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+You: How historic housing discrimination against Black Americans contributes to racial inequities today

Tuesday, June 23, 2020, 2-3 p.m.

[2:00] Dwayne Spencer: Good afternoon, everyone. My name is Dwayne Spencer, and I'm the president and CEO of Habitat for Humanity of Greater Memphis. Thank you all for joining this important conversation today.

Before we start, I think it's good for us to note that Habitat for Humanity was born nearly half a century ago on a farm in South Georgia, with a specific intent to bring people together — black people, white people — at a time when inclusivity was seen as some sort of existential threat.

This vision of community built on recognizing the value of all people is one that we still believe in and fight for every day. We know the fight won't be easy. And we realize that we must be intentional about our relationships, addressing disparities and creating opportunities that benefit everyone. All of us.

I want to start by sharing part of the statement from Habitat for Humanity International CEO Jonathan Reckford:

> As we share in the sadness, anger and uncertainty that have rocked communities across the United States since the killing of George Floyd, protest of the systemic and racial injustice that have infused and informed the life of our nation, we recognize that we must do more. We must commit to doing the work in our practices, our programs and our networks that bring equity to our efforts and help bring justice to the communities in which we work. We must throughout this ministry do a better job of connecting issues of racial and social injustice with historic barriers to affordable housing and working to eradicate those barriers.
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> In addition to being a space where people of all races, all faiths and all backgrounds come together in common cause, we commit to being actively anti-racist and to affirming through work and action, that Black Lives Matter. And our communities and systems must further this fundamental truth.

The story of housing in the United States over the last century is bifurcated. For many — mostly white — Americans, housing has been the way to the middle class and wealth accumulation. For Black Americans, the story has been different, one of systemic discrimination, the effects of which feed racial inequity still today. So understanding the history of housing will help all Americans better understand those inequities. And those of us involved in housing efforts, most of you who are watching right now, must understand the history so that we can address it through our work.

That's what our conversation is going to be about today. We're honored to be joined by Richard Rothstein and Alexi McCammond. Richard is the author of *The Color of Law*. Widely considered to be the seminal book on the history of racial discrimination in U.S. housing, to include the federal role in urban segregation and government-sanctioned redlining. He is a distinguished fellow of the Economic Policy Institute and a senior fellow (emeritus) at the Thurgood Marshall Institute of the NAACP Legal Defense Fund.

Alexi is a national political reporter at Axios, covering the 2020 presidential election. She's broken several stories about presidential campaigns and the White House. She's previously covered the 2018 midterms for Axios and the 2016 election for Bustle.

Richard and Alexi are going to engage in conversation. And then we're all going to have an opportunity to come back and ask questions. So, I want to encourage everyone to use the chat box on YouTube to submit your question. And with that, let me hand it over to Alexi.

[5:59] Alexi McCammond: Well, thank you so much, Dwayne, and thank you for having me and Axios today. Richard, it's good to be with you.

[6:05] Richard Rothstein: Thank you.

[6:06] Alexi McCammond: Since the killings at the hands of police of George Floyd, Breonna Taylor, Rayshard Brooks, Eric Garner and many other Black Americans, the country has been involved in a national conversation about racial equality and, in particular, police violence against Black folks in this country. The book you wrote, *The Color of Law*, talks about housing policy, but at first glance, it may not seem like housing policy would be connected to policing. However, you argue that they are connected. Tell us why.

[6:38] Richard Rothstein: They're very much connected. If we weren't concentrating the most disadvantaged young men in single neighborhoods without access to jobs, good jobs, without transportation to get to them, we would not have the kinds of interactions between police and young African [American] men, in particular, that we see today.

Of course police might still act in discriminatory ways to a lesser degree, but it's the concentration of African Americans in disadvantaged neighborhoods, without access to good jobs or opportunity, that creates the environment for these kinds of confrontations. You have to think of police in this country — in African American neighborhoods, in urban areas — as comparable to the role that colonial police forces played in India and Africa. These are police forces that are designed and have to keep disadvantaged populations under control.

So segregation of neighborhoods and police abuse, mass incarceration, are all very, very closely connected. We're never going to really minimize, in my view, the abusive behavior of police so long as we maintain the very rigid residential segregation that we have in this country today.

[8:03] Alexi McCammond: Wow. There are a huge number of reasons that are often pointed to when it comes to racial inequities that exist in society today. Many point to, of course, 1619 and America's original sin when the slaves were brought to Virginia. Others focus on more recent elements of our history like the Jim Crow laws. You, of course, focus on residential housing. Why did you feel compelled to write this book?

[8:29] Richard Rothstein: Well, I spent many years as an education reporter, writer, columnist. I came to conclude that the biggest problem American education faced today, public education, was the segregation of schools.

When we concentrate, again, the most disadvantaged young people in single schools, those schools can't possibly succeed. They can't possibly deal with the overwhelming social and economic problems that children in those neighborhoods come to school with that prevent their learning.

I remember writing one column — I was a columnist for a while — about asthma. African American children have asthma four times the rate of middle-class children. Four times the rate. They have asthma because they live in more polluted, more dangerous neighborhoods — more vermin in the environment, more dilapidated buildings, more homes that aren't well maintained.

