



Racism, Profiteering, Neglect Persistent Housing Discrimination and the Destabilization of Roxbury

Research conducted for Homes for Equity, an Opportunity Communities project

Presented at: CHAPA's Annual Fair Housing Symposium

April 2023

- **Public policies** at all level of government is **the root cause** of the racial homeownership and wealth gap
- **Boston and the state knew** about **racially discriminatory** actions and **racially disparate** effects and did nothing about it
- **Significant wealth has been extracted** from the Black and Latinex community in Roxbury as a result of public policy actions and inactions

- Roxbury: a thriving community despite significant constraints.

Everything was right here. Dudley Station, the banks, the stores.

Everything was in Lower Roxbury. The grocery stores ... the shoemakers, the drugstores. They even had a movie theater – a couple of movies theaters in Roxbury. Lower Roxbury had everything that we needed. But urban renewal changed that.

- Lifelong Roxbury resident & homeowner

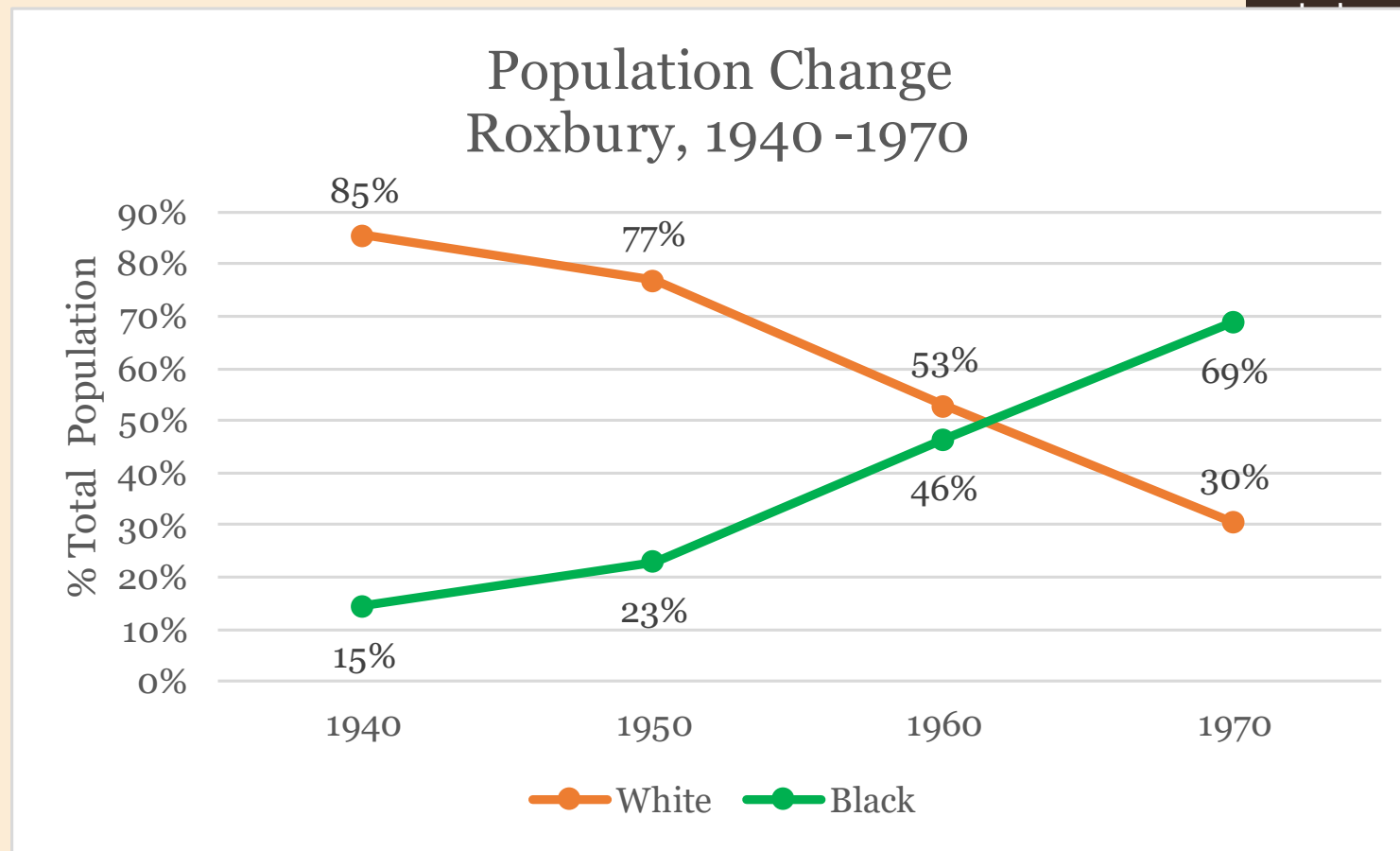
I could go to the store for my grandparents, and aunts, and cousins. There were all types of institutions ... Newspapers ... all types of stores. ... the culture was different. We had a real community. People knew each other. ...

