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# Testimony for AB 3121: Task Force to Study and Develop Reparation Proposals for African Americans

# American Apartheid

In thinking about reparations and infrastructure we need to think about the larger ecosystem of transportation, housing, and land use and the ways the public and private sectors have created inequities and harms to African Americans through a multi-dimensional and systematic array of discriminatory policies from the Federal Government on down.

This effectively created a unique form of American Apartheid that must be corrected.

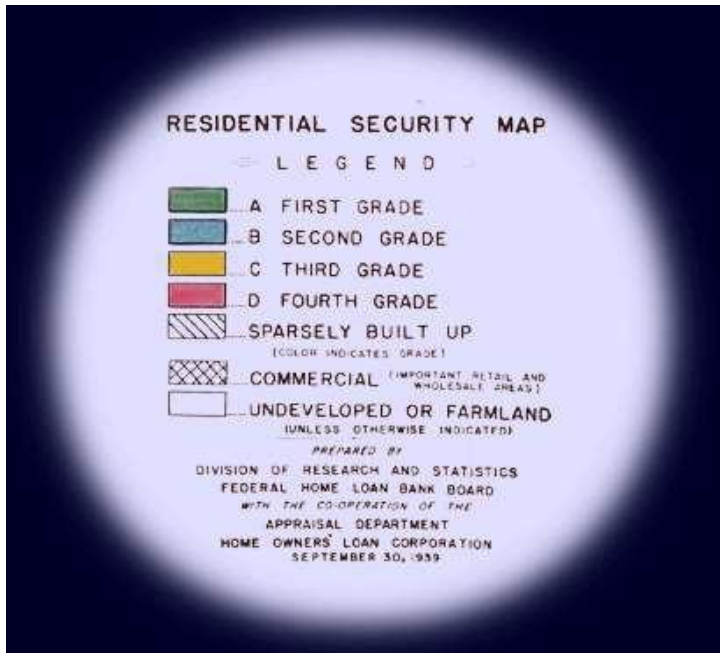
To give an overview, African Americans have been harmed in the following ways:

1. By being barred from mortgage assistance in their own communities.
2. By the building of highways through their communities that tore them apart and barricading them off from opportunities.
3. Through displacement and community severance from urban renewal and eminent domain
4. By being forbidden from buying houses in the white, affluent suburbs - unable to access schools and other career advancing opportunities.
5. By being less served by the bus transit system they relied upon for mobility.
6. By being more vulnerable in the streets to both police and traffic violence.
7. By being overrepresented in the homeless population.

**Issue:** And now African American communities are vulnerable to displacement and community severance that can come from the growing forces of gentrification.

# Harm #1: Redlining and Lack of Support for Mortgages

The Federal government, starting in the 1930s, furthered discriminatory practices first by discouraging the refinance of at-risk loans in and near African-American neighborhoods through the policy known as "redlining", where the Home Owners Loan Corporation (HOLC), working in concert with local real estate agents, marked Black communities with red and gave them a grade of D or "hazardous investment". In tandem, the Federal Housing Administration (FHA) seriously limited the insurance of mortgages in these communities, and the banks followed suit. In effect, the Federal Government, working with locals, actively crippled African Americans in their ability to buy and secure homes in their own communities, effectively lowering home values, wealth creation, and the ability to move up to the middle class.



