



Understanding Nashville's Housing Crisis

Part 3: Residential Segregation: How Did It Happen and Why Does It Persist?



INTRODUCTION

Nashville continues to experience growth and development at a rapid rate. The pace of growth and the housing prices and increasing much faster than the growth in wages. Our neighborhoods are changing, and we can also feel a shift in the culture of the city. There is inequitable growth in the city, and the burden of that is felt most strongly by communities of color.

In the first pamphlet of this series, we answered the question, “What is affordable housing?” We explored terms and concepts used to describe affordable housing and connected them to the personal experiences of Nashville citizens. One of the main points from Part I is that there is a quickly growing gap between Nashvillians’ incomes and the cost of housing.

In the second pamphlet of this series, we dove deeper into the systems that make it possible for people to lose their homes. We discussed five of the most common ways that people lose their homes:

1. Migration of high-income earners
2. Increase in property taxes
3. Subpar subsidies
4. Creation of unlivable homes
5. Evictions

In the third and final part of this series, we explore the disproportionate impact that housing policy and the private housing market have had on communities of color for decades. We explain how federal housing policy has historically disadvantaged communities of color, and how current trends in the housing market continue to do so.

If you think about it, investment in homes and property is one of the main ways to build generational wealth - wealth that parents can pass on to their children and grandchildren.

BUILDING INTERGENERATIONAL WEALTH	
<p>Sue is white and has no college degree</p> 	<p>John is black and also has no college degree.</p> 
<p>Sue is granted a government-backed mortgage insured by the Federal Housing Administration.</p> 	<p>John is denied such a loan and is unable to become a homeowner.</p> 
Look at how different the outcomes are for generations to come:	
<p>Sue was able to send her children to college with the equity she gained through her home. She was also able to take care of her parents in old age and will not have to depend on her own children to take care of her. Sue's children become college graduates with minimal student debt, and had a higher starting salary than Sue did when she was their age.</p> 	<p>John experienced none of the advantages that Sue did. He was not able to build wealth through his home or give his children access to a quality education. They graduated college with student loans, and he became financially dependent on them as soon as he retired.</p> 

SECTION 1

The history of housing discrimination against African Americans is long and deep. Look at this chart below:



This is the timeline we will explain to understand each of these areas individually. Before we get into the timeline, it is important to note that there are two types of segregation that have impacted people in the US.

DE FACTO SEGREGATION	DE JURE SEGREGATION
Not enforced by the law	Racial segregation enforced by law
Racial segregation by individual preference or natural consequences	Segregation is required

De facto segregation is when racial separation happens on its own, while de jure occurs when segregation is mandated by the law.¹ The segregation that has taken place historically has been a combination of both types. Over time, legislation has focused on eliminating de jure segregation.

I. Post-Slavery:



While the adoption of the Thirteenth Amendment abolished slavery in 1865, Jim Crow and other informal practices continued to reinforce the unfair treatment of African Americans compared to their White counterparts. This discrimination caused Blacks to face severe injustice and inequity. However, during the late 1800s there was more Black-White integration in Nashville than there exists today. The socially constructed subordinate status of Blacks in society made it easier for Blacks and Whites to live together in the same space. In the late 1800s, Blacks and Whites often lived on the same block, shared a common language and culture, and worked together. However, right before the turn of

the century court decisions began to cement the belief Blacks should remain “separate but equal.” As cities urbanized and new technologies allowed individuals to live longer distances from their jobs, the push for separation to maintain the socially constructed inferior status of African Americans became more apparent.

II. Public Housing:



Today, when people think of “public housing,” they tend to think of low-income housing. That was not always the case. Public housing was originally built for Americans during the New Deal. It was not a welfare program for poor people; rather it was an attempt to address a housing shortage. During the Great Depression, little housing construction occurred. In addition, many middle-class families and working-class families lost their homes because of unemployment and economic hardship. In response, the federal government began building public housing, segregated by race, in cities across the country. While White housing developments had large numbers of vacancies, the Black developments had long waiting lists. Eventually, this unfair treatment became so obvious that the public housing authorities in the federal government opened up White- designated developments to African Americans, and the vacant housing quickly filled up.

III. Access to resources:



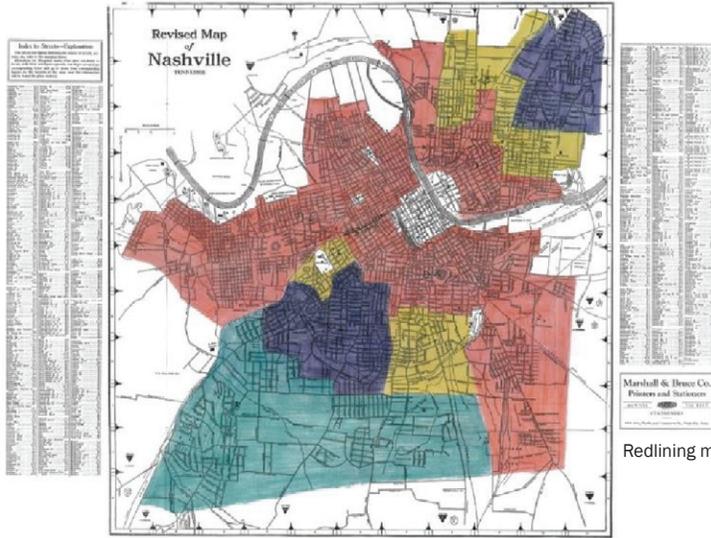
REDLINING	BLOCKBUSTING
PREDATORY LENDING	RESTRICTIVE COVENANTS

Redlining:

Redlining was established by the Federal Housing Administration (FHA) and the Home Owners' Loan Corporation (HOLC) as a way to evaluate risks associated with lending to urban neighborhoods. A prime determinant of how a neighborhood was classified was race. Risk classifications used to rate the credit worthiness of neighborhoods were as follows:

GREEN	(“Best”)	Green areas were considered to be in high demand, and these neighborhoods were almost entirely White.
BLUE	(“Still desirable”)	Blue areas were less desirable because these neighborhoods were not exclusively White, however they were still desirable because they were at low risk of “infiltration”² by non-White groups.
YELLOW	(“Definitely Declining”)	Most yellow areas bordered Black neighborhoods. These areas were considered to be risky due to the perceived threat of foreign-born or “lower grade populations”³ moving in.
RED	(“Hazardous”)	Finally, the “hazardous” neighborhoods were mostly populated by Black residents and these areas were ineligible for FHA backing.