And if a child has asthma, there's a chance greater than for a child who doesn't have asthma that that child will be up at night wheezing, come to school sleepless, drowsy the next day. And I try to explain in this column that if a child has asthma and is coming to school drowsy, that child is not going to pay attention as well as a child who comes to school well-rested.

And I went through example after example of these kinds of conditions. Whether it's asthma or lead poisoning or homelessness or economic insecurity in the family, parental unemployment, and you take these conditions, and you create schools where every child has one or more of these conditions, it's inconceivable that school is going to perform well.

Well, it follows that if we want to reduce segregation of schools, reduce the concentration of disadvantaged children in these schools, we have to do something about the neighborhoods in which the schools are located because that's the reason those schools are segregated. So I began to think of residential segregation as an educational problem. And I began to look into it.

Ten years later I've stopped writing about education and only write about housing policy because it's such an enormous problem that I hadn't appreciated the extent of which, until I began to look into it in this way.

[10:47] Alexi McCammond: It sort of sounds like you started pulling on this string and then slowly realized how gigantic the ball of yarn was that you were unraveling. Because you talk about housing policies, but these kinds of discriminatory housing policies exist at the federal, state and local level, right? So I'm curious if you can give us some examples of those policies.

[11:08] Richard Rothstein: Sure. I'll give you one example to start with that brought me to this from education. I read the Supreme Court decision in 2007 concerning school desegregation. The court examined policies of Louisville, Kentucky, and Seattle, Washington, which gave parents the choice of which school their child would attend. But if the choice was going to exacerbate racial segregation, it wouldn't be honored.

So if you had a school that was all white or mostly white and both a black and a white child applied for that last place, the school districts would give preference to the black child. And the Supreme Court denounced the policy. Chief Justice John Roberts explained in his controlling opinion that you couldn't do such a thing, have such an integration policy. Because, he said, the schools in Louisville and Seattle are segregated because the neighborhoods in which they are located are segregated, which of course is true. And then he said that the neighborhoods are segregated de facto because of private choices and real estate agents and banks in the private economy or people liking to live with each other of the same race and so on. He said when you have de facto segregation, you're prohibited from doing anything about it.

Well, I remembered reading about something that happened in Louisville, Kentucky, one of these two school districts. In Louisville, Kentucky, a white homeowner in a single-family home in the suburb of Louisville called Shively had an African American friend living in the center city of Louisville. That friend, he was a decorated Navy veteran. He had a wife and a child. He wanted to move to a single-family home. So the white friend bought a second home in the suburb of Shively and resold it to his African American friend because that's the only way African Americans could move to those kinds of communities.

And when the African American family moved in, an angry mob surrounded the home, protected by the police. They threw rocks through the windows. They firebombed and dynamited the home. And when the riot was all over, it wasn't the dynamiters who were prosecuted. It was the white homeowner who was tried, convicted and jailed with a 15-year sentence for sedition for having sold a home in a white neighborhood to a Black family.

And I said to myself, this doesn't sound much like de facto segregation. It's the police, the courts, the criminal justice system are all employed and maintaining boundaries, residential racial boundaries, in Louisville.

I looked into it further, and I found this was not an isolated incidence. There were hundreds and hundreds of examples of Black families being driven from homes they had legitimately purchased or rented in white neighborhoods in the 20th century, often with police protection.

In every instance where the police were protecting that kind of mob violence — and it was very, very frequent all over the country, not just in border states like Kentucky, but in Los Angeles and San Francisco and New York and Chicago and Detroit — every one of those was a constitutional violation, a violation of the Fourteenth Amendment, if the police were enforcing racial boundaries.

There were hundreds of those cases. And then I looked into it further, and I discovered that there were many, many federal, state and local policies, not just police, that were explicitly designed to create residential segregation in this country, to reinforce it where it existed, to prevent it from being dismantled. That the interlocking nature of all of these policies at the federal, state and local levels create a system of state-sponsored segregation, which made the notion of de facto segregation an utter myth.

Of course there's private discrimination. Of course there were people who made choices to live with others of the same race. Of course there were banks and real estate agents. But without the federal government in particular structuring these choices and decisions in the private economy, we would not have the kind of residential segregation that we have today. I can give you many examples. Let me give you one example of the federal government.

[15:09] Alexi McCammond: Yes, please.

[15:11] Richard Rothstein: Perhaps one of the most powerful of the federal government policies was the creation of suburbs around the country in the mid-20th century.

We weren't a suburban country at that time. There were no suburbs. Working-class families, white and black, lived in urban areas, many of them in integrated urban areas. The federal government embarked on a policy to move the entire white working-class population, on an explicitly racial basis, to single-family homes and suburban communities, to get them out of cities. And you know — and the listeners and watchers, people in the audience today, know — these suburbs. They exist in every metropolitan area. That's how we became suburbanized.

In my book, I talk about perhaps the most well-known of these, Levittown, east of New York City, 17,000 homes in one place. Westlake, south of San Francisco, 15,000 homes in one place. What bank would be crazy enough to lend the developer the money to build 17,000 homes in one place for which he had no buyers? No bank could do that. We weren't even a suburban country at the time. This is … we're talking about the late 1940s. Banks didn't think anybody would want to buy these homes. Who would want to move out of the city into the suburbs far away from the city?