- Second generation Roxbury resident & former Roxbury homeowner

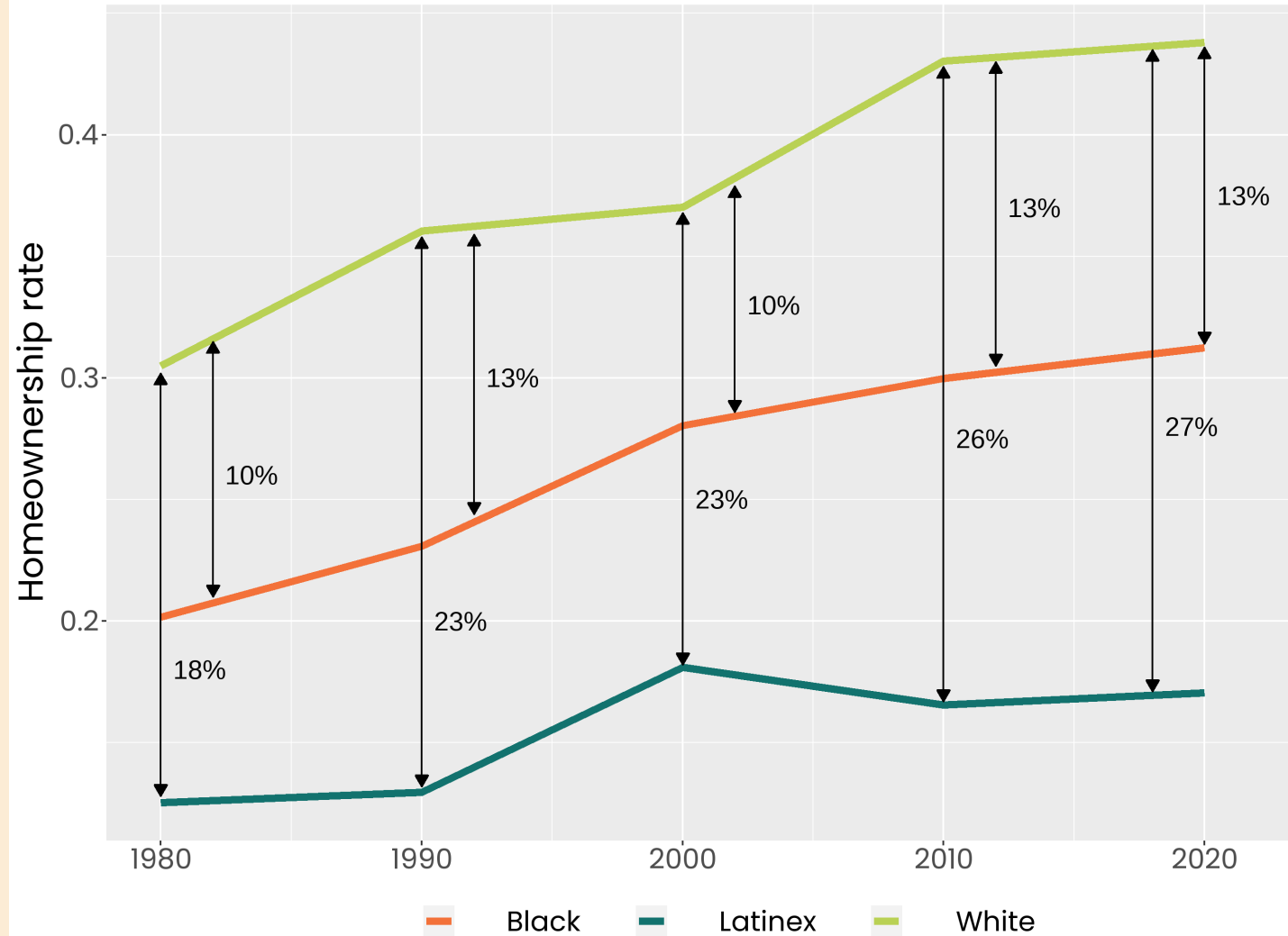
- Roxbury: a thriving community despite significant constraints.



A Man Rests His Hand on the Shoulder of an Older Woman [in Madison Park], Photograph, ca. 1940-1950, Lower Roxbury Black History Project, <http://hdl.handle.net/2047/D20197749>.