Redlining stifled the allocation of credit in Black neighborhoods. Without the ability to take out loans to purchase or maintain their homes, the condition of housing stock in many Black neighborhoods deteriorated. This disinvestment by lenders has led to assumptions about the inability of African Americans to maintain their homes, which is a stereotype persisting today. Redlining facilitated overt racist attitudes that excluded Blacks from investing in home ownership.



Redlining map of Nashville

Exclusively White



A FIRST GRADE

Mostly White



B SECOND GRADE

Mixed, Poor



C THIRD GRADE

Mostly Black



D FOURTH GRADE

Legend, Redlining maps 4

As seen in the HOLC “residential security” map above, large parts of Nashville were categorized as “hazardous” which meant that these areas were considered excessively risky for mortgage loans. By denying loans to predominantly Black neighborhoods, the government encouraged racial discrimination in housing. Private lenders also adopted the residential categorizations and the redlining approach as defined by the federal government. This excluded residents of predominantly

Black neighborhoods from getting financing for housing through both government and private capital markets. Also, since the federal government made decisions about where investment dollars should go based on redlining maps, this dictated the socioeconomic future of countless neighborhoods.

During this time, more than 11 million families bought homes with mortgages that were backed by the FHA. However,

African Americans and other communities of color were largely excluded from these benefits. Home ownership was connected to financing, and financing was connected to race.

Blockbusting:

Blockbusting refers to the practice of introducing African American homeowners into previously all white neighborhoods in order to spark rapid white flight and housing price decline.⁶ Real estate speculators have historically used this technique to profit from prejudice-driven market instability.

After selling an African American family a home in a predominantly White neighborhood, speculators solicited White owners with tales of impending depreciation. Fearful White residents often sold their homes to these speculators well below market value. As White residents started moving out, other White residents sold their homes at even lower prices, thus further depressing housing prices in a self-fulfilling cycle.

Middle class African Americans, who were otherwise denied access to previously all-White neighborhoods, were now offered admittance at artificially inflated prices set by the speculators.

Racially Restrictive Covenants:

During this time, another method that was used to prevent people of color from purchasing homes in white communities was racially restrictive covenants.

These are contractual agreements that prevent a particular group of people, usually African Americans, from purchasing, leasing, or occupying certain properties. These covenants were agreements made between property owners and were also enforced by real estate boards and neighborhood associations.⁷

Predatory Lending:

A predatory loan typically carries a much higher interest rate than a conventional loan. When Black families have fewer options for home loans, high-income Black households become prime targets for such loans. Black



Would you panic if a Negro moved next door?

"I'm broad-minded," said one homeowner when Negroes moved into his block. But a short time later he panicked—and sold his house at a loss.

out the whites. And how one speculator brags that he could "bust" your block in no time at all.

In this week's Post, you'll read how speculators decide which blocks are "ripe" for racial change. How they use vicious tactics to force

POST
The Saturday Evening
July 14-21 issue.
A Curtis Magazine

1962 newspaper ad for the Saturday Evening Post story, Chicago⁵

and requirements imposed by such corporation or association.

14. **RACIAL RESTRICTIONS.** No property in said addition shall at any time be sold, conveyed, rented or leased in whole or in part to any person or persons not of the White or Caucasian race. No person other than one of the White or Caucasian race shall be permitted to occupy any property in said addition or portion thereof or building thereon except a domestic servant actually employed by a person of the White or Caucasian race where the latter is an occupant of such property.

15. **ANIMALS.** No hogs, cattle, horses, sheep, goats or

communities had long been ignored by banks and were denied mortgage financing even if they had the financial means to buy a house. This created a void in the market and financial institutions exploited this. Studies show that for upper-income Black households, subprime lending was more common than it was among low-income White households.⁹

As a result of historic disinvestment, North Nashville residents have generally had limited access to credit. Residents were targeted by financial institutions preying on vulnerable low-income communities by offering risky lending options. Residents were told that subprime lending and high-interest refinancing were viable options for homeownership. North Nashville was the epicenter for subprime lending, which resulted in high foreclosure rates in the area. Residents often felt misled by mortgage brokers and unclear contracts.¹⁰

Impact of Segregation on African Americans:

Increased likelihood of living in high poverty neighborhoods

High poverty correlates with poor health

Increased likelihood of living in areas with higher mortality rates

More Black families sent their children to lower performing schools

Blacks who are geographically or socioeconomically mobile have limited housing options

IV. Urban Renewal:



Urban Renewal in the 1950s and '60s was a response to unsanitary and unsafe housing and building conditions in cities across the country. With the aid of federal funding, cities would be able to reconstruct the ugliest parts of their city and replace them with modern and beautiful buildings and housing. While on paper, the government's urban renewal projects aimed to tear down slums and replace them with affordable housing. However, in reality the strategy ended up displacing hundreds of thousands of city residents across the U.S.