The only way — Levittown, for example — that Willy Levitt could build this development was by going to the Federal Housing Administration, submitting his plans. The plans had to include a commitment never to sell a home to an African American. The Federal Housing Administration even required that Levitt place a clause in the deed of every home prohibiting resale to African Americans or rental to African Americans. And with those commitments — the Federal Housing Administration or Veterans Administration, they both work together — would guarantee bank loans for Levitt to build this development.

And as I say, this happened all over the country. In Westlake, south of San Francisco, there was a developer called Henry Doelger, where the same thing happened. All over the country. And these homes still have these deeds today that prohibit resale to African Americans. They are no longer enforceable, but this was the biggest single policy that the federal government employed to create a white noose around every metropolitan area.

As I told you before this program started, I could talk for three years about all the many policies that the federal government, the state and local governments, followed … and I can give more examples if you want. But this is just one that created the segregation that we have today.

[17:46] Alexi McCammond: It's something we could talk about and will be talking about for three years, 30 years, 300 years, I would imagine. It's fascinating. Richard, you're talking about that movement of white families from more urban areas to more suburban areas, and correct me if I'm wrong, but that historical phenomenon and movement of people and white families is typically referred to as white flight, right?

[18:09] Richard Rothstein: Yes. But of course it was white subsidization to move out of urban areas. This white flight was not a spontaneous thing. This was something that was created by the federal government, with these FHA policies.

[18:24] Alexi McCammond: And I think that's an important point to make, that it wasn't sort of a spontaneous thing, as you pointed out, that “flight” kind of suggests. It was an intentional systematic thing.

[18:35] Richard Rothstein: It was incentivized by the federal government. Yes.

[18:39] Alexi McCammond: So 52 years ago, following the assassination of MLK Jr., Congress passed the Fair Housing Act, which of course banned any form of racial discrimination in housing. So that's 52 years where, in theory, it's been illegal to discriminate against people when they're renting or buying a home or getting financing.

But you argue that the damage that was done in America prior to the Fair Housing Act has multigenerational impacts because Black families weren't able to accumulate wealth through their homes in the same way that white families were. Some amount of the racial inequities that we have in our society today are still attributable to housing discrimination in that first half of the

20th century. I would love, Richard, if you could sort of walk us through that history and explain how that dynamic works.

[19:20] Richard Rothstein: Sure. I think a substantial part of the inequality we have today — not just in housing, but in all spheres of economic and social life — are attributable to these federal policies.

Take the example I was discussing before of Levittown or Westlake or any of the others. Those homes in mid-20th century sold for $8,000, $9,000. They were modest, working-class, single-family homes, typically two bedrooms, one bath, not affluent-type homes that we know today. Those homes, $8,000, $9,000 … 1950 dollars is probably something like $100,000 today. So white working-class families, lower middle-class families, returning war veterans after World War II, were subsidized by the Veterans Administration and the Federal Housing Administration to buy $100,000 homes.

They were so inexpensive at the time that white families who previously lived in public housing and were paying the full cost of the housing and their rent — it wasn't subsidized — could move into these single-family homes in these suburbs and pay less than their monthly housing costs than they were paying for rent in public housing. That's how enormous this subsidy was. An FHA or VA mortgage required no down payment.

Well, those homes today no longer sell for $100,000. You go to any of these suburban communities, depending on the area of the country, there's as little as $300,000 or $400,000 and, some places, $1 million or more.

The white families who were subsidized by the government to move to these suburbs gained, over the next couple of generations, equity. As the homes appreciated in value, wealth, they used that equity to send their children to college. They used it to, perhaps, take care of emergencies, temporary unemployment or maybe medical emergencies. They used it to finance their retirements, and they used it to bequeath wealth to their children and grandchildren, who then had down payments for their own homes.

African Americans, who were prohibited — prohibited — by federal policy from moving into these communities where wealth was accumulating gained no such wealth. They continued mostly to rent apartments in urban areas, frequently renting apartments and paying more in rent than whites would pay for similar apartments elsewhere. The Black families gained no such wealth.

The result is that today African American incomes on average are about 60% — six oh percent — of white family incomes. There's a whole story of segregation behind that. I won't go into that now, but African American wealth is only about 5 to 10% of white wealth. How could that be? You think that the 60% income ratio … there'd be a 60% wealth ratio as well — people could save the same amounts of money from earnings, similar earnings. The enormous difference between the 60% income ratio and a 10% wealth ratio is entirely attributable to unconstitutional federal housing policy that was practiced in the mid-20th century and that has never been remedied.

So yes, we passed the Fair Housing Act in 1968. We said to African Americans, “OK, in the Fair Housing Act, now you can move to Levittown. We're no longer prohibiting you from doing it. Now you can move to Westlake, any of these other suburbs.”

But those suburbs are now no longer affordable to working class families of either race. It's not just African Americans. Working-class families, unless they have down payment assistance from their parents, can't move to these places, can’t buy homes and start families there. So the Fair Housing Act, of course it gave African Americans who happened to be wealthy the opportunity to move to these places for the first time. But they couldn't remedy the segregation that was created by the policies in the mid-20th century.