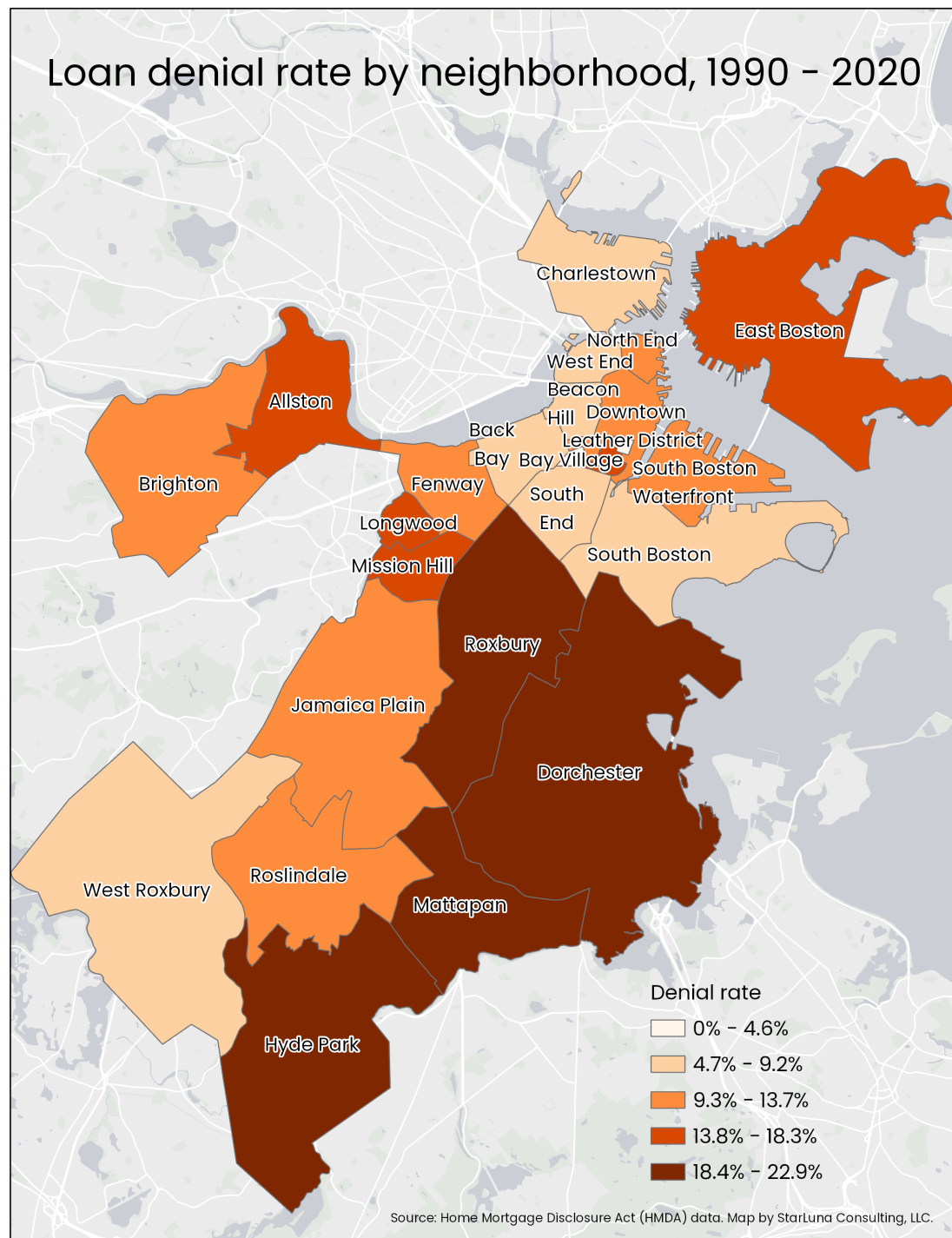
Boston homeownership rate by race



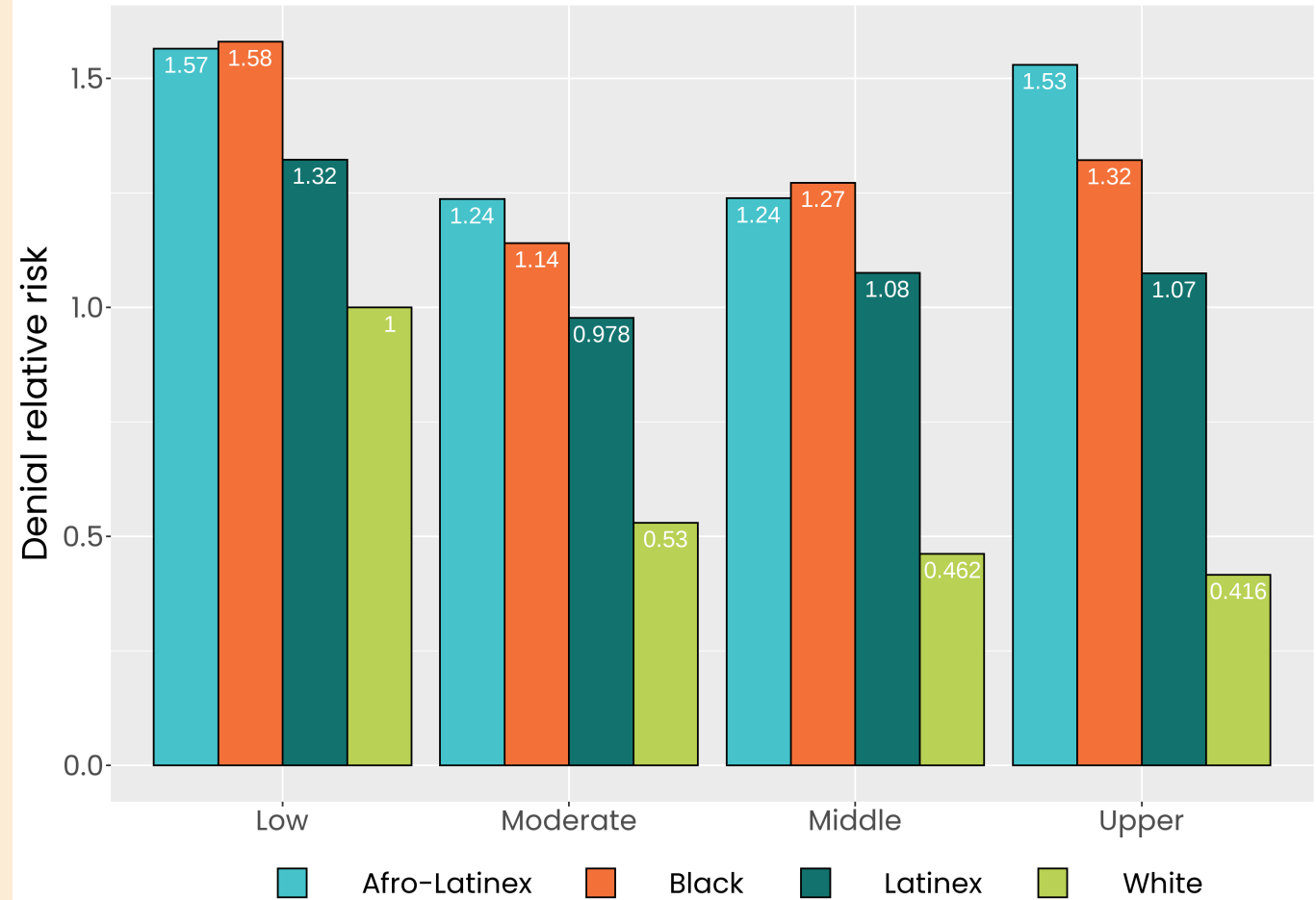
This chart shows homeownership rate by race in Boston. The homeownership rate is the proportion of all households that live in an owner-occupied dwelling. Arrows with numeric annotations indicate the gap, or difference, in homeownership rates between white households and Black and Latinex households. Values for 1980 through 2000 from the decennial US Census. Values for 2010 and 2020 derived from American Community Survey 5-year estimates.

Calculated by StarLuna Consulting, LLC.