The unfortunate reality for many Americans was that urban renewal brought destruction and displacement. The destruction was all the more real for Black residents' whose homes were classified as "hazardous" during redlining practices more than a decade before urban renewal policies were enacted. Such residents were often displaced, and their homes torn down to make way for aesthetically pleasing structures.

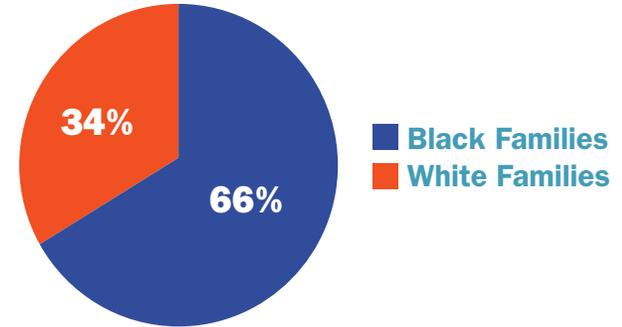
During Urban Renewal private property was sold to private owners for commercial, industrial, or residential development.

Urban renewal took place all over Nashville. It happened on the slopes of the Capitol. The Nashville Housing Authority purchased ninety-six acres north and west of the State Capitol and proceeded to demolish what used to be a predominantly black, poor neighborhood called Hell's Half Acre. What replaced the slum was the six lanes of James Robertson Parkway, open greenspace, and commercial buildings.¹¹

During the 1960s such projects took place in East Nashville, where more than 1,000 homes were torn down and replaced with other houses, buildings, or roads. In areas that were south and west of downtown, thousands of residents were moved out of their homes to make way for the Music Row commercial area and several other public and private projects. Along West End Avenue, Vanderbilt University teamed with the government to purchase and clear about 100 acres that the university now uses for sports fields and parking.¹²

This pie chart shows the disproportionate impact that displacement had on Black and White families.

Families Displaced By Urban Renewal Projects in Nashville 1950-1966



V. Private Public Partnerships:



During the 1980s through a process called “devolution” - the federal government delegated power and decision making to state and local governments. State and local governments, along with the growing nonprofit sector became central to the development, implementation, and funding of housing programs and policies. Local governments would often partner with nonprofit organizations to carry out housing interventions and programs.

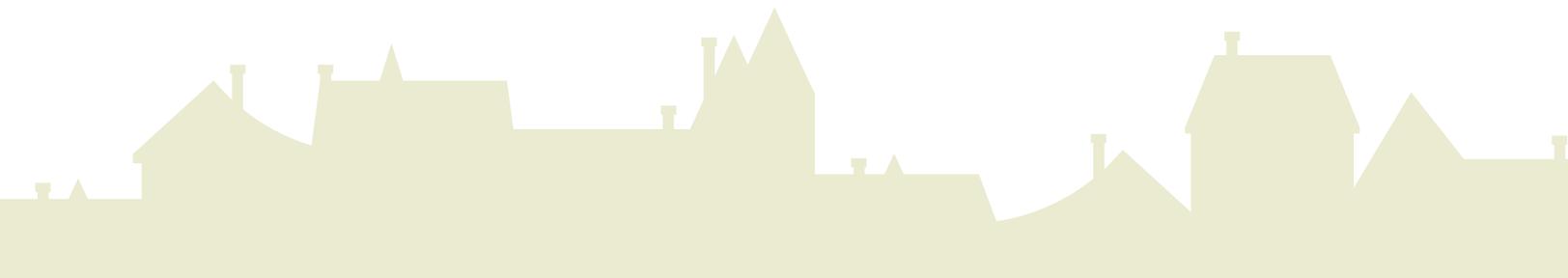
By the 1990s, many of the public housing facilities that were built in the 1940s and 1950s were deteriorating from the lack of reinvestment. At this time, the Department of Housing & Urban Development implemented Hope VI, a program that allowed the federal government to partner with local city housing authorities to revitalize the old housing units. The Department of Housing and Urban Development provided localities with federal grants to tear down old facilities and replace them with less populated units, with people of varying incomes. Through these partnerships the federal government addressed the deteriorating housing units by encouraging developers and businesses to participate in the redevelopment of housing. However, Hope VI and other programs during this time have been criticized for not equitably distributing federal resources. While partnership between the government and localities have successfully improved the quality of housing units, critics point out that it generally failed to produce enough replacement units for displaced public housing tenants. The John Henry Hale homes in Nashville are an example of Hope VI.

VI. Economic Recession:



The Fair Housing Act of 1968 finally outlawed housing discrimination at the federal level. Specifically, it “prohibited discrimination concerning the sale, renting and financing of housing based on race, religion, national origin or sex.”¹⁴

However, despite this law, housing discrimination did not end there. In the years leading up to the economic recession in 2008, Black and Hispanic homebuyers were 2.5 times more likely than Whites to receive subprime loans. As a result, the homeowners disproportionately suffered from the damage caused by the recession.