**Graded based on risk for investment.**

**Green Areas**

Safest Investment

**Blue Areas**

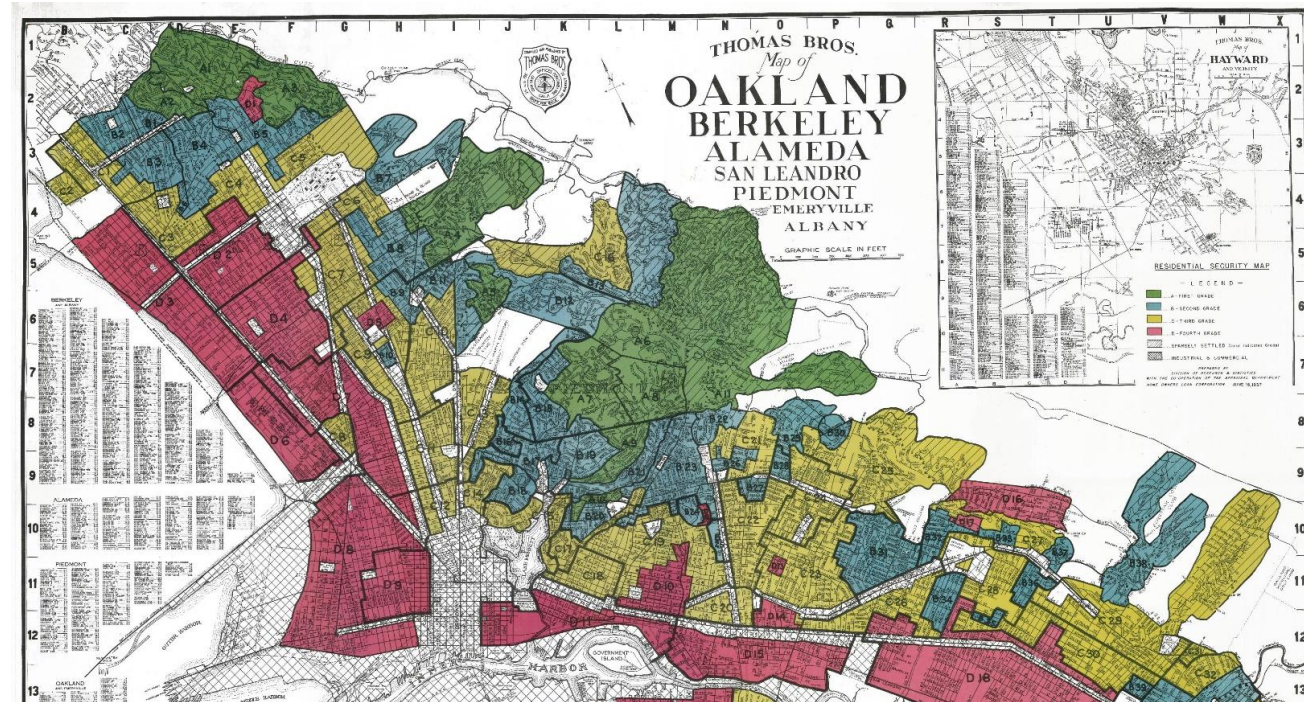
Mostly safe investment

**Yellow Areas**

Risky investment

**Red Areas**

Hazardous investment



UNDERWRITING  
MANUAL

UNDERWRITING AND VALUATION PROCEDURE  
UNDER TITLE II  
OF THE  
NATIONAL HOUSING ACT

FEDERAL  
HOUSING ADMINISTRATION



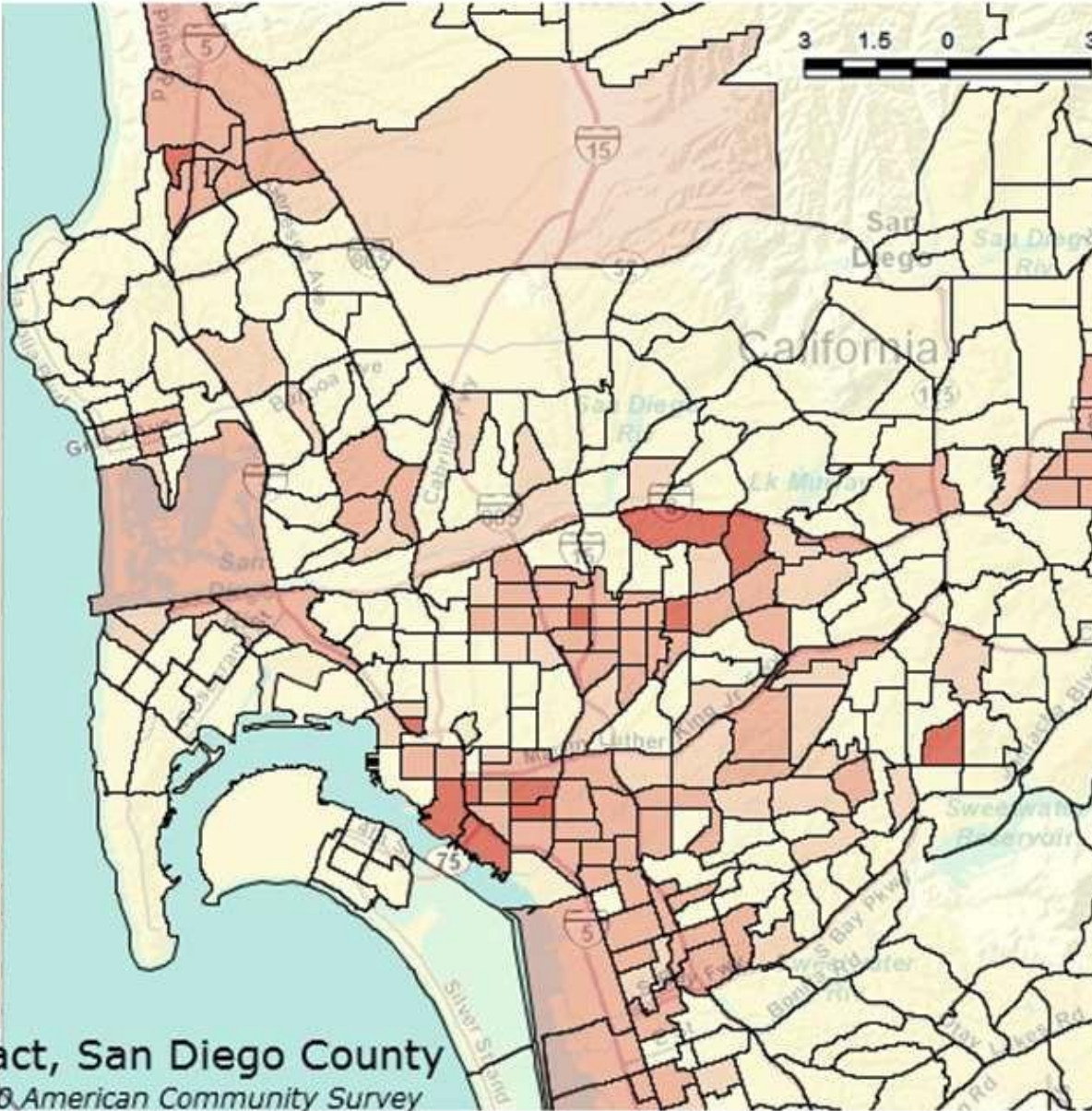