Loan denial rate by neighborhood, 1990 - 2020

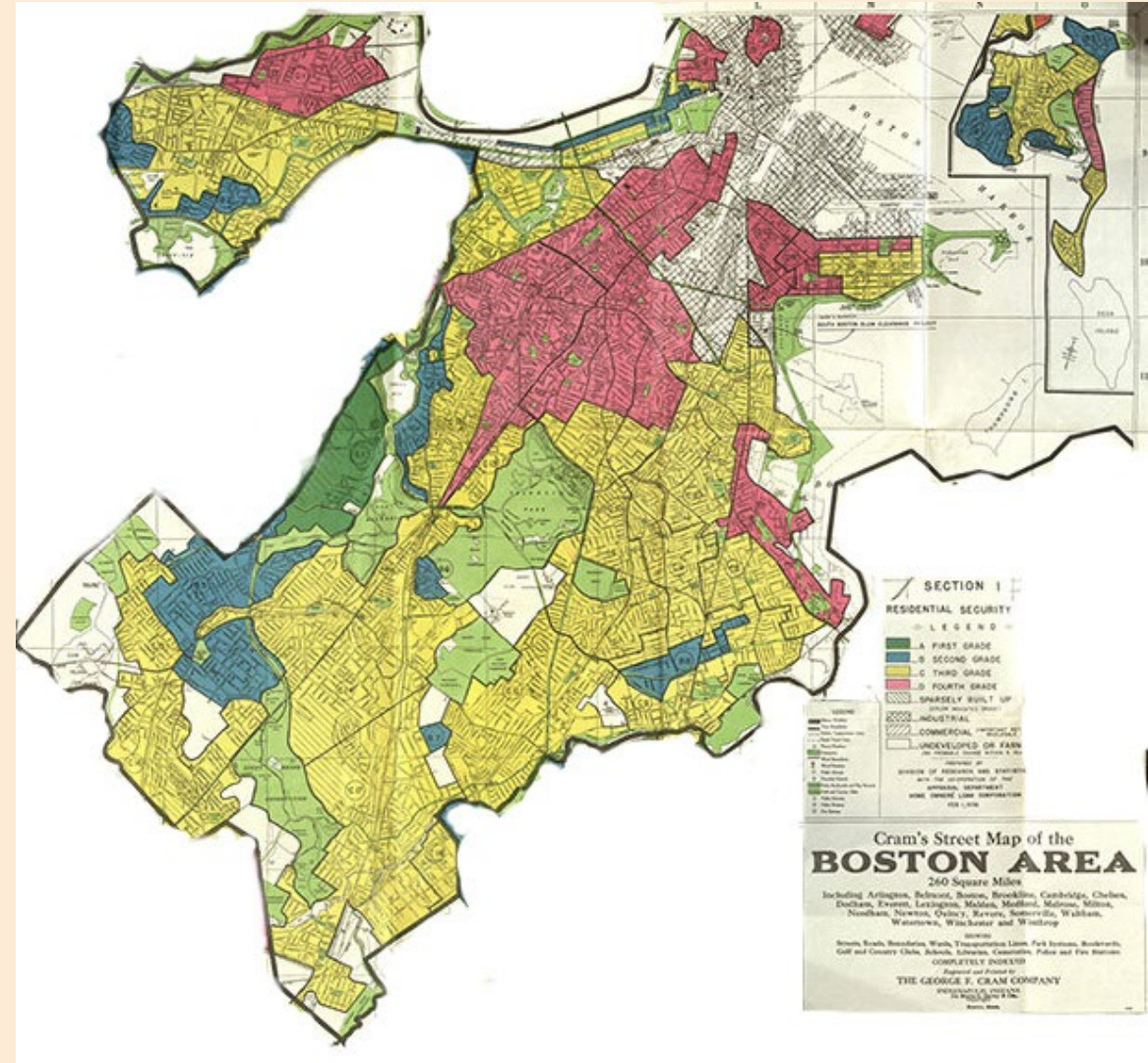


Home Loan Denial Risk by Race and Income Relative to Low Income White Applicants Boston MA, 1990 - 2020



This chart shows the relative risk, or probability, that a home purchase loan applicant will be denied compared to a lower income white applicant. For example, upper income Black applicants are 32% (1.32 times) more likely to be denied a home purchase loan compared to lower income white applicants. Data from Home Mortgage Disclosure Act (HMDA) for Boston, 1990 - 2020. Calculations by StarLuna Consulting, LLC.

- Racial discrimination was institutionalized in federal home purchase policies
 - FHA guaranteed mortgages
 - VA guaranteed mortgages
- These policies were imposed upon the private sector



How did we get here

**Part II
233-235**

UNDERWRITING MANUAL

233. The Valuator should investigate areas surrounding the location to determine whether or not incompatible racial and social groups are present, to the end that an intelligent prediction may be made regarding the possibility or probability of the location being invaded by such groups. If a neighborhood is to retain stability it is necessary that properties shall continue to be occupied by the same social and racial classes. A change in social or racial occupancy generally leads to instability and a reduction in values. The pro-

284 (3). Recorded deed restrictions should strengthen and supplement zoning ordinances and to be really effective should include the provisions listed below. The restrictions should be recorded with the deed and should run for a period of at least twenty years. Recommended restrictions include the following:

(f) Prohibition of nuisances or undesirable buildings such as stables, pig pens, temporary dwellings, and high fences.

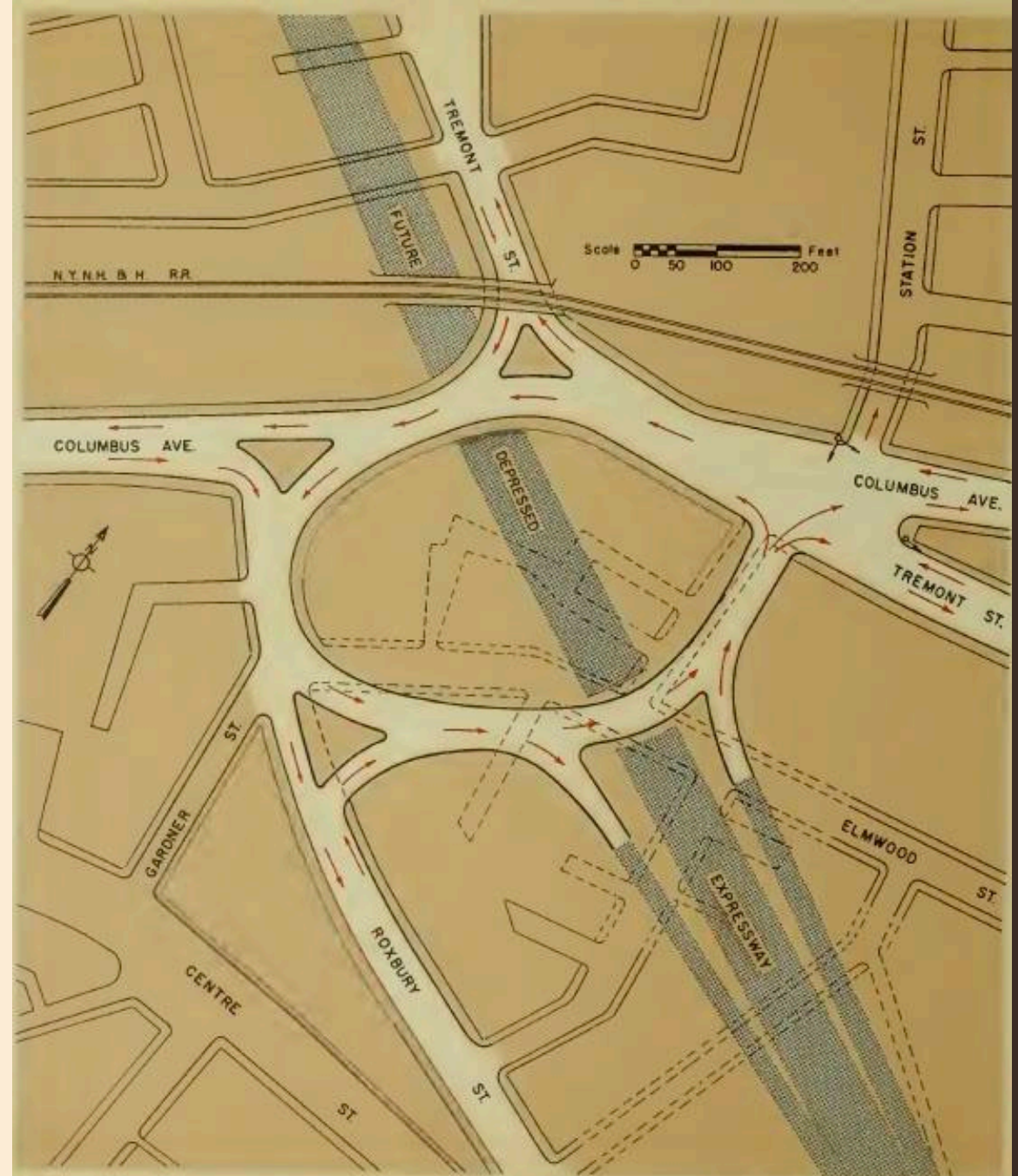
(g) Prohibition of the occupancy of properties except by the race for which they are intended.