VII. Housing discrimination today:

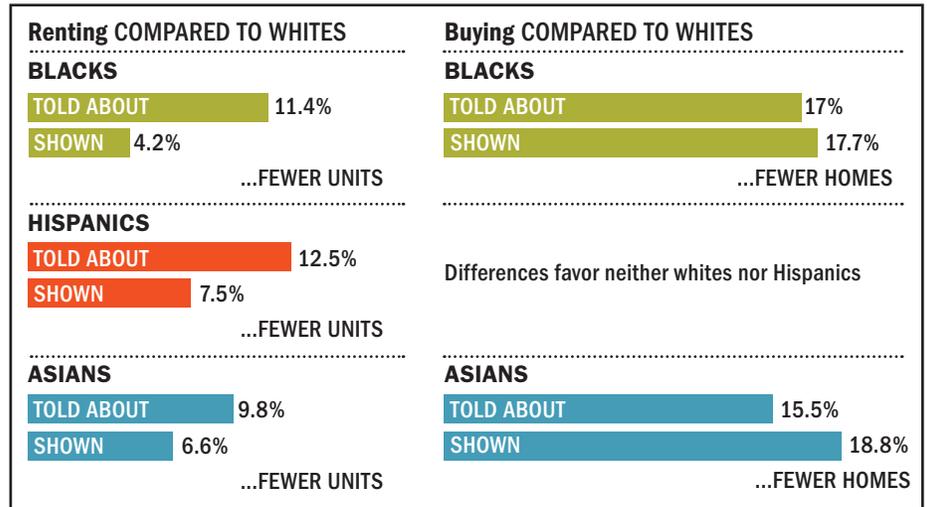


Unfortunately, housing discrimination is still prevalent today. Some of the ways in which Blacks, Hispanics, Asians, and other people of color receive discriminatory treatment include realtors showing them fewer homes, telling them about fewer listings, asking them more probing questions, or steering them to certain neighborhoods.

The Urban Institute has been tracking housing discrimination in the U.S. since 1989. Their first study showed high levels of discriminatory treatment toward Black and Hispanic home-seekers, in both rental and sales markets across the country.¹⁵ The Institute looked into housing discrimination again in 2000, and found discrimination against African American, Hispanic, Asian, and Native American home-seekers, although the overall level of housing discrimination had declined since 1989.¹⁶ The Institute's latest study in 2012 showed that while overt forms of housing discrimination have further declined, real estate agents show fewer properties to people of color compared with equally qualified Whites. As a result, people of color have restricted options in terms of properties and neighborhoods, as well as a higher cost of searching for housing.¹⁷

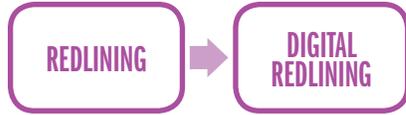
To the right is a table from the 2012 Urban Institute study that shows discriminatory housing practices:

In the next section, we revisit the terms used earlier in the report. Several of the practices have changed due to laws against discrimination. However, in a digital world, new practices in lending and risk analysis create new barriers for people of color in accessing fair housing.



Source: Housing Discrimination Against Racial and Ethnic Minorities (2012) created by U.S. HUD & Urban Institute studied housing discrimination over 28 metro areas across the country.

Digital Redlining:



We see practices today that resemble redlining, only this time, through social media and technology. The U.S. Department of Housing and Urban Development (HUD) recently filed a lawsuit against Facebook for allowing real estate advertisers to “exclude people who live in a specified area from seeing an ad by drawing a red line around that area.”¹⁸ An investigation in 2016 showed that Facebook allowed advertisements to either be hidden from or shown to users based on different characteristics, including race. In some cases, ads for houses and property, among other things, were being hidden from Black and Hispanic users.¹⁹ That is the modern-day form of a newspaper offering landlords the option to place advertisements in copies that would only go to white readers.

The image below shows how an advertiser can tailor their advertisement on Facebook. HUD found that property agents had the ability to target those interested in buying a house through their advertisements and explicitly exclude African Americans, Asian Americans, and Hispanics.

Detailed Targeting ⓘ

INCLUDE people who match at least ONE of the following ⓘ

Behaviors>Residential profiles
Likely to move
Interests>Additional Interests
Buying a House
First-time buyer
House Hunting
Add demographics, interests or behaviors Suggestions Browse

Narrow Audience

EXCLUDE people who match at least ONE of the following ✕

Demographics>Ethnic Affinity
African American (US)
Asian American (US)
Hispanic (US - Spanish dominant)
Add demographics, interests or behaviors Browse

Blockbusting:

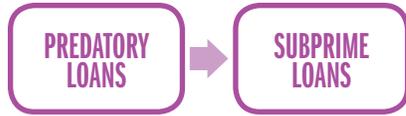


As mentioned earlier, blockbusting takes place when homeowners are manipulated into selling or renting their homes at lower prices than the market value by playing on fears that people of color are moving into their neighborhood. For example, a speculative property manager might hire a Black woman to walk her dog or her stroller in an all-White neighborhood. The real estate agent would then offer to buy houses in that neighborhood at discounted rates, acting as if they are helping the residents out by buying their property before more people of color move in and the value of their home declines significantly.

Even though this practice is illegal, it still takes place in covert ways today.²¹ However, because of the nature of this practice, instances of proven blockbusting are rare.

LEGAL:	ILLEGAL:
 <p><i>Hello sir, in case you are interested in selling your property, this figure is what we are offering to pay. Thank you, and enjoy your day!</i></p>	 <p><i>Hello sir. Do you know who moved down the street here? You know that's going to drive down your property value, right? Let me give you cash so you can get out of here before the value drops too much.</i></p>

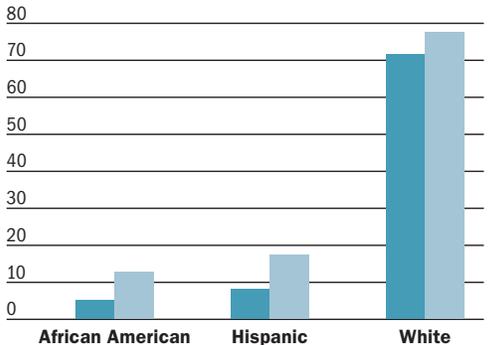
Subprime lending:



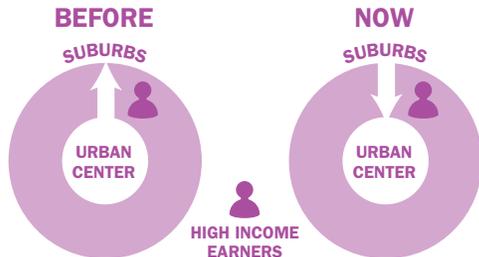
Disproportionate lending

White borrowers take the lion's share of conventional loans

● Percentage of conventional loans ● Percentage of population



Source: Center for Responsible Lending 24



A subprime loan is a loan offered to people who do not qualify for a conventional loan, either because of low income or poor credit history. The interest charged on subprime loans is higher than a standard loan.