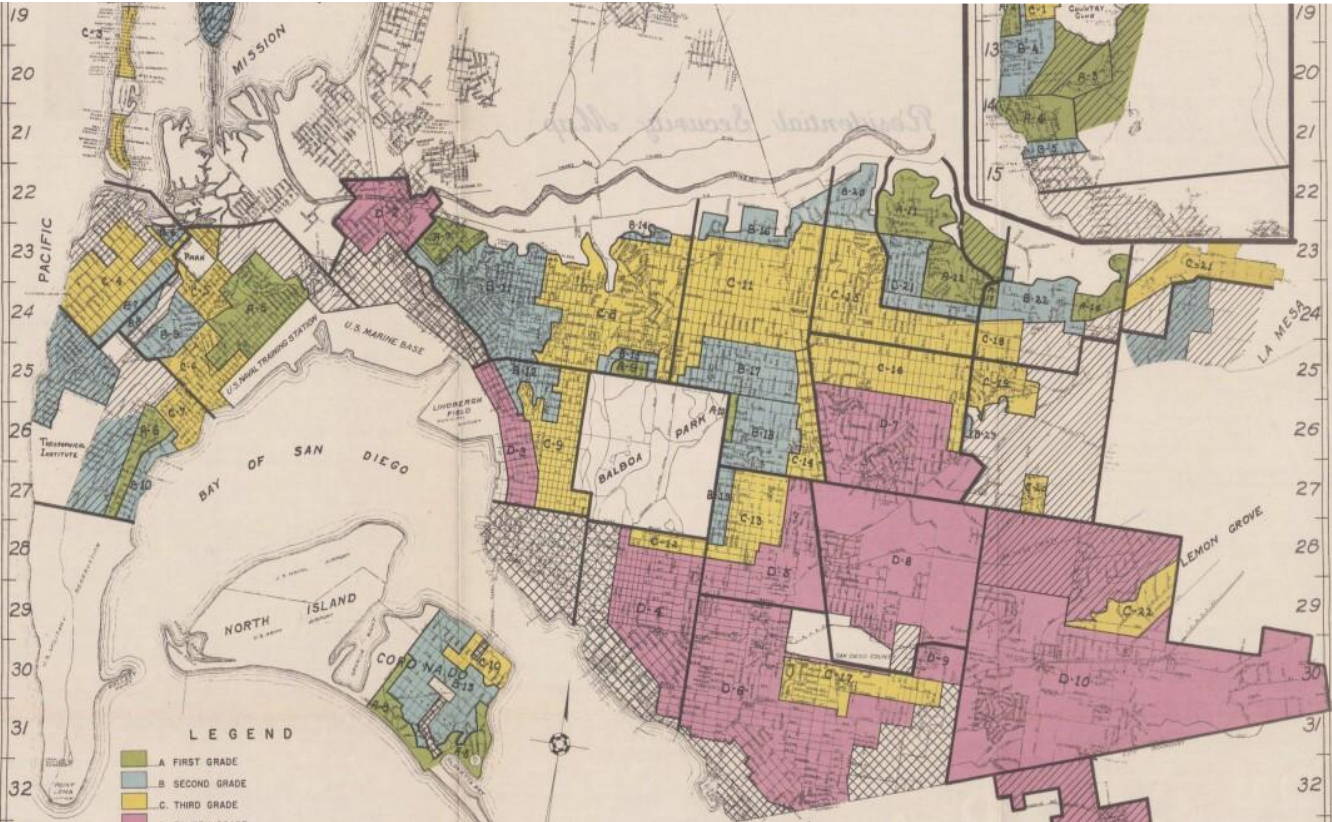
WASHINGTON, D. C.

The FHA discouraged banks from making any loans at all in urban neighborhoods rather than newly built suburbs; according to the FHA Underwriting Manual, “older properties . . . have a tendency to accelerate the rate of transition to lower class occupancy.”

If you couldn't obtain FHA backed loans, you were subject to predatory lending practices with high interest rates and punitive terms.



