

**HOUSING AND THE LAW: LESSON 8: HANDOUT 2*****REPARATIONS AND HOUSING<sup>1</sup>***

Reparations have been defined as follows:

1. acknowledging violations committed against a group of people;
2. identifying the root causes of these violations in order to prevent them from happening again in the future; and
3. issued by the government or by the people who committed these violations.<sup>2</sup>



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When people talk about **reparations for African Americans**, they are taking about the need to address the violations caused by slavery.

Slavery was the starting point for African American oppression in the United States. After slavery ended, though, many laws, policies and practices continued to harm African Americans. Many of these laws and practices continued to exist even after major civil rights legislation of the 1940s-60s.<sup>3</sup> These policies include the history of racist housing practices, which caused a huge wealth gap between Black and White Americans throughout the 20th century. Because African Americans weren't able to buy homes in good areas, they often could not sell them and earn a large profit. Profits from home sales often help create wealth that can be passed on from generation to generation in a family.

People are trying to figure out how to use reparations to address housing issues, because housing discrimination still exists and has measureable effects. Studies have shown how people still do not sell Black people homes in nice areas, and banks deny Black people home loan at higher rates than White people do. Housing discrimination also affects the wealth gap. The wealth gap refers to how much a person owns that has value (like stocks, savings, and home ownership). African Americans also make much less money than White Americans. African Americans earn 60 percent of the income compared to White Americans but have only 16 percent as much wealth.<sup>4</sup> This wealth gap is tied to home ownership. Housing discrimination is partly responsible for this gap. Because of these policies African Americans have owned fewer homes, and these homes they do own are often worth less than homes owned by White Americans.

<sup>1</sup> This handout is adapted from Jonathan Kaplan and Andrew Valls, "Housing Discrimination as a Basis for Black Reparations," *Public Affairs Quarterly*, 21, no. 3 (2007), 255-273.

<sup>2</sup> See <https://www.facinghistory.org/educator-resources/current-events/debate-over-reparations-racial-injustice>. Here, the article cites the definition given by the International Center for Transitional Justice (ICTJ).

<sup>3</sup> Kaplan and Valls, "Housing Discrimination as a Basis for Black Reparations," 255.

<sup>4</sup> Kaplan and Valls, 258.

These discriminatory practices include the tactics discussed previously in this unit. After state-mandated segregation was struck down in 1917, racial covenants took the place of legal separation until the Supreme Court ruled that they could not be enforced in 1948's *Shelley v. Kraemer et al.* However, as we have learned, people, often White Americans, continued to be creative in discriminating against African Americans' access to housing.

One particularly harmful practice was **discriminatory lending**. Lenders rarely gave Black buyers loans. They also directed White homebuyers away from Black neighborhoods into all-White residential areas. This practice increased the worth of homes in White neighborhoods while decreasing the value of homes in predominantly Black neighborhoods.<sup>5</sup>

Housing discrimination has created other forms of racial inequality. The value of a neighborhood often determines the types of schools, hospitals and grocery stores in the area.<sup>6</sup> Money for public education comes from property taxes. In wealthier neighborhoods, people pay more in taxes, which provides money for schools. In poor neighborhoods, taxes are lower, which means less money for public schools. Since most wealthy neighborhoods are majority White and poorer neighborhoods are majority Black and Latinx, White students often attend schools with much more funding than African American students do. A 2016 report found a \$23 billion racial funding gap across American schools, showing that students attending wealthy, majority White public schools received \$23 billion more than students attending schools in poorer neighborhoods did.<sup>7</sup> Ultimately, historical discrimination in housing creates significant and lasting consequences.

Different suggestions have been proposed as to how reparations could fix these gaps caused by housing discrimination. Some have suggested that African American homebuyers should be offered good mortgage rates, lower interest rates and lower down payments. The federal or state government could **subsidize** this option. Another proposal to fix the inequality created by housing discrimination is by focusing on public schools.<sup>8</sup> One suggestion is to integrate wealthy and poor schools using busing. That way, the amount of property taxes a community pays will not affect the quality of education a child receives. Last, some have argued for direct cash payments, which would allow Black people to do things like buy a home in a nice neighborhood. While the city of Asheville, North Carolina, recently passed a bill for reparations for Black people, these policies would need to happen at the state or federal level to ensure all African Americans can benefit.

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<sup>5</sup> Kaplan and Valls, 258-259.

<sup>6</sup> Kaplan and Valls, 270.

<sup>7</sup> See Laura Meckler, "Report Finds \$23 Billion Racial Funding Gap For Schools," *The Washington Post* (February 26, 2019). Retrieved from [https://www.washingtonpost.com/local/education/report-finds-23-billion-racial-funding-gap-for-schools/2019/02/25/d562b704-3915-11e9-a06c-3ec8ed509d15\\_story.html](https://www.washingtonpost.com/local/education/report-finds-23-billion-racial-funding-gap-for-schools/2019/02/25/d562b704-3915-11e9-a06c-3ec8ed509d15_story.html).

<sup>8</sup> Kaplan and Valls, 269.