Research studies have shown that Black applicants were denied home loans at significantly higher rates than other racial groups.²² A number of banks, most famously Wells Fargo²³, have been found to be discriminating against Black and Hispanic homebuyers. Loan officers pushed customers, especially people of color, into subprime mortgages, even when they qualified for a conventional loans. Ultimately, many of those granted subprime mortgages experienced foreclosure during the 2009-2012 time frame.

The graph to the left shows that among the 1.9 million conventional home purchase loans made in 2015, only 2.7% of the loans were granted to African American borrowers. Hispanic borrowers were able to secure more loans and their total percentage was a bit more than 5%. Compare this to the 72% of loans that were given to white borrowers. While it's true that blacks and Hispanics make up a smaller share of the population, they receive a smaller share of conventional loans relative to their share of the population. This suggests that discriminatory outcomes in the real estate industry persist today.

Even today, we can see that the neighborhoods that are most vulnerable to gentrification are often those that were redlined decades ago. While they were redlined, they received less government investment and funding. In the past few years, we have seen a reverse trend and a preference among middle- and upper-income people for living in the urban core over living in the suburbs, including in inner-city neighborhoods that were once redlined. In the early 2000s, downtowns across the country started slowly becoming more desirable to affluent, mostly White residents.

Many of the same neighborhoods that were once neglected have now become prime locations for young professionals who want to live and work in the urban core and for developers who want to cater to that growing demand. As a result of this new investment and the rising prices that often accompany it, low-income residents are increasingly displaced to make room for new residents.

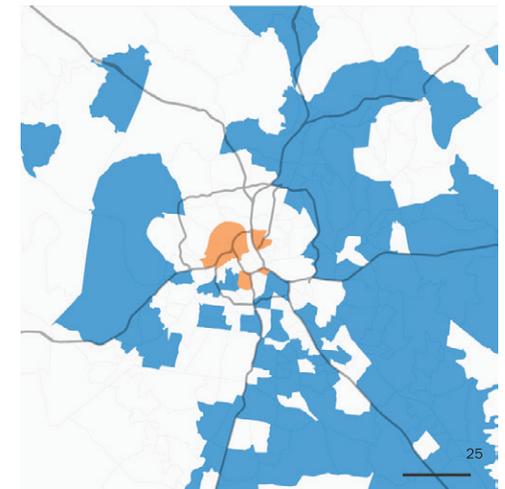
In the map of the Nashville area to the right, we see that suburban neighborhoods that used to consist of predominantly White residents are experiencing an increased share of Black, Hispanic, and Asian residents. As more racial and ethnic minorities have entered the middle class, they have been able to establish themselves in previously predominantly White suburban neighborhoods.²⁶

At the same time, largely minority neighborhoods near downtown are becoming whiter. This is a trend witnessed in big cities across the country, including Philadelphia, Atlanta, Houston, Denver and Chicago.²⁷ As downtowns are “revitalized,” White home buyers move into these neighborhoods with incomes that are on average twice as high as that of their existing neighbors. As a result, real estate values and property taxes increase. Low-income earners and renters have little choice or ability to stay in an environment of rising costs, and this contributes to instability as they are pushed into new suburban communities without the range of services they previously had access to. It is unsettling because long-term residents are forced to move away from their community, their sense of place, and their local schools.

The same is not true in some suburban neighborhoods. Even with a growing population of Hispanic, Black, and Asian residents, communities of color have similar incomes as those of their white neighbors. By socioeconomic standards, they “fit in.” However, in urban cores, White residents are not just changing the racial mix of the neighborhoods, but the social class of the community is altered. Many long-time residents of all racial groups who work in local restaurants, daycares or other service industries can no longer afford to live in the city.

As we discussed earlier, communities of color were disproportionately harmed by the foreclosure crisis. As a result, mortgage lending tightened, especially for Blacks and Hispanics. Developers and speculators got a head start in buying new properties near downtown Nashville, which at the same time were becoming increasingly desirable. As the price of land increased with growing demand, the price of real estate has effectively limited the number of lower-income households who can afford to buy there.