# Redlining and Poverty Rates



Poverty Rate by Census Tract, San Diego County  
Source: U.S. Census Bureau, 2006-2010 American Community Survey







Oakland 1946





UNDERWRITING  
MANUAL

UNDERWRITING AND VALUATION PROCEDURE  
UNDER TITLE II  
OF THE  
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FEDERAL  
HOUSING ADMINISTRATION



WASHINGTON, D. C.

The FHA favored mortgages in areas where boulevards or highways served to separate African American families from whites, stating that “[n]atural or artificially established barriers will prove effective in protecting a neighborhood and the locations within it from adverse influences, . . . includ[ing] prevention of the infiltration of . . . lower class occupancy, and inharmonious racial groups.”

# Detroit, MI

Hastings Street (Looking North) 1959



Chrysler Freeway (Looking North) 1961





**Detroit, MI**



SAN FRANCISCO

McLaughlin Eastshore State Park

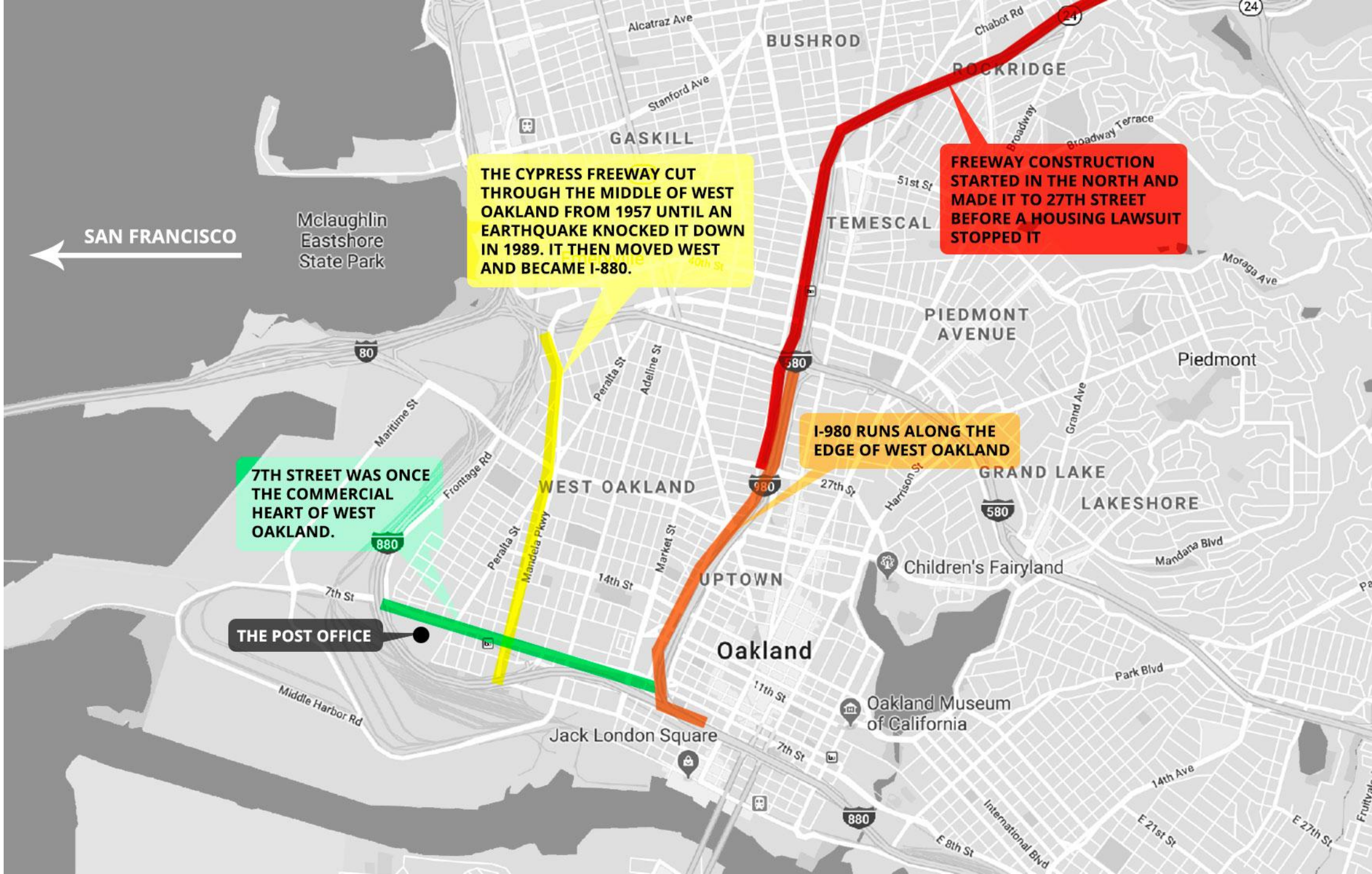
THE CYPRESS FREEWAY CUT THROUGH THE MIDDLE OF WEST OAKLAND FROM 1957 UNTIL AN EARTHQUAKE KNOCKED IT DOWN IN 1989. IT THEN MOVED WEST AND BECAME I-880.

