

End Residential Racial Segregation: Build Communities That Look Like America

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The gravest housing problem in the United States—indeed, I would say, the gravest of all domestic problems in the United States—is residential racial segregation, particularly as manifested in the concentration of African-Americans and Latinos in central cities and inner-ring suburbs, while outer-ring suburbs and exurbs are predominantly white and Anglo.² What makes this racial separation particularly vicious is its identification with radically disparate resource allocation. Terrible schools, dangerous environments, degraded employment opportunities, inadequate recreational facilities, and other egregious disadvantages pervade minority areas, standing in sharp contrast to the excellent schools, environments, jobs, parks, and other amenities in predominantly white, Anglo, low-poverty suburbs and exurbs.

The consequences of this residential segregation are dire, both for the persons of color who are confined within central areas and for the majority community. The injuries to the former include grievously inadequate education, alarmingly high dropout rates, pervasive under- and unemployment, epidemics of asthma and lead poisoning, and other unhealthy and unsafe environmental conditions. These cumulative injuries deplete residents' sense that their own humanity is valued and lead to hopelessness. For the majority community, the racial separation means: self-imposed virtual exclusion from the center city and the cultural, educational, historical, and other institutions that are rooted there; lack of the educated workforce needed to sustain and expand twenty-first century society; increased public expenditures for health-care and social services; and the loss of farmland and open space to accommodate more highways, traffic congestion, stress, pollution, and other environmental hazards that spill over municipal boundaries. Residential racial segregation has also defeated efforts to achieve racial integration in the public schools and has hindered substantially efforts to achieve racial integration in employment and reduce racial block voting.

The causes of the residential segregation are several, but a central, crucial cause has been federal government action. Beginning in 1932, the federal government virtually created this residential apartheid in three ways:

- (1) It displaced millions of households—disproportionately households that were poor and of color—through the urban renewal and interstate highway programs;
- (2) It essentially commanded: the movement of white families to the suburbs through the FHA (Federal Housing Administration) and VA (Veterans Administration) programs, which made buying suburban homes cheaper than renting in the cities and assured that the suburban housing would be racially segregated); the creation of a secondary mortgage market that supported this new homeownership; and the provisions of tax subsidies for homeownership;

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² For purposes of this essay, "race" includes ethnicity.

- (3) It provided only a limited amount of housing for the poor people of color who had been displaced by the urban renewal and highway programs, and made most of that replacement housing high-rise, high-density public housing in central city, high-poverty, and predominantly minority-occupied neighborhoods.

There was no secret about what the federal government had done, or what the consequences for the country would be. In the 1944 landmark study, *An American Dilemma*, Gunnar Myrdal and his colleagues wrote that federal government policies had, “on the whole, served as devices to strengthen and widen rather than to mitigate residential segregation” and that “segregation and the abominable housing conditions for Negroes [are] not only a matter for democratic American conscience, but . . . also expensive in the end.”³ In the 1967 Senate hearings on what became the 1968 Fair Housing Act, Senator Walter Mondale, a principal sponsor of the bill, spoke of the view “that white America intends to continue to force Negro America to live in the rotting cores of the central cities . . . ,” adding that “[o]ur basic national policy today has been, not officially but in fact, living apart, black cities and white suburbs. We might talk about helping you in your ghetto, but we are not going to help you get out of it.”⁴

Further, the 1968 report of the Kerner Commission on Civil Disorders said that “[t]o continue present policies is to make permanent the division of our country into two societies; one, largely Negro and poor, located in the central cities; the other, predominantly white and affluent, located in the suburbs and in outlying areas.”⁵

Although the 1964 and 1968 Civil Rights Acts were enacted to end residential racial segregation and the 1968 Act directed HUD and all other federal departments and agencies “affirmatively to further” fair housing, including desegregation,⁶ the federal government has taken little effective action to desegregate even its own programs and residential racial segregation continues at a very high level. In the HOPE VI program, HUD is squandering an opportunity to undo segregation in the worst of the racially-isolated public housing developments by sponsoring the demolition of 75,000 public housing units and replacing them with fewer, smaller, and often more expensive dwellings. The incentives HUD built into the HOPE VI program virtually guaranteed that replacement housing would be limited to the same racially isolated neighborhoods rather than racially diverse, high opportunity areas, and HUD has administered the voucher program in such a way as to discourage families from moving to those high opportunity areas. Perhaps most egregiously, the federal government continues to spend tax dollars deliberately to concentrate new and rehabilitated housing developments for lower-income, minority households in the poorest, most resource-starved neighborhoods, where the public schools are worst. The federal government does this through its largest housing production program, the Low Income Housing Tax Credit program, which is administered by the