In Levittown, for example, today, I may not have these exact figures, but I think Levittown as a result of the Fair Housing Act is about 2% African American. The other area, that's probably 13, 14, 15% African American. So that difference between 2% and 15% is the difference that the Fair Housing Act couldn't address, simply because those suburbs are unaffordable.

And if we want to remedy the segregation that we created with those policies, we have to somehow subsidize African Americans to buy homes that were once affordable to them at $100,000 dollars and that are now unaffordable.

[24:18] Alexi McCammond: Richard, I want to talk about some of those ripple effects of segregation caused by housing discriminations. It sort of sounds to me like African American folks and families haven't really had much of a choice as to where they live, even after the FHA was passed. Would you agree with that?

[24:37] Richard Rothstein: Yes, that's true for the reasons I said, that once we create these systems, they're very, very hard to undo.

They're not impossible, and we know how to do them. What's missing today in this country is not a lack of knowledge of how to redress the unconstitutional segregation that we created. What's missing is a new civil rights movement that's going to demand that we do so. Just as a civil rights movement in the 1950s and 60s did not simply create policies that advanced the notion of desegregation of buses and lunch counters and water fountains. It required a movement. And the same thing is true today.

I gave an example, a few minutes ago, about the kinds of policy that would be necessary to redress this particular violation. That would be a subsidy to African Americans to move to communities that are now unaffordable to them, but that would have been affordable to them 60, 70 years ago. That's a remedy. It’s obvious.

We've had some token proposals along those lines of … we call them down payment assistance, that's one way of subsidizing those families. There are many working-class, middle-class African Americans who might be able to afford to move to places like Levittown if they didn't have to come up with a down payment. Because they don't have the wealth to do so. So that would be one kind of policy we could advance.

Knowledge of that policy is not the problem. The problem is the political movement that we need, the new civil rights movement, that will demand it. And I'm actually hopeful that out of all the turmoil that's been created around racism in this country in the last month … may provide fertile ground for such a movement that gets to the root of these problems, which is to a large extent residential segregation.

[26:29] Alexi McCammond: I was going to ask, Richard, if you feel this moment is different, if you feel there is sort of a modern civil rights movement brewing in light of what we've seen in the last few weeks?

[26:39] Richard Rothstein: Well, there's not a modern civil rights movement. What there is, is greater awareness of the necessity for it.

We do not yet have people organized to demand policies to redress it. We do have awareness of the extent to which racial discrimination is embedded in this country. A greater awareness of the extent to which we've never dealt with the legacies of slavery or the aspects of Jim Crow that I've been describing. So there's greater awareness of that.

There are many, many books challenging whites in particular, to challenge, to confront their own assumptions, their own stereotypes. Those are important, but we need action, not self-knowledge alone. And I don't see it yet translating to that point. But of course the first step is necessary. If we don't have the understanding of the history, we're never going to get to the point of moving towards action to remedy it.

[27:39] Alexi McCammond: I think that's exactly right. And because of that, because we need a greater and clearer understanding, I want to ask you something we talked about before. You've said that part of the history of housing is the difference between de facto segregation and intentional state-sponsored segregation in residential housing. Again, because I think taking action requires a greater understanding, can you explain the difference between those two things for us one more time and explain to us why that distinction is important?

[28:09] Richard Rothstein: Well, the Supreme Court … Chief Justice Roberts, as I explained earlier, had it right. If this all happened by accident, there's no constitutional obligation to fix it. It can only unhappen by accident. So the myth of de facto segregation — that the reason we're segregated is simply because people choose to live with each other of the same race or because there was private discrimination— that paralyzes our ability to address it.

If it was really the case that segregation happened by accident, then you could make a case that it would be unconstitutional to fix it. But since that's a complete and utter myth, that it happened by accident — since it could not have happened without the federal government and state and local governments, as I described in the example of police action … because it's the case that federal, state and local policy was essential to creating, maintaining, reinforcing, perpetuating racial segregation, we have a constitutional obligation to redress it.

That's called de jure segregation — segregation that says unconstitutional is the segregation of public accommodations, or any of the things that we addressed in the 20th century. And that knowledge —that we have a constitutional obligation as American citizens, all of us — to redress residential segregation is a first step in creating the motivation to do something better. It's going to be painful because it's a lot easier to desegregate water fountains or lunch counters than it is to desegregate residential segregation.

The other forms of segregation that we abolished in the 20th century … you prohibit segregation in restaurants, and the next day you can sit anywhere you want in any restaurant. You abolish segregation in the neighborhoods, the next day, things wouldn't look much different. So we need policies, explicit policies, that address this. Some of them will be costly. Some of them will be no cost at all, but we need the policies to do so.

[30:20] Alexi McCammond: Richard, before we say goodbye and turn to Q&A from the audience, I want to touch on some of those things that we can do. What should be done now? And what can housing organizations like Habitat for Humanity do to play a role in finding a solution and activating on those solutions?