FREEWAY CONSTRUCTION STARTED IN THE NORTH AND MADE IT TO 27TH STREET BEFORE A HOUSING LAWSUIT STOPPED IT

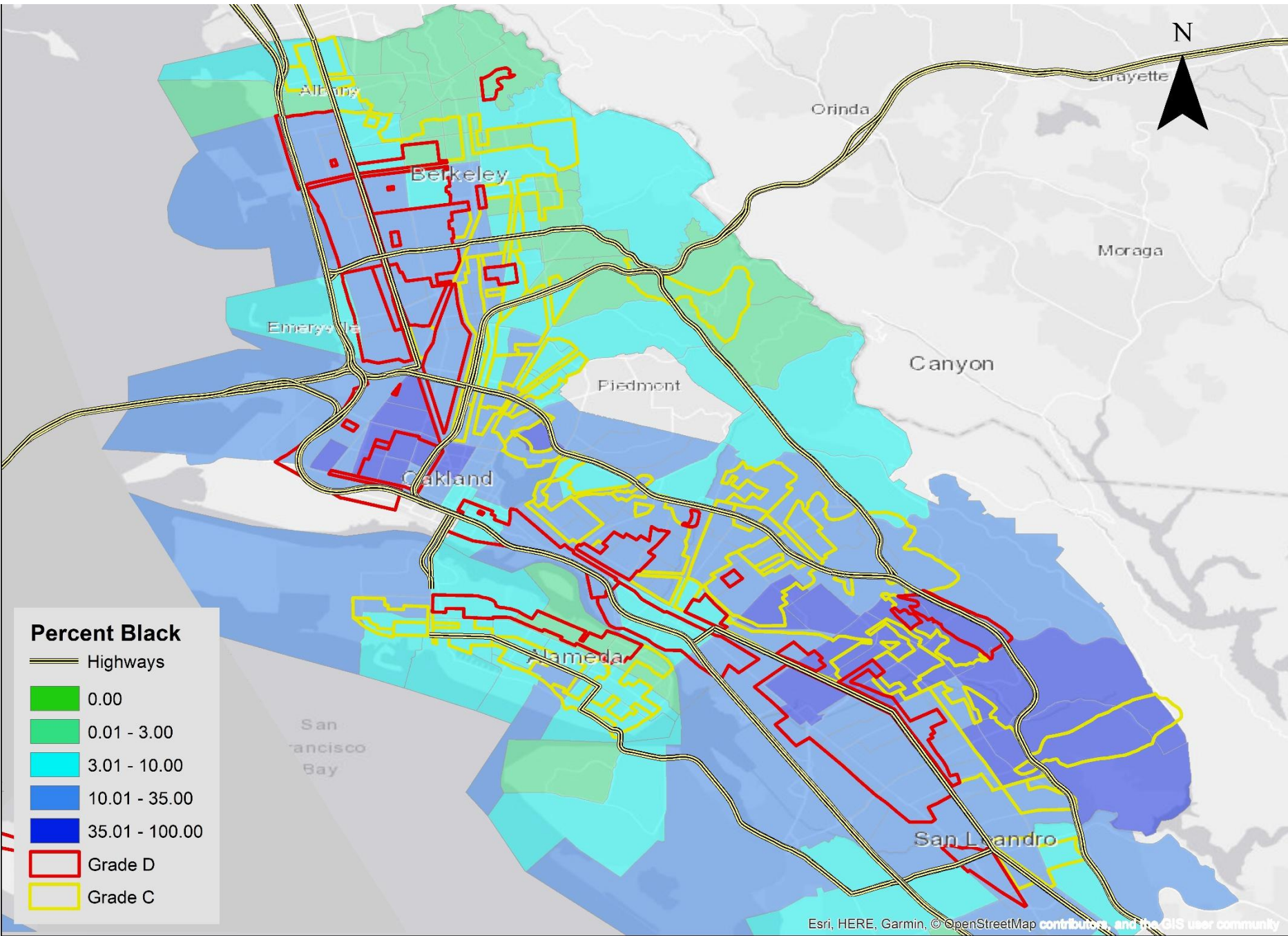
7TH STREET WAS ONCE THE COMMERCIAL HEART OF WEST OAKLAND.

I-980 RUNS ALONG THE EDGE OF WEST OAKLAND

THE POST OFFICE









## Harm #3: Urban Renewal and Eminent Domain

Places like West Oakland were also ravaged by forces of urban renewal from public housing to military port reclamation. In the 1950s, when the federal government started handing out millions for projects, the city declared the redlined areas “slums” and began to clear them out. All of this at the hands of the federal government, which was effectively an unreachable force that community members could not communicate with, like they could a Mayor or City Councilor.