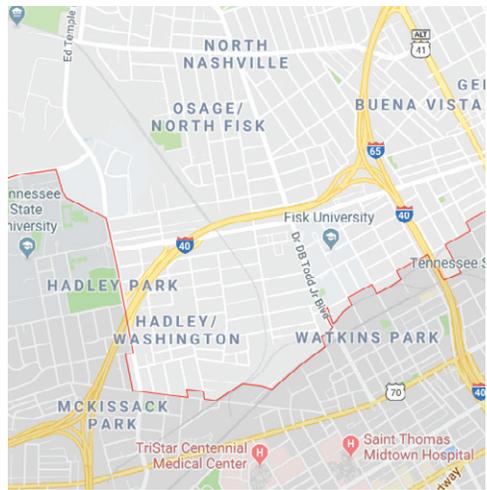
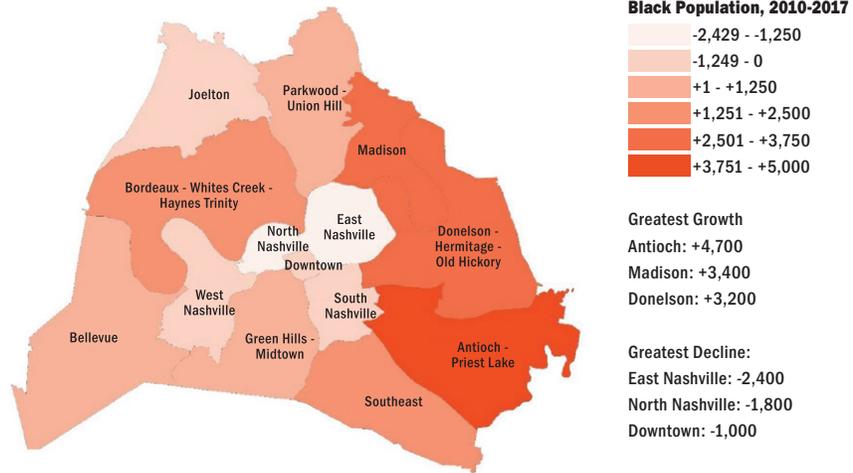
Both of these factors combined have resulted in hyper-gentrification, and long-time downtown residents have been priced out of their own neighborhoods. As many long-term residents are forced to move, people are separated from friends and family; children may have to switch schools; and residents may have difficulty traveling to work, accessing healthcare, and finding places of worship. People may lose a sense of belonging to a community, the ability to participate in the success of Nashville.



Neighborhoods that grew more diverse between 2000 and 2017 as:

- White population grew
- Nonwhite population grew
- Did not grow diverse

The demographic transition is observable in the map to the right. The map shows changes in Black population between 2010 and 2017. The neighborhoods that experienced the largest decline in African American population are in North Nashville, East Nashville, Downtown, West Nashville, and South Nashville. All of these areas have experienced rapid property value changes and increased rates of development. Growth in the Black population was most pronounced in Antioch-Priest Lake. It also grew in Madison, Donelson/Hermitage/Old Hickory, and Southeast Nashville.



Gentrification & Displacement – a look into ZIP code 37208:

Jefferson Street in Nashville was the economic, cultural, social, political, and spiritual heart of the Black community for generations. Three historically black universities, a number of black churches and many black owned small businesses made this a vibrant and thriving part of town. Also, during the Civil Rights Movement, the street became a center for organizing the Nashville sit-ins.

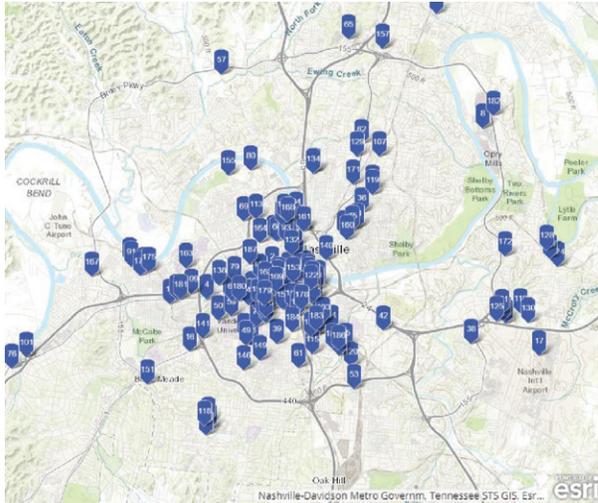
In the late 1960s, the construction of Interstate 40 displaced more than a thousand Black residents and destroyed the thriving business and cultural district on Jefferson Street.²⁸ It broke up the Black community and cut across the neighborhood of the 37208 zip code resulting in the economic decline of this neighborhood.

Today, we see displacement happening again, this time because of gentrification. In the past few years, many Black families in areas including 37208 and North Nashville were displaced.²⁹

Recent development trends in Nashville:

1. Wall Street buying single family homes: Wall Street investment firms have been purchasing houses in the greater Metro Nashville area. Investment firms have bought single family homes and then leased them to renters, many of whom are short-term. 5,000 homes in Middle Tennessee are now owned by the top four real estate investment firms in the country.

2. Downtown Core Development: Nashville Yards, River North, and 505 Nashville all have something in common - they are changing the Nashville downtown core and skyline. These developments, in addition to the numerous others over the last decade, have altered Nashville's skyline and real estate prices.



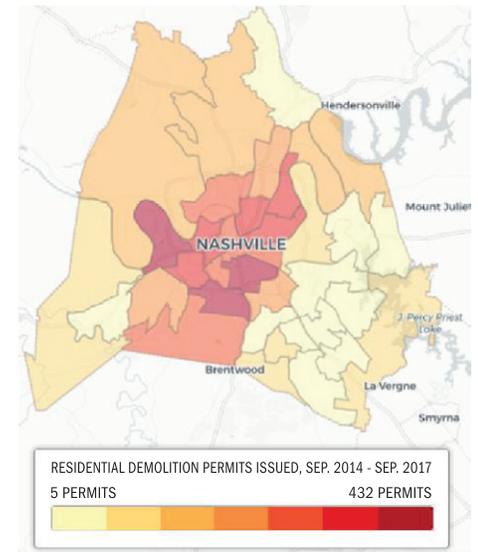
The map to the left is an indication of how much construction is going on in Nashville. This Crane Watch map³⁰ shows that there are currently more than 175 projects that are actively under construction in Nashville.

3. Community versus Commodity:

The number of houses being demolished to make way for new, more expensive houses has been increasing at alarming rates. We can better understand the number of houses being demolished by looking at the number of demolition permits issued by Metro. Metro Nashville issued 962 residential demolition permits in 2015 and 1,035 in 2016 – an average of nearly three houses a day. That rate has cooled off

by 10 percent in 2017, but the rapid redevelopment has left many long-term residents wondering what is happening to their city.

The Tennessean analyzed building permit data from the past three years to see where most residential demolitions happened and what was being built in their place.