[30:38] Richard Rothstein: Well, I'm not an expert on Habitat particularly, but I do know that Habitat does a wonderful job of creating homes for people who don't previously have them. But at times … I know, from limited knowledge I have of Habitat, it reinforces segregation by placing homes for African American families in already existing low-income neighborhoods. That's a benefit to those families in the short run. But in the long run, by perpetuating residential segregation, we're creating the conditions for, as I said before, the achievement gap in schools, for mass incarceration and other abuses of authority that the police employ, for the wealth gap that we described, it perpetuates so much of the racial inequality in this country.

I'd add one other to that, or two others maybe. Health disparities — African Americans, as you know, have shorter life expectancies, greater rates of heart disease, because they live in more polluted, less dangerous neighborhoods … more dangerous neighborhoods, rather.

And I add one more. No matter how much we do to improve conditions in existing low-income African American neighborhoods — and we should do everything we can to improve conditions — how are we ever going to overcome the very dangerous and frightening political polarization that we have in this country today, which largely tracks racial lines? It's not entirely racial, but it largely tracks racial lines, if so many African Americans and whites, they're so far from each other that they have no ability to empathize with each other, to understand each other's life experiences. How are we going to create the common national identity that we need to preserve this democracy?

I think we need to consider the long-term costs of segregation, as well as the short-term benefits of creating better housing for African Americans in existing segregated neighborhoods.

[32:44] Alexi McCammond: Richard, thank you so much for that. And thanks for pushing greater understanding of our lived experience as diverse Americans. I think that is really at the root of finding, and, again, activating on these solutions.

Dwayne, hopefully we have some eager folks in the audience who want to ask some questions of the great Richard. So I'll turn it back to you.

[33:07] Dwayne Spencer: Thanks, Alexi. Thank you, Richard.

I want to first maybe just respond to the Habitat model. I can't speak for affiliates across the country, but here in Memphis, we are working in low-income communities that need reinvestment. And we're doing it in conjunction with agencies like our community redevelopment agency using TIF dollars to reinvest in these communities that have had no investment for decades. And so the opportunity for us is to create homeownership for families, many African Americans, and put them on the track to building wealth for themselves. Even if it's in a community that's on the cusp. And we see that as a positive. It's a positive for the homeowner, and it's a positive for bringing back distressed communities and helping them thrive again.

But I do want to go to some of the comments from folks who've been listening. The first is, "I watched the video of The Color of Law. I am 48, and I never knew these things existed. It angered me." So we're all learning.

The next is, "We need to be fighting for equity and equality as well. While Black people were fighting for equality, white people have the privilege of building equity. This is why disparities in real estate exist today."

And the last is, "Redlining also determines where future community investments are made, which doubles down on the impact of federally sponsored housing segregation."

And so … I want to go back to the comment about fighting for equality while whites had a head start. Would we have a recommendation for … Richard, I watched your video the other day, and you mentioned if folks providing affordable housing to low-income families had an opportunity to build in communities of greater opportunity, we probably could not afford it, and the low-income families could not afford it. Do you want to respond to that, any thoughts?

[35:23] Richard Rothstein: Well, this is all policy-driven. For example, the Low-Income Housing Tax Credit, which is the single biggest program that we have today for creating housing for low-income families. Do you know that the, I'm sure you do know, the Treasury Department, which administers the Low-Income Housing Tax Credit, places a priority on using those tax credits in existing low-income neighborhoods? That's absurd. That's backwards.

Of course we should build housing in those neighborhoods, but we should also be building it in the high-opportunity neighborhoods and have a priority to balancing the use of that tax credit there.

Many of these high-opportunity neighborhoods have zoning laws today that prohibit the construction of even townhouses or garden apartments or low-level apartments. So there's no opportunity to create subsidized housing in those communities. That's also a policy that needs to be reversed. We need to abolish single-family zoning, I think nationally. I think it's an unconstitutional attempt to perpetuate the segregation that was created on explicitly racial basis. Once you create racial segregation on an explicitly racial basis, you can have race-neutral policies to perpetuate it. And I think those are unconstitutional as well, if they're designed to perpetuate an explicitly unconstitutional policy.

So we should be abolishing single-family zoning in metropolitan areas — and not just in cities, but in the suburbs as well — to permit lower-cost housing to be built, not just subsidized. But market-rate housing that would be less expensive if it was, like I say, townhouses or garden apartments or something like that. So these are things we could do.

There's enormous political opposition to them in suburban, high-opportunity, white neighborhoods, and we need a new civil rights movement that's going to make it uncomfortable to maintain that kind of policy.

[37:34] Alexi McCammond: And Richard, without that kind of pressure from a modern civil rights movement, how hopeful are you that these policies would actually become enacted or become law?

[37:44] Richard Rothstein: Well, I'm very hopeful because of the greater awareness of the need for these policies. But until it gets translated — this hope — into an organized force that's going to make it uncomfortable to maintain segregation … a simple awareness of our racial inequality is not going to accomplish much.

I'm very hopeful. We are having a more accurate, even before the murder of George Floyd, we were having a more accurate and passionate discussion about the history of slavery and Jim Crow than we've ever had before in American history. It's now multiplied many times in the last month, and it's very encouraging to see predominantly white demonstrations for Black Lives Matter in small towns, all across the country, even places where there are very few African Americans living. That's a hopeful sign.