## Eminent Domain & Bruce's Beach



- In 1912, Willa and Charles Bruce purchased land in Manhattan Beach
- Since the surrounding beaches were mostly off limits to African Americans, they built a thriving resort for them.
- Constantly facing harassment and violence from the surrounding white community, the Bruce's had their land seized by the City in the 1920's by way of "eminent domain" purportedly for use as a park. The City would not build this park for nearly 30 years.
- On September 30th, 2021, Governor Gavin Newsom signed a bill that gave the land back to the descendants of Willa and Charles Bruce

## Harm #4

### Banned from the Suburbs

On top of redlining and highway building, the FHA was subsidizing builders who were mass-producing entire subdivisions for whites — with the requirement that none of the homes be sold to African-Americans.



Sign across from a public housing project in Detroit, MI, 1942

Source: Wikimedia Commons

Levittown,  
PA

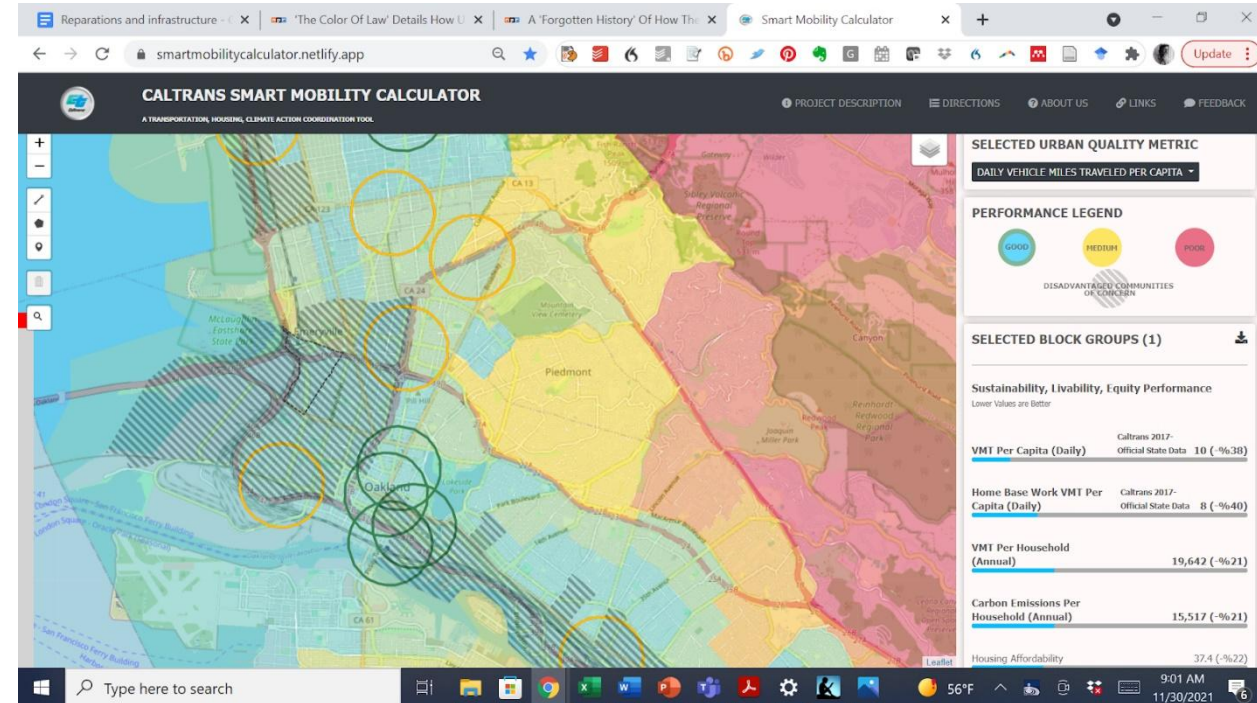




# Issue: Concerns over Gentrification

Fast forward to today and we can see that the areas that were redlined are now ripe for redevelopment as they are more affordable and in more accessible locations (to transit and highways) .

- Through the use of the Smart Mobility Calculator I developed for Caltrans, we can also see that the disadvantaged communities and formerly redlined neighborhoods (in hatching) have some of the lowest Vehicle Miles Traveled (VMT) and greenhouse gas emissions (GHGs) as shown in the bluegreen areas.
- All this makes them attractive for development to meet California's climate action goals, especially through such bills as:
  - SB 10 (housing near transit)
  - SB 743 (CEQA exemption for areas of low VMT) and
  - SB 35 (streamlining CEQA processes for affordable housing).
- All this means measures need to be put in place to help stop displacement that can come from gentrification.



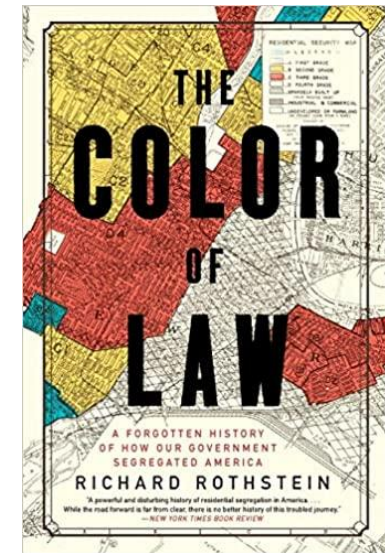
(For more, see <https://smartmobilitycalculator.netlify.app/>)

## Issue: Impacts on Wealth Creation

Today African-American incomes on average are about 60 percent of average white incomes. But African-American wealth is only about 5 - 9 percent of white wealth.