(h) Appropriate provisions for enforcement.

I tried to buy another house and it didn't go through. ... the seller took back the mortgage on that house [and I paid monthly until it was paid down]. I did that for three or four houses, 'cause they couldn't sell the house because nobody could get financing.

– Roxbury homeowner and property developer

- State highway planners ignored impacts of highway development on communities of color



PROPOSED TRAFFIC IMPROVEMENT AT
ROXBURY CROSSING

Joint Board for the Metropolitan Highway Plan.
“Master Highway Plan for the Boston Metropolitan Area.”
Massachusetts Department of Public Works, February 1, 1948.

- State highway planners ignored impacts of highway development on communities of color in Boston

The Inner Belt forms the hub of the highway system for all of New England. It must serve as the principal collector and distributor of vehicular traffic for Boston and its neighbors.

Massachusetts Department of Public Works. "Annual report: July 1, 1963-June 30, 1964." Commonwealth of Massachusetts, December 2, 1964.

TRANSPORTATION POLICY FOR BOSTON

EXPRESSWAYS

Boston City Planning Board

April 1, 1959

*Under existing **highway legislation** there are **no requirements that highway agencies provide for the relocation needs** of families and businesses displaced by expressway construction.*

***Urban renewal legislation**, however, specifically **requires relocation plans** for families displaced by renewal action and also requires that payments be made to families and businesses to cover the costs of moving.*

*One of the **beneficial aspects of joint expressway and urban renewal planning would be the lessening of the impact of relocation due** to highway construction in areas that are also urban renewal projects.*

- City of Boston targeted Roxbury
- City of Boston ignored their own decision-making criteria

WASHINGTON PARK

NORTH END

HOUSING CONDITIONS

Sound units	52%
Sound with all plumbing facilities	49%
Substandard (dilapidated or lacking some or all facilities)	16%

Sound units	65%
Sound with all plumbing facilities	22%
Substandard (dilapidated or lacking some or all facilities)	72%

Source: "Some comparison between Washington Park and the North End." Boston Redevelopment Authority, as archived by the Boston Public Library. Retrieved from <https://archive.org/details/somecomparisonbe00>



- City of Boston knew that its urban renewal plans would cause widespread displacement of Black families.

THE WASHINGTON PARK URBAN RENEWAL AREA

An Analysis of the Economic, Financial, and Community Factors
That will Influence the Feasibility of Residential Renewal

Chester Rapkin

Prepared for the

BOSTON REDEVELOPMENT AUTHORITY
Boston 8, Massachusetts
December 1961

THE SEAVER-TOWNSEND URBAN RENEWAL AREA

A Section of the
Roxbury-North Dorchester General Neighborhood Renewal Plan Area

An Analysis of the Economic, Financial, and Community Factors
That Will Influence the Feasibility of Residential Renewal

Chester Rapkin

Prepared for the

BOSTON REDEVELOPMENT AUTHORITY
Boston 8, Massachusetts
January 1962

“Things were disappearing. You didn't know who was taking 'em. It was like a bombed area. ... Whole streets were missing.

Streets were missing and they built some things on 'em eventually. ...

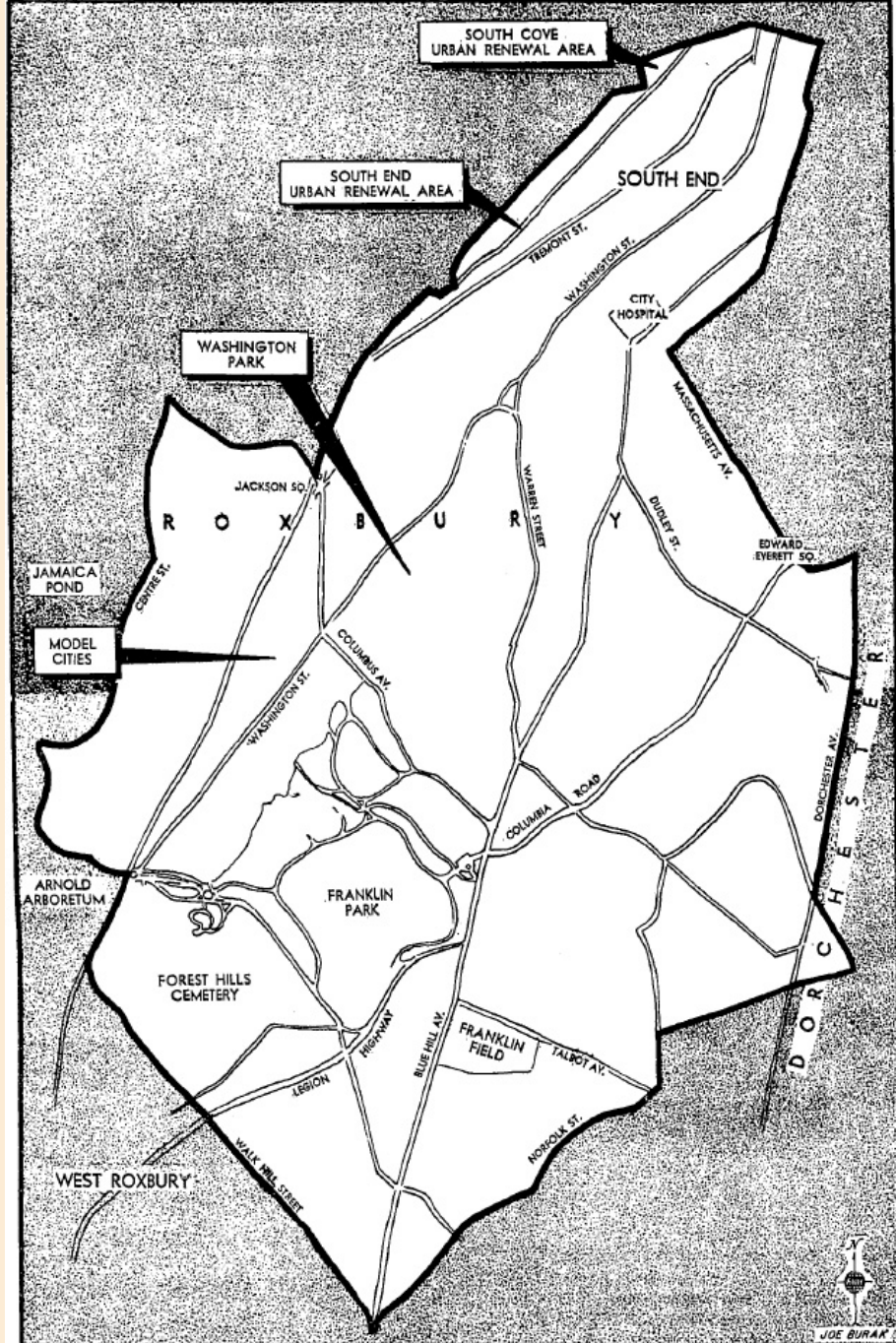
It took a long time for many of these spaces to be filled up, and some of them still haven't been filled up.”