But as I say, the tough work comes in moving from awareness to action, and we're creating the preconditions for that. We need to take it a step further, but I am hopeful.

[38:53] Dwayne Spencer: Richard, in *The Color of Law*, you talked about creating a broadly shared understanding of our history before we consider steps to right these wrongs. How do you suggest that happen, even when one of our listeners commented that at 48 they're just really learning about some of these inequities.

[39:12] Richard Rothstein: Well, we all need to learn about it. One of the things I described in my book, *The Color of Law* … when I wrote that book, I examined all of the textbooks commonly used to teach American history in schools today, in public schools today. Every one of them lies about this history, at least when I looked at it in 2012 when writing this book.

I'm now in the process of looking at them again, the new versions, to see if they've corrected it. But I've interviewed a number of high school students recently in the course of writing a new book about what we do about residential segregation. Those high school students know nothing about this history.

All they know about the Civil Rights Movement is Martin Luther King and Rosa Parks. They know nothing about the conditions that put African Americans in these segregated neighborhoods. So, the first thing I would recommend, if this greater awareness leads to local civil rights groups, is that they approach and demand that their local school districts change their curriculum in order to teach accurately the history of how this happened. Because I want to emphasize this again, I've said before, because once we understand that residential segregation is an unconstitutional creation, then the conclusion is logical and necessary that as Americans we have an obligation to do something about it, not just, “It's a good idea.” We have an obligation to do something about it.

It's an unconstitutional system of neighborhood segregation that we have. We have an obligation to redress it, to correct the constitutional violation created. If we don't teach the next generation this obligation, if they don't learn it any better than we have — and I mean by “we,” I guess, people younger than the 48 year olds — if they don't learn any better than we have, they're going to be in as poor a position to remedy as we have. So I think the first step is to ensure that our schools are teaching this history accurately.

[41:19] Dwayne Spencer: I think that most folks feel a little helpless as an individual, trying to affect or change policy. Can you speak to the role that advocacy plays, as far as changing policy, creating a more equitable playing field?

[41:36] Richard Rothstein: “Advocacy” is a loose term. If you mean the creation of mass organizations, civil rights groups to advocate these policies, that's essential. It won't happen otherwise. Unless we stir things up, unless we make it uncomfortable to maintain present patterns of segregation, it won't change. If by advocacy, you mean think tanks talking about all the policies that we should pursue in order to remedy this, that's going on now. It's been going on for a long time.

[42:02] Dwayne Spencer: I mean any of us who want to have a voice, whether it's an individual or we work for an organization like Habitat for Humanity or other CDCs. What would you suggest?

[42:19] Richard Rothstein: Well, keep in mind that even improving the conditions in low-income neighborhoods — if it reinforces segregation — has long-term costs that have to be weighed against the short-term benefits. That's one thing that organizations in the housing advocacy world need to keep in mind.

Another thing that I think they need to do … I guess, that's the main point I would make, is that.

Can I take a minute to give you an example of something that happened historically? In 1949, we had an enormous housing shortage after World War II. Returning war veterans were coming home from World War II, and President Truman wanted to vastly expand the national public housing program.

At the time, this is something I'm sure most of your viewers don't know, public housing was not for poor people. It was not mostly subsidized. White and Black families both were living in segregated public housing projects. That's another aspect of this. The government segregated public housing projects — separate projects for whites, separate projects for Blacks.

Families were living in these projects. President Truman wanted to vastly expand them to take care of the homelessness crisis that we faced with returning war veterans. Conservatives in Congress wanted to defeat this expansion of public housing, and they put forward an amendment, which we call the poison pill amendment, designed to defeat the expansion of public housing. The poison pill amendment was that, from now on, public housing has to be nondiscriminatory. No more of this segregation in public housing.

It was a cynical, cynical move. But they planned to vote for this amendment, the conservatives in Congress. They thought they could get Northern liberals to vote for nondiscrimination as well. That would get the amendment passed, and then, when the full bill came up on the floor of Congress, the conservatives would flip and vote against the final bill. They would be joined by Southern Democrats. That would defeat the entire bill, and there would be no public housing at all. So that's why the amendment was called the poison pill amendment. Proposing that nondiscriminatory … would kill the entire bill.

Well, liberals in Congress had to decide what to do. Were they going to support the nondiscrimination amendment and therefore not address the housing crisis, the immediate housing crisis, or were they going to oppose the nondiscrimination amendment in order to get an expansion of public housing? Well, they decided to oppose the nondiscrimination amendment.

The leading liberal in Congress at that time was a senator from Illinois, Paul Douglas. He gave a speech in the Senate, in which he said, I want to say to my Negro friends that you'll be better off if the non-discrimination amendment is defeated and you get the housing that you need than you will be if the amendment is passed and you get no housing at all.

Well, the amendment was defeated. We got the vast expansion of public housing that we see today, places like Chicago, the Robert Taylor Homes and Cabrini-Green, and in St. Louis, Pruitt-Igoe. These giant towers that became concentrated slums of low-income families as the FHA, as I described before, moved white families out to the suburbs.