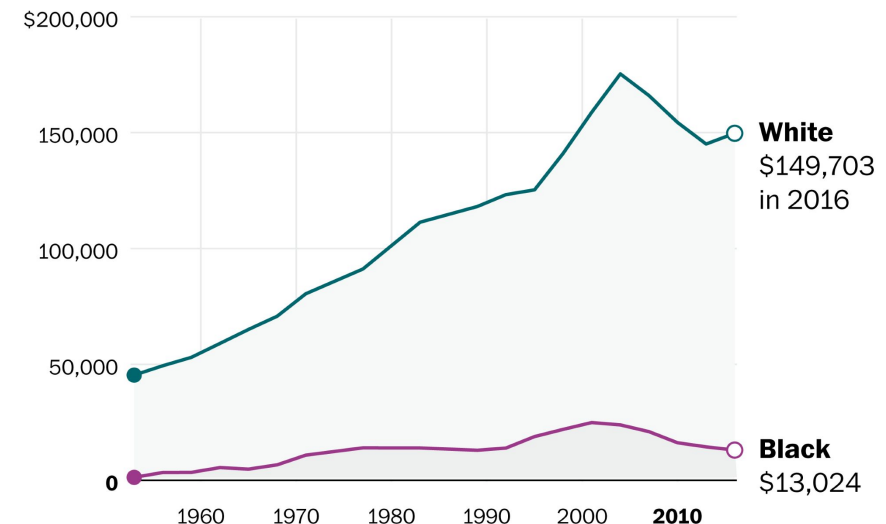
Most middle-class families in this country gain their wealth from the equity they have in their homes.

According to Rothstein, this enormous difference between a 60 percent income ratio and a 5 - 9 percent wealth ratio “is almost entirely attributable to federal housing policy implemented through the 20th century” (Rothstein, 2017).



### White wealth surges; black wealth stagnates

Median household wealth, adjusted for inflation



Source: Historical Survey of Consumer Finances via Federal Reserve Bank of Minneapolis and University of Bonn economists Moritz Kuhn, Moritz Schularick and Ulrike I. Steins  
THE WASHINGTON POST



## Harm #5: Public Transit

Another way infrastructure has created inequities and discriminations is in how public transit has been funded and operated. Oftentimes transit funding is being applied to the development of expensive rail projects that serve white suburbs at the expense of bus service that serve communities of color.

Several famous cases have fought this battle, namely the LA Bus-Riders Union in the 90s and the Darensberg vs. MTC case in the SF Bay Area in the 90s and 2000s (Golub et al. 2013).