– Former Roxbury resident & homeowner

There was also trauma on everyone during urban renewal. ... life tracks were diverted. People were in a stable situation and then many people ended up in unstable situations in strange neighborhoods. Some people that I knew who weren't criminals ended up being criminals Some people I knew, who didn't have substance problems ended up with substance problems.

- Second generation Roxbury resident

- BBURG line restricted Black and Latinex homeowners to certain neighborhoods



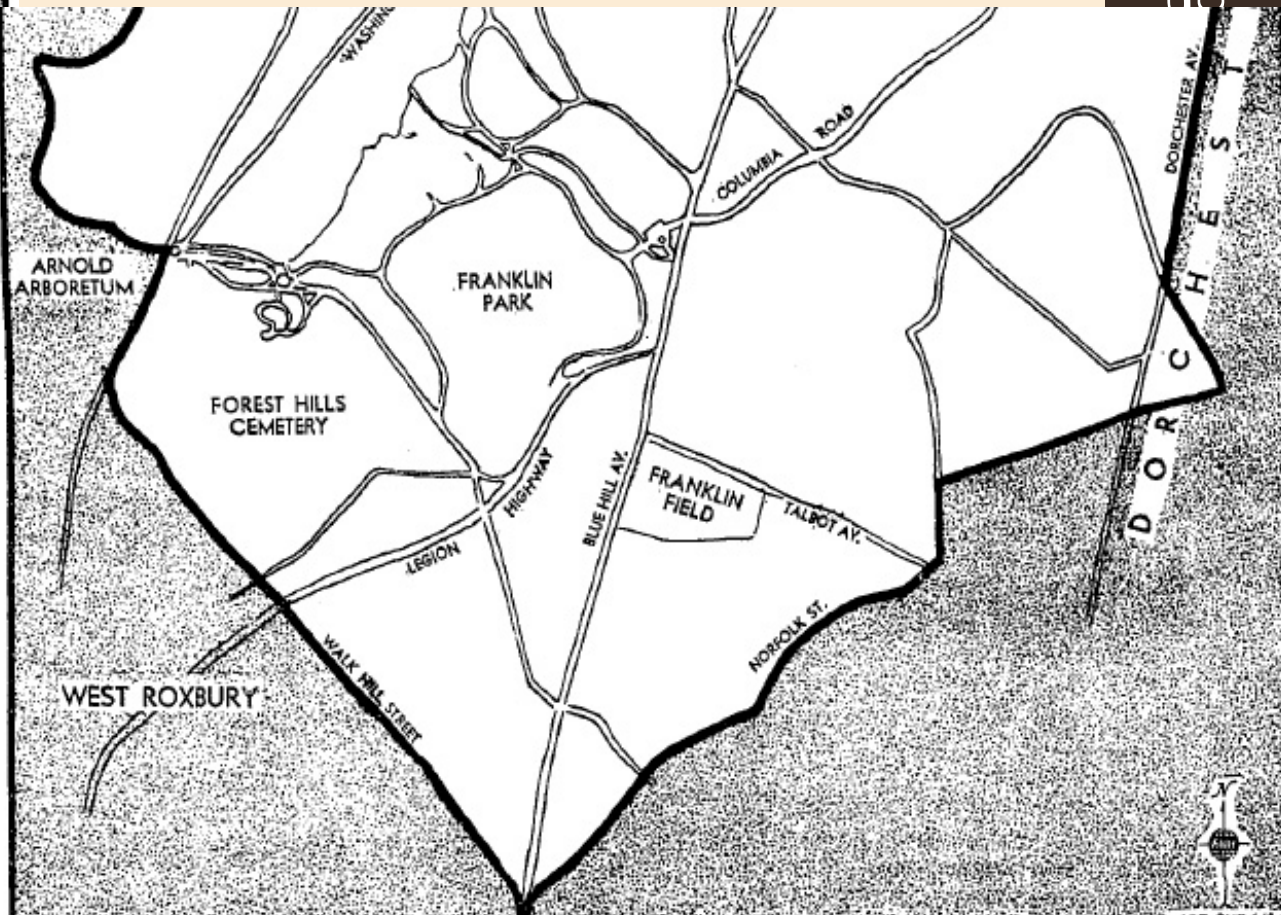
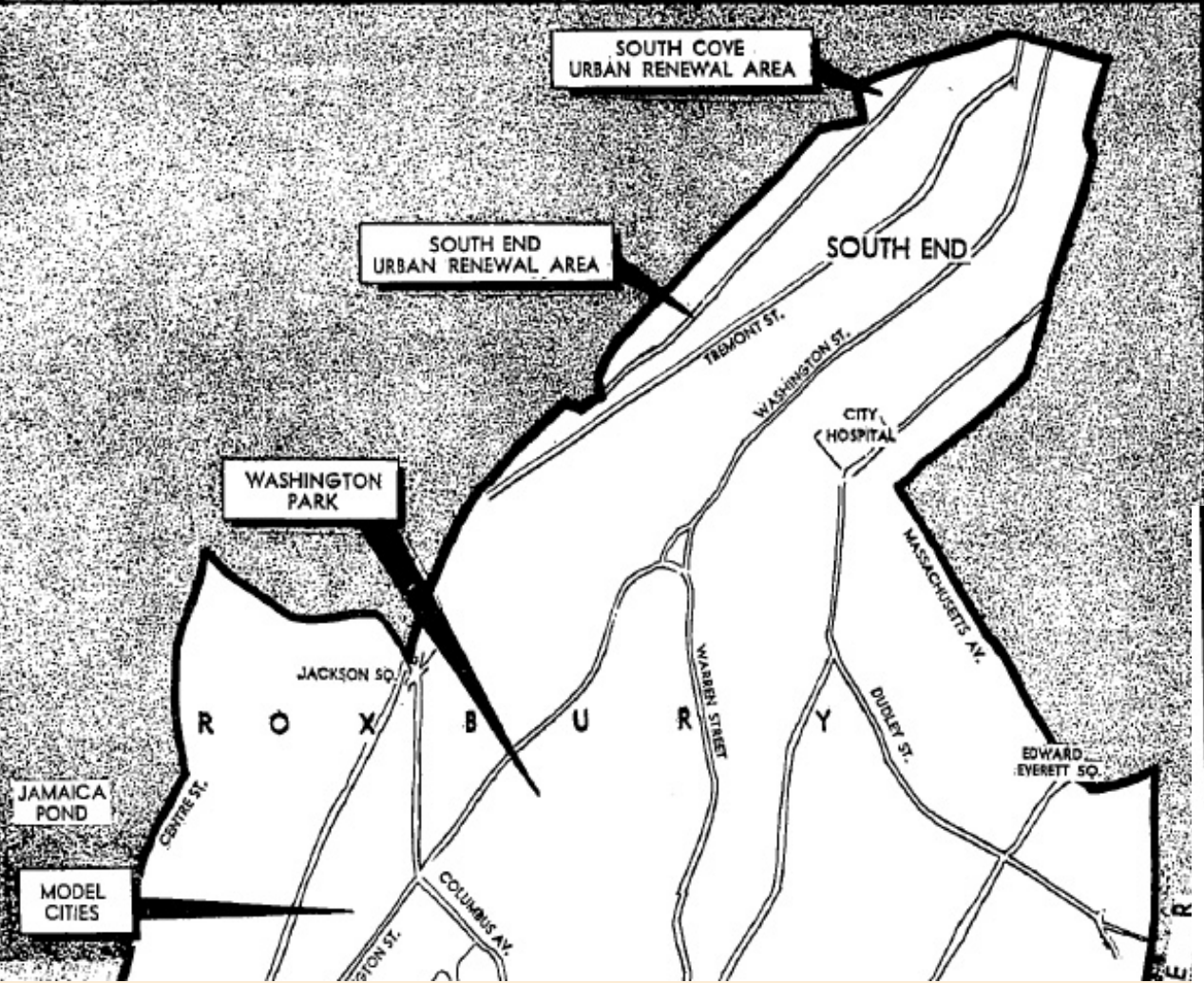
BOUNDARIES—Official boundary lines limit area within which blacks may obtain regular Federally-insured home loans from Boston banks group. Out-