³ GUNNAR MYRDAL, *AN AMERICAN DILEMMA: THE NEGRO PROBLEM AND MODERN DEMOCRACY* 625, 627 (1944).

⁴ *Fair Housing Act of 1967, Hearings before the Subcomm. on Housing and Urban Affairs of the [Sen.] Comm. on Banking and Currency*, 90th Cong. 2, 28 (1967).

⁵ REPORT OF THE NATIONAL ADVISORY COMMISSION ON CIVIL DISORDERS 22 (1968).

⁶ 42 U.S.C. § 3608(d), (e)(5) (2000).

Treasury Department through state and local housing finance agencies.⁷ The Treasury Department has refused to acknowledge that its obligation “affirmatively to further” desegregation means that it must collect and report data about racial segregation and assure that tax credits are allocated so as to reduce the level of residential racial segregation.

Solutions to the problem of residential racial segregation are not hard to identify. What has been difficult has been finding government officials who combine the power, vision, and courage to implement the following necessary remedies:

(1) The Treasury Department should, by regulation, direct that allocating agencies assure that tax credit developments will “affirmatively further” racial desegregation and require that agencies collect data on the racial and economic characteristics of the neighborhoods in which proposed developments are located and of the residents who live in existing developments. The Department also should enforce and monitor affirmative fair marketing requirements for all tax credit developments.

(2) HUD should increase the Fair Market Rent levels for vouchers to be used in communities that have excellent resources and concomitantly high rents. HUD should also revise its voucher, HOPE VI, and other program requirements to reward integrative actions and discourage those that perpetuate segregation.

(3) Pursuant to the Fair Housing Act, all Federal departments and agencies should withhold all funding and authority related to housing and urban development programs from any community that does not demonstrate that at least five percent of its existing housing stock and five percent of the units in any additional housing development is occupied by households with incomes below thirty percent of area median income. The agencies should require that existing housing that is made available to these very low-income households be broadly distributed in a range of neighborhoods and not concentrated in minority or low-income areas. This is a modest effort to encourage, through federal action, the kind of inclusionary zoning that state and local governments should adopt. Congress also should make clear that persons aggrieved under the Act have a private right of action to enforce the government’s obligations affirmatively to further fair housing as well as other provisions of the act.

(4) Congress should add 100,000 new Housing Choice Vouchers, targeted to very low income minority families with children who will move from high poverty neighborhoods to neighborhoods that have comparatively little poverty, good public schools, and a substantial percentage of white, Anglo residents.⁸

(5) Congress should require that before any currently occupied public or federally assisted housing unit is demolished or otherwise removed from the low-rent stock (regardless whether demolition or disposition already has been authorized or displacement proceedings begun and regardless of the status of the

⁷ 26 U.S.C. § 42 (2000).

⁸ See Margery Austin Turner, *Expand and Strengthen Housing Choice Vouchers*, 16 POVERTY & RACE 8 (2007).

occupants), the occupants must be provided with decent and affordable replacement housing that is adequate in size and located (with respect to educational, employment, and other resources) in a neighborhood desired by the occupants after the occupants have had an opportunity to receive effective mobility counseling.

(6) Congress should amend the federal Fair Housing Act to add source of income as a protected category, so that landlords would be forbidden to refuse to rent to people who have vouchers.

(7) Congress should make the homeownership deductions unavailable to any community that does not provide its fair share of housing for minorities and households with incomes below thirty percent of area median income.⁹

⁹ See John Charles Boger, *Toward Ending Residential Segregation: A Fair Share Proposal for the Next Reconstruction*, 71 N.C. L. Rev. 1573 (1993).