The 37209 ZIP code that includes The Nations and Sylvan Park had the most residential demolitions, with 583 between September 2014 and September 2017.

ZIP code	Neighborhoods	# of demolition permits
37209	The Nations/Sylvan Park/Sylvan Heights	583
37206	East Nashville	383
37208	Germantown, North Nashville	254
37215	Green Hills	251

Nashville ZIP codes with most residential demolition permits, Sept. 2014 - Sept. 2017 ³²

The Cost of Growth:

• Housing affordability:

One of the most critical consequences of gentrification is the lack of affordable homeownership options for people of color. In Nashville, roughly 34% of African Americans own their own homes compared to 68% of White residents and 40% of Hispanics. This racial homeownership gap is the 24th largest gap in the nation compared to the 50 largest metro areas. As African Americans have been displaced from the urban core to the suburban fringes of Davidson County, they are moving to areas that have been the hardest hit in terms of single-family rental conversions.

• Rent & Affordability:

Roughly 45% of households in Davidson County spend 30% or more of their gross income on rent. The burden of increasing rents has also impacted communities of color more than white communities.

• Drop in home ownership rate:

The demographic shift underway in Nashville contributes to numerous policy dilemmas. First, the drop in home ownership rates for African Americans is especially alarming. Historically, home ownership has been the primary tool to build and transfer wealth to future generations. This has vast implications on future generations, poverty, and elder-poverty.

• Access to services:

As urban residents are displaced, and communities change, social service providers and nonprofits also face being priced out of their communities. A bigger potential problem involves service delivery. As transit-dependent recipients of services are scattered across the region in search of more affordable housing options, they may be further from the services they need, and have limited access to efficient public transportation options. Accessing services and economic opportunities near downtown or in other growing counties will remain a challenge.

• **Impact on small business owners in Nashville:**

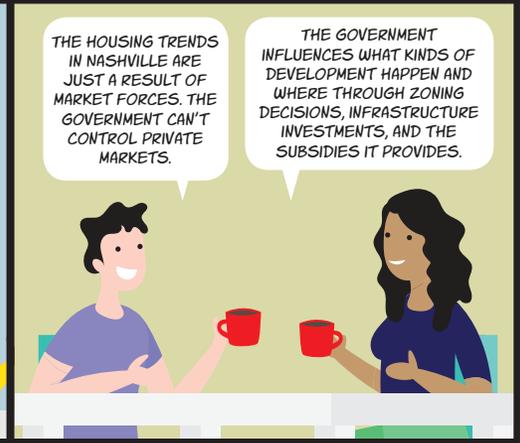
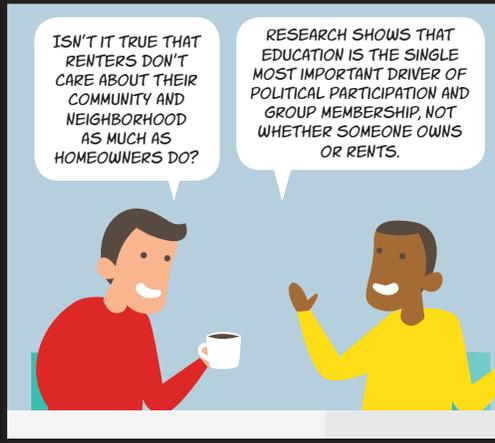
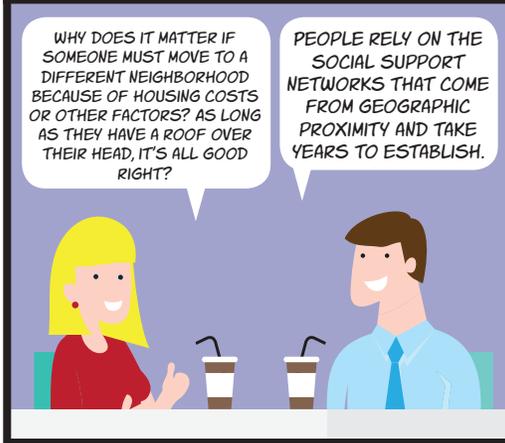
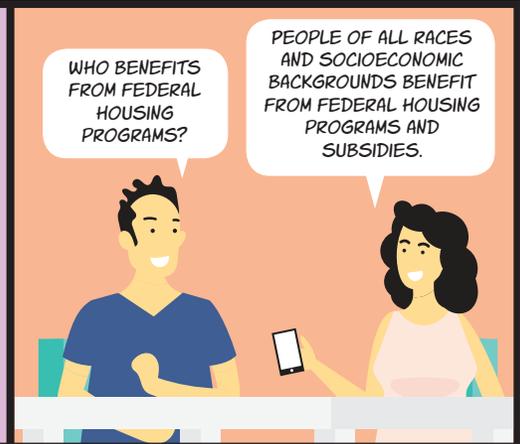
Increase in real estate prices	This could cause small businesses to relocate or close. Often, small business owners do not own the building or the property that they occupy. As a result, if rent increases significantly, they may have to close their business. ³⁴
Shift in demand	In gentrifying neighborhoods, when old customers move away, new residents may have different preferences and may want different products/services.
Shift in supply	Sometimes to cater to the shift in demand, small business owners may start selling goods and services targeted to higher-income customers, or they might be replaced by new businesses that are geared toward high-income earners. Low-income residents may no longer have the goods or services they need and/or can afford.
Products/services for immigrant communities	Small businesses being displaced may result in products not being available anymore, and this especially includes specialty items for ethnic groups and immigrant communities.
Community culture	When locally owned small businesses are replaced by bigger businesses and chain stores, a neighborhood and its culture may change.