Well, that was a short-term benefit. That was a gain at the cost of a long-term reinforcing of segregation to the extent, not before known, that the long-term caused the achievement gap, the health disparities, the mass incarceration and the political polarization that we have today.

So we have to consider the long-term costs of segregation, as well as the short-term benefits of improving conditions that we should do. And I'm not saying we shouldn't do that, of course, we should do it, improving conditions in low-income segregated neighborhoods, but we have to do both.

[46:25] Dwayne Spencer: One caller, Richard, wants to know if you're familiar with the Mount Laurel New Jersey Supreme Court case in New Jersey that requires every municipality to include affordable housing and if you have any thoughts about that.

[46:39] Richard Rothstein: Yes, I am. You described the fair share proposal in Jersey accurately, as a result of the Mount Laurel decision and then the actions of the New Jersey Legislature. But … in the dialogue that we have about housing in this country, we misuse and abuse the term “affordable.”

What the New Jersey Fair Share Plan does is require that every jurisdiction have its fair share of low-income residents. In New Jersey, in practice, that means African Americans and Hispanics primarily, but it's not an exclusively racial program. But today housing is unaffordable for working-class and middle-class families in many of these communities.

And when we talk about affordable housing and mean only low-income families, we are creating, I think, a very unhealthy situation, of creating communities that are … on the one hand have affluent white families and the other hand have low-income minority families, with nothing in between. Most people don't realize — because we have these terrible stereotypes — that most African Americans are not poor. Most African Americans are working class. They wouldn't qualify for these low-income developments, but they can't live in these communities that are exclusive either because there's no missing middle in these communities.

So when we talk about affordable housing, we need to go beyond simply creating housing for the lowest-income families in the most affluent communities but create opportunities for what's sometimes called the “missing middle” as well and not misuse the term “affordable” to apply only to the lowest-income families. And in order to create those missing-middle opportunities, we need the kinds of programs that I described earlier, which are not the Low-Income Housing

Tax Credit, but things like subsidies, down payment assistance, to families who are working, have jobs, don't qualify for low-income, but are priced out of most suburban communities in this country.

[48:56] Dwayne Spencer: Richard, when you consider those folks who are the truly very low income …, in the book, you talk a bit about the role of public housing in reinforcing segregation. What should the role of public housing be in a country that has so little of it and where we've stigmatized it?

[49:17] Richard Rothstein: Well, we stigmatize it because we've turned public housing, which was originally a program for working-class families who had jobs … Public housing was begun in the Depression, in the New Deal. It was not for poor people. We had 25% unemployment in the Depression. Public housing was for the 75% who had jobs, who could afford housing, but for whom no housing was available. We need to return to that vision of public housing. That's truly mixed-income, that has subsidized units for low-income families, but that also has workforce units for teachers, for nurses, for construction workers, for people who are priced out of high-opportunity communities and can't afford to live anywhere but in low-income communities where they're the highest income earners.

So we need to re-envision public housing so that it's mixed-income. We're no longer concentrating the most disadvantaged families in it. We should have opportunities for them in public housing, but we need public housing for middle-income, working-class families as well. The private sector in this country today is incapable of building housing for lower middle-class, working-class families. It just doesn't price out. And so they are left without housing, paying exorbitant rents in the low-income neighborhoods and without the housing they should be able to afford if we had a truly mixed-income public housing policy.

[50:47] Dwayne Spencer: Richard, in our world, we face NIMBY-ism, the "not in my backyard" syndrome. And so even when people understand the historical patterns of racism in housing, they may still not want us there. So how do we change the hearts and minds of people to be accepting so that we can provide equitable housing opportunities?

[51:09] Richard Rothstein: Well, we are changing hearts and minds now, as I say. What we need to go beyond that is civil rights groups that will include people in these communities. There are many well-meaning people in these communities — they are not in majority, but there are many well-meaning people in these communities — who would be happy to join a civil rights group if it was organized for them.

I gave a talk a few months ago — when I was still traveling, before the pandemic, to Kansas City — to a large group, 300 people in Kansas City. And I was on a panel with the mayor of Kansas City. And he was talking about how they only build affordable housing in low-income neighborhoods in Kansas City.

And I said, “Why don't you build it in high-opportunity neighborhoods?” He said, “Well, the people wouldn't support it.” He said, “We don’t have a majority on the City Council.” So I said, ”Well, if you wanted to abolish single-family zoning in Kansas City, how many votes would you have on the City Council?” And he said, “Four, maybe five.” And so I said, “How many votes are there on the City Council?” He said, “Well, there are 13.”

So I said, “You only need two more. Are there two districts in Kansas City that you might be able to press with a good civil rights movement to reconsider its opposition to single family housing?” And so he said, “Maybe district four and district six.”

So then I turned to the audience. This was mostly a white audience. It was mixed but mostly a white audience. I said, “How many of you live in district four and district six?” About 45 people raised their hands. I said, “Well, that's the beginnings of a civil rights movement to put pressure on those two City Council people to change their views about abolishing single-family zoning.”

That can be done everywhere. So it takes us moving from understanding to action. I know I'm repeating myself, but that's the key next step we need to take.

