant families and others have been stigmatized they are more likely to then be given other negative behavior-based labels. When someone feels as

though they are seen as nothing, they can in turn feel as though they have nothing to offer. The Labeling Theory is a good example of how society can perpetuate things such as homelessness and criminality even though they might not necessarily realize that they are doing so. The Labeling Theory is a “sociological hypothesis that claims that by describing an individual in terms of particular behavioral characteristics may have a significant effect on his or her behavior, as a form of self-fulfilling prophecy.”^[15]

Families who Rent

Inherent with the owner role comes power. Decision-making about rental rates, whom to rent to, and upkeep of the home resides with the owner. People who rent, while receiving variable rights and responsibilities dependent on the municipality in which they reside, have less control over their living space than do owners. While many owner-renter relationships are mutually beneficial, renters who live at or below the poverty line have fewer choices and are more likely to encounter landlords who are inattentive or worse.

Slumlords

According to Wikipedia, a slumlord is: “a slang term for a landlord, generally an absentee landlord with more than one property, who attempts to maximize profit by minimizing spending on property maintenance, often in deteriorating neighborhoods.”^[16]

Typically these homes are found in low-income areas. People and families who cannot rent anywhere else utilize this type of housing. Usually because the rent is cheap and there are no background checks. Families who have had previous rental issues (evictions, late rent, etc.) frequently get sucked into this housing option. Also persons who have criminal records and have no other options rent from these types of owners.



Figure 9.15. Homes owned by “slum lords” are typically in low-income areas.

Section 8 Housing

The housing choice voucher program, more commonly known as Section 8 housing is the federal government’s program for assisting low-income families, the elderly, and the disabled to afford housing. An important thing to notice is how since housing assistance is provided on behalf of the family or individual, participants themselves are able to find their own housing.

Housing choice vouchers are administered locally by public housing agencies (PHAs). The PHAs receive federal funds from the U.S. Department of Housing and Urban Development (HUD) to administer the voucher program. A housing subsidy is paid to the landlord directly by the PHA on behalf of the participating family. The family then pays the difference between the actual rent charged by the landlord and the amount subsidized by the program. Sometimes, a family could even use its voucher to purchase a home with a PHA’s authorization.^[17]

Qualifying for Section 8 housing is not a guarantee of moving into affordable housing. In 2020 the median wait time for people who have applied for a housing voucher in the United States is 1.5 years, with some waits as long as seven years. Currently in Oregon there are thirteen open waiting lists and at least seven counties where families cannot even get on a waiting list.^[18]

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