Specifically, with regard to African Americans in the U.S., the following table summarizes some of the main barriers to homeownership that they experience and identifies some potential solutions:

Barriers to Access	Potential Solutions
<p>In big cities around the U.S., housing prices have gone up, and a lot of the newer construction is happening at the higher end of the market. This makes it even more difficult for Black home-seekers, who generally have lower incomes and assets than Whites to find affordable homes.</p>	<p>Inclusionary zoning (IZ) is one of the possible solutions to this. IZ is a policy that was first developed in the 1970s in response to exclusionary and often racially segregated. It requires or encourage new residential developments to make a certain percentage of the housing units affordable.</p>
<p>It is more likely for Black families to have lower credit scores than White families due to a long history of structural barriers to financing and banking options.³⁷</p>	<p>An increase in financial education and literacy, and the provision of housing counseling and homeownership preparation are of key importance. Laws against unfair lending practices should also be strengthened.</p>
<p>Higher down payment requirements is also a major hindrance for many and acts as a barrier to homeownership.</p>	<ul style="list-style-type: none"> - An increase in education and awareness about low down payment mortgage options. - Increased visibility of and access to down payment assistance programs.
<p>Compared with White households, Black individuals and families are less likely to buy a home at an earlier age. If this trend continues, the wealth gap and homeownership gap will widen.</p>	<p>Incentives such as a first-time homebuyer tax credits targeted toward Black households could help younger black individuals make the shift from being renters to homeowners.</p>
<p>It is important to not only create new black homebuyers, but also support homebuyers in maintaining their home.</p>	<p>This can be done through:</p> <ul style="list-style-type: none"> - Post-purchase home buying counseling - Home repair assistance programs - Neighborhood capacity building
<p>Policy is not keeping up with technology. While computer algorithms are increasingly making calculations and credit decisions, we must account for human biases around race that may very well result in algorithmic biases.</p>	<p>It is important for the government and regulatory organizations to ensure that as the housing finance system is increasingly reliant on technology, biased algorithms do not worsen existing inequities.</p>

Myth Busters:



Equity Lens:

One solution that a number of cities and government agencies across the U.S. have started adopting to counteract the effects of years of discrimination is called an equity lens. An equity lens, when implemented with a racial justice focus, is a tool that can help ensure that decision-making and resource allocation are leading to more racially equitable policies and programs.³⁸ It is essentially a set of questions to guide the development, implementation and evaluation of policies, programs, and budget issues in a way that produces racially equitable outcomes. Applying such a lens in a meaningful way requires leadership to strongly prioritizing the time, budget, and resources needed to create sustainable change.



Seattle - The City of Seattle developed the Racial and Social Justice Initiative (RSJI) and in 2014, the city's Mayor signed an executive order to affirm the city's commitment to this initiative. The goal of this program is to eliminate racial inequity in the city.³⁹



San Antonio - San Antonio examined historical discriminatory practices and, as a result, created an Equity Impact Assessment for budget decisions to justly distribute resources throughout various council districts in an equitable way. In the 2018 city proposed budget, San Antonio made decisions through an equity lens, which was used to allocate resources and set priorities to meet the needs of San Antonio residents. The city believes that allocating funds through an equity lens is an effective way to address years of historical housing segregation in certain districts.



Austin - Austin's Office of Equity has developed an assessment tool with the purpose of creating equitable policies. The Equity Assessment tool is provided to each department to assess the burden and benefit the department's policies place on communities of color to best meet the needs of communities with historic disinvestment.

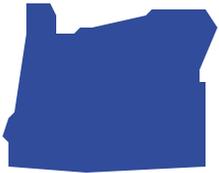


Minneapolis - Saint Paul - Minneapolis-Saint Paul committed to a novel community engagement process in support of the preparation of their fair housing Analysis of Impediments. The Twin Cities community engagement activities were carried out through two connected initiatives: a fair housing advisory committee and a community engagement microgrant program. This ensured greater participation and resources for low-income populations and communities of color.

Here are some other ways cities are addressing the disproportionate impact of housing discrimination on communities of color:



Louisville - Joshua Poe created an interactive StoryMap connecting redlining practices to the current make up of neighborhoods. Building off this story map, the city facilitated conversation through social media and podcasts to educate the community on the historical impacts of neighborhood disinvestment. Louisville's Mayor now leads a movement toward healing from racial inequities by explicitly acknowledging structural racism and advocating for public education.



Portland - Portland has committed \$70 million to its N/NE Neighborhood Housing Strategy which is aimed at addressing the history of displacement in historically Black neighborhoods.⁴⁰ The program provides down payment assistance and preference for affordable housing and housing loans to residents in neighborhoods impacted by the policies of urban renewal.⁴¹



District of Columbia - The DC Human Rights Act adds additional protected classes to the federally mandated 7 protected classes. This Act makes housing discrimination illegal based on 18 protected traits. For example, in DC it is illegal for a landlord to turn a prospective tenant away because they have a housing voucher.

CONCLUSION

We hope this booklet has shed light on the deep-rooted history of housing discrimination in Nashville and the U.S. and how we continue to see the effects of it today. If systemic racism and the housing crisis are issues that you care about, we encourage you to be vocal about your concerns with council members, decision makers, and your fellow Nashvillians. Get involved with local groups, neighborhood associations, and organizing groups. If you are facing displacement yourself or would like more information on how you can join the fight for more equitable housing in Nashville, we recommend looking into the resources below.

Resources



web: www.nashville.gov/Human-Relations-Commission.aspx
email: mhrc@nashville.gov
phone: 615-880-3370



web: www.las.org
phone: 615-244-6610



web: www.needlink.org
phone: 615-269-6835



web: www.opentablenashville.org
email: info@opentablenashville.org
phone: 615-415-0141



web: www.tennfairhousing.org
phone: 615-874-2344

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