side the bounded territory, all but the wealthiest blacks find it extremely difficult to obtain home financing.

Source: Oliphant, Thomas, and Janet Riddell. "A Closer Look at the Issue of ... Speculators." *Boston Globe*, June 3, 1971.

How did we get here





- City of Boston makes excuses to ignore the racially disparate impacts of the BBURG line

There does exist a great need in home mortgage financing but I do not believe we should turn to BBURG or a similar pool of lenders and suggest that they are obliged to meet this need.

Response by BRA Dir. Of Residential Development to internal memo re BBURG line, August 1969

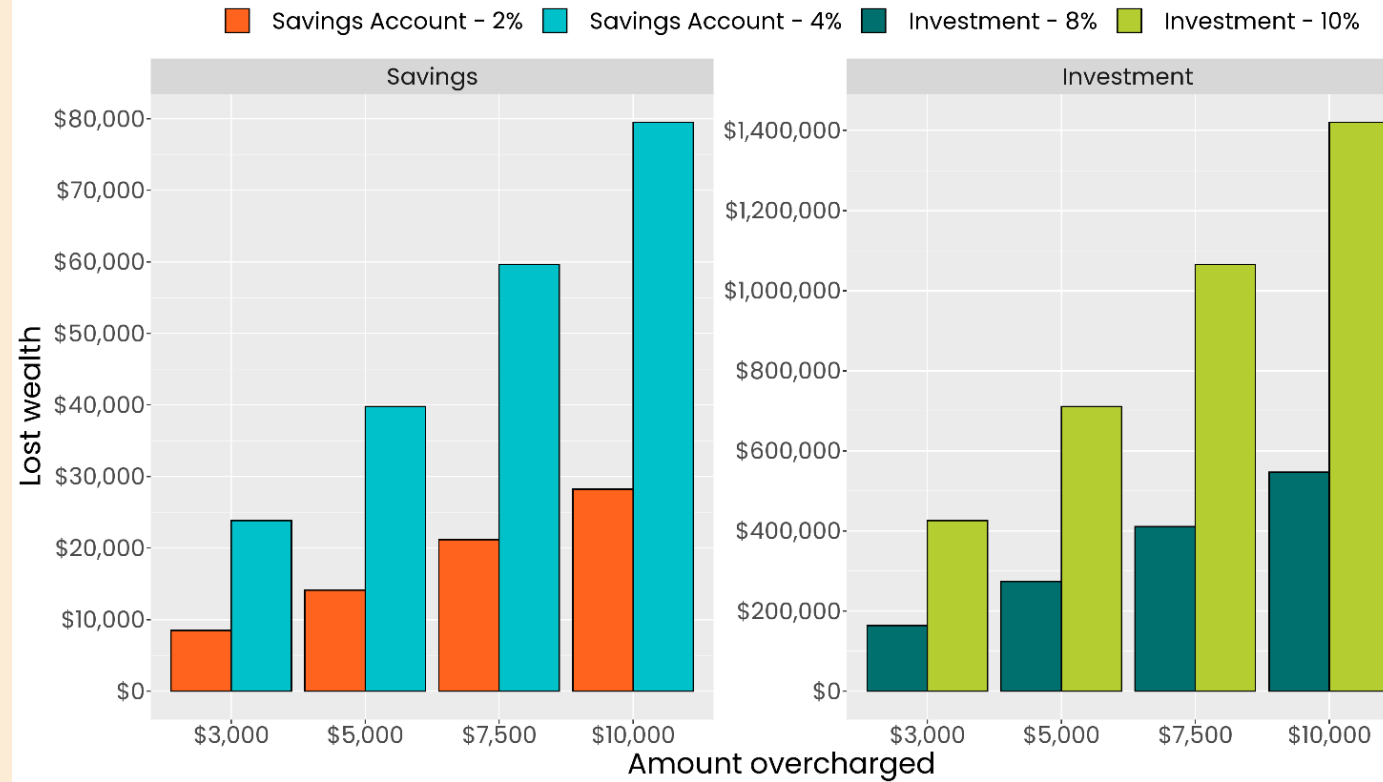
“... the roof needed repair, and at that time, it turned out, there was one inspector for the state. So 99 percent of the houses were not inspected. ... I got at least one half of my roof done, and when I had money later on, I did the other half. ... but that should have been covered in the inspection.