[53:02] Dwayne Spencer: Richard, we have a question from someone about emerging real estate developers and how can they combat prices while also attempting to develop good, affordable properties?

[53: 14] Richard Rothstein: Well, in many communities it's not possible, as I said, for the private sector to develop housing that's affordable to working-class families, to lower middle-class families, to the majority of African Americans who are priced out of high opportunity communities. That can't be done without subsidies. They only subsidize the lowest-income families at this point. Most of our Low-Income Housing Tax Credit developments are for people with 30% of the average middle income in the community. We need to subsidize housing in many, many places, especially communities that are either suburban or urban and gentrifying, for people who have 100% of the average median income, but who can't afford housing because the private sector can't build it.

This is not something that can be solved without new legislation, and that new legislation will only come about from the translation of this new awakening we have about segregation into direct action to demand those kinds of programs.

[54:15] Dwayne Spencer: Richard, I was watching your … a video as you talked about your book just yesterday, and I was struck as you began to close out, and you asked the question, “What if the racial policies by the FHA had not existed?” Where do you think we would be today?

[54:35] Richard Rothstein: We would be a very different country. This actually gets directly back to the distinction that I was talking to Alexi … about de jure, de facto segregation. Of course there was private discrimination in this country. Of course Levitt, the builder of Levittown, to go back to that example, he was a bigot. He was an out-and-out bigot. He said he would never sell a home to an African American if he had the choice. But he didn't have the choice. The Federal Housing Administration guaranteed his bank loans. And if the Federal Housing Administration had told him, you can only build Levittown if you sell homes on a nondiscriminatory basis, then Levittown today would be the 15% African American — I'm just estimating that — that reflects the broader community around it, instead of the 2% African American that the Fair Housing Act accomplished.

So of course there was private bigotry, but without federal government control and sponsorship of this — and there was so many other policies besides the FHA and VA, I describe many, many of them in *The Color of Law* — without federal policy to create segregation, we wouldn't have it today. We would have a much more integrated society.

Public housing, I mentioned a few minutes ago, the federal government in the 1930s took integrated neighborhoods and desegregated them … I'm sorry, took integrated neighborhoods and segregated them with separate public housing projects.

And this was not just in the South. Rather, I give examples of a place like Cambridge, Massachusetts, thinks of itself as very liberal. The area between Harvard and MIT in the 1930s was an integrated neighborhood, about half white and half Black. The federal government destroyed integrated housing in that neighborhood, and then they built two separate projects, one for Blacks and one for whites, creating a pattern of segregation in Boston and elsewhere in this country, and elsewhere in the metropolitan area, that otherwise wouldn't have existed to the extent that it does. So we would have a very different looking country today if it weren't for federal government policy that was exploiting private bigotry to impose and require segregation where it could have required the opposite.

[56:48] Dwayne Spencer: I'm going to ask one last question here, Richard. Broad-based zoning and land use reform is critical to dismantling the racist legacy of redlining. What can be done to uproot these deeply entrenched local laws and policies? You may be repeating yourself, but forgive us.

[57:08] Richard Rothstein: Yes, there have been movements. This was a good example of how knowledge of this history translates into action. There's … more and more people have learned the history of segregation, how unconstitutional it has been. There are movements around the country in many communities — well, maybe not many, in several communities so far, perhaps more — to abolish single-family zoning. Minneapolis did it. Oregon did it. Austin either has done it or is about to do it, I'm not sure. They abolished single-family zoning, but that's only the first step because abolishing single-family zoning creates the opportunity to desegregate. It doesn't automatically result in desegregation.

In addition to abolition of single-family zoning, we need explicit policies that subsidize African Americans to … I call it an affirmative action program in housing. Same reasons we have affirmative action in education. It's designed to remedy unconstitutionally created segregation and use affirmative action programs in housing that enables African Americans to take advantage of the abolition of single-family zoning and move to higher opportunity neighborhoods.

[58:26] Dwayne Spencer: Richard, thank you. We could probably talk for another hour, but I want to thank Richard and Alexi for this amazing conversation. And I want to thank all of the participants for sending in their great questions.

As we come to a close, I'd like to just recommend that everybody watching consider getting themselves a copy of *The Color of Law* to learn more. We're reading it here in Memphis, and it's an amazing, eye-opening learning experience. We know that Habitat for Humanity has been a part of the solution. We also know that we can and must do more. Habitat has a long track record of building homeownership opportunities with diverse communities.

The Cost of Home campaign's Policy Platform states, "Advocates and policy makers must acknowledge and address the well-documented historic patterns of racial discrimination in housing and land use policies at all levels of government that still impact the makeup and opportunities of our communities. Moving forward, we all need to recommit ourselves to taking bold actions to ensure racial equity."

We also need to ensure that we approach our programmatic work through an equity lens. For example, we need to design our programs and measure our impact in a way that drives equitable outcomes.

I really hope that everybody's … [inaudible] … to make a positive change. This conversation has been a part of a continuing series of conversations about housing hosted by Habitat for Humanity. Stay tuned for more +You conversations in the coming weeks and months.

Thank you again. Take care, everybody.