The house had a [septic system]. And when I called to have it emptied... they didn't believe the City of Boston had that anymore. ... So, I went to ABCD and I got monies through them to [install sewer hookups].”

- BBURG buyer, former Roxbury homeowner & resident

- One household, 1970-2021
- Savings account:
\$8,000 – \$79,000
- Stock market investment:
\$547,000 – \$1.4 million

Estimated lost wealth (1970–2021) from overpricing during BBURG blockbusting era



These charts show the potential lost wealth if the amount overpaid for a home in 1970 were saved or invested through 2021. Overpricing values for BBURG buyers during blockbusting were derived from records in the City of Boston Archives. The average annual long-term interest rate for cash accounts between 1970 and 2021 was 4.41% (Steiner, 2022a). For investments, we used the long run return of the S&P 500 at 10% (Steiner 2022b). The interest rate and rate of returns were rounded.

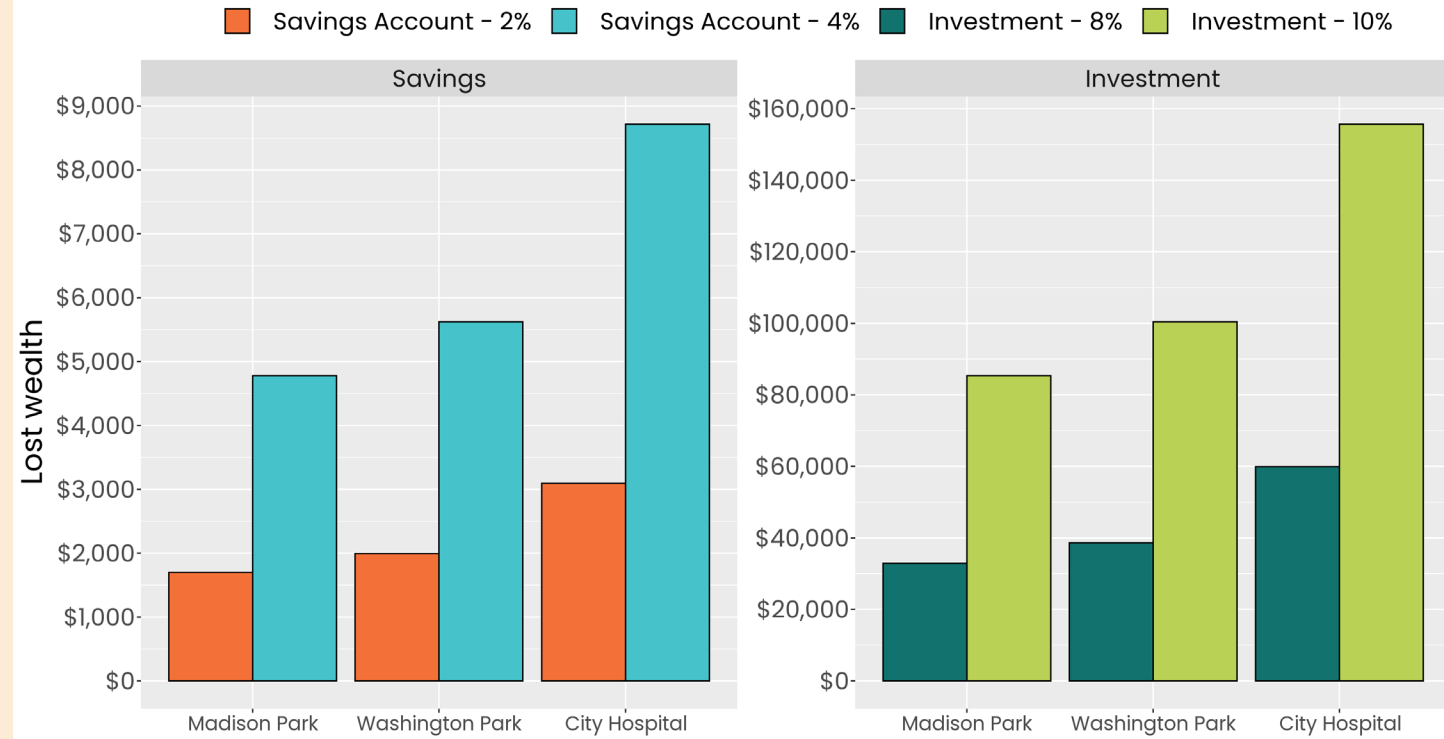
Calculated by StarLuna Consulting, LLC.

- One Washington Park household, one year, 1970-2021

- Savings account: \$2,000 – \$5,600

- Stock market investment: \$39,000 – \$100,000

Estimated lost wealth (1970 - 2021) from disproportionate tax assessment in 1970



These charts show the potential lost wealth if the difference in taxes paid in 1970 were saved or invested through 2021. The assessed value is based on an owner-occupied home with a market value of \$11,300, the median home value in Boston as reported in the 1970 US Census. Source of assessment rates: Globe Spotlight Team, "These Boston Homes Are Assessed for More than \$6000 ... While These Are Assessed for Less than \$6000," Boston Globe, March 9, 1976. Source of Boston tax rate: The Jacobs Company, Inc., "The Assessment Function in Boston: A Summary of Findings and Recommendations," 1971. Jacobs stated that the tax rate in 1970 was \$156.80 per \$1,000 in assessed value. Calculated by StarLuna Consulting, LLC.

- One household, 2020-2050
- Black borrowers: \$50,000 – \$250,000
- Latinex borrowers: \$31,000 – \$165,000



- Our economic analysis is focused on the impacts to individual homeowners.
- Our estimates of economic impacts should be seen as conservative.
- Future research will likely find that the true loss of wealth is significantly greater than we were able to estimate here

Now is the time for redress.