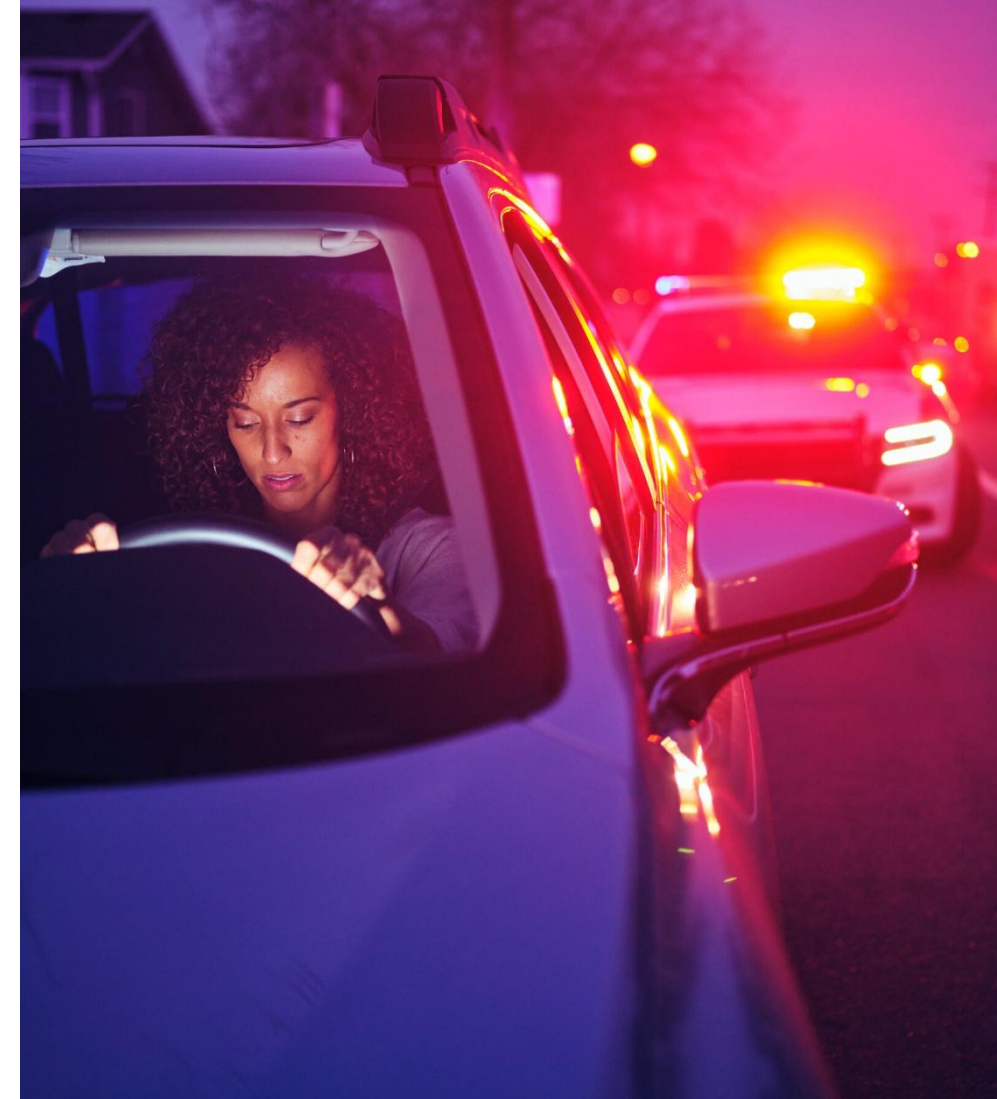


## Harm #6

### Police Stops and Traffic Violence

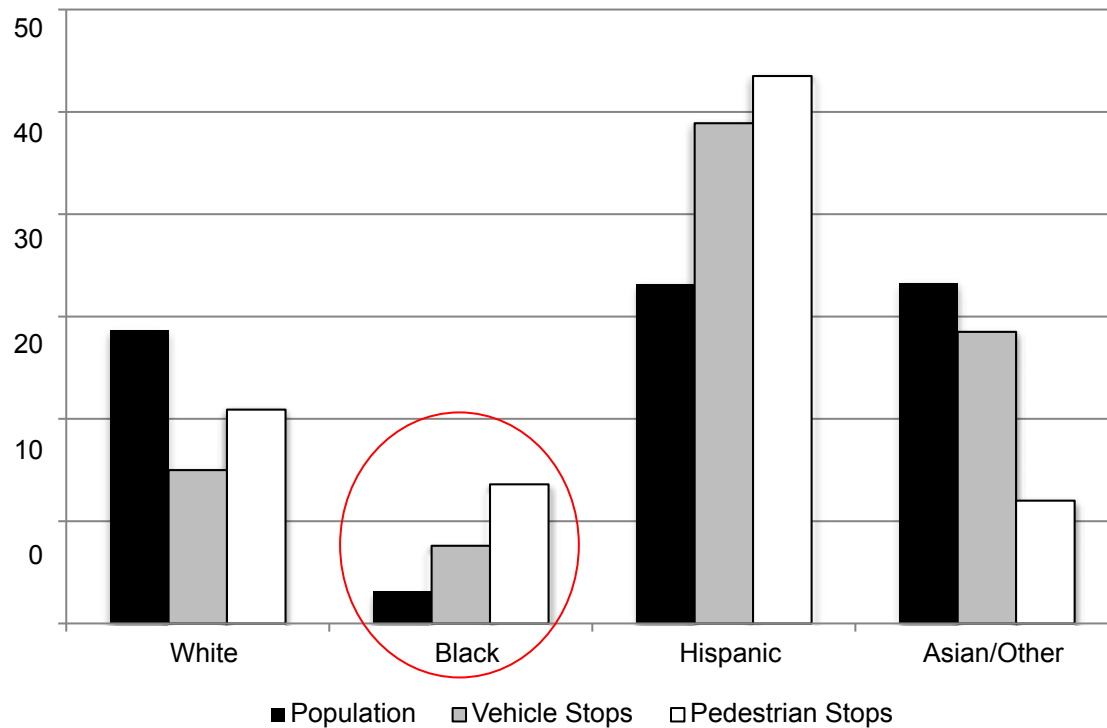
When thinking of infrastructure we also need to think of how things affect people walking, bicycling, and driving. Here are some statistics:

- People killed while walking are twice as likely to have a low income.
- African-American children are twice as likely than white children to be killed while walking.  
(Fox & Shahum, 2017, p. 1).
- Drivers of color are stopped by police at a rate double the national average (24% vs. 12%) (Engel & Calnon, 2004; Epp, et al., 2014).
- For black drivers, the likelihood of being searched has ranged from no-difference to four times as frequently as white drivers.





**Figure 1. Comparing driver and pedestrian stop rates with San Jose's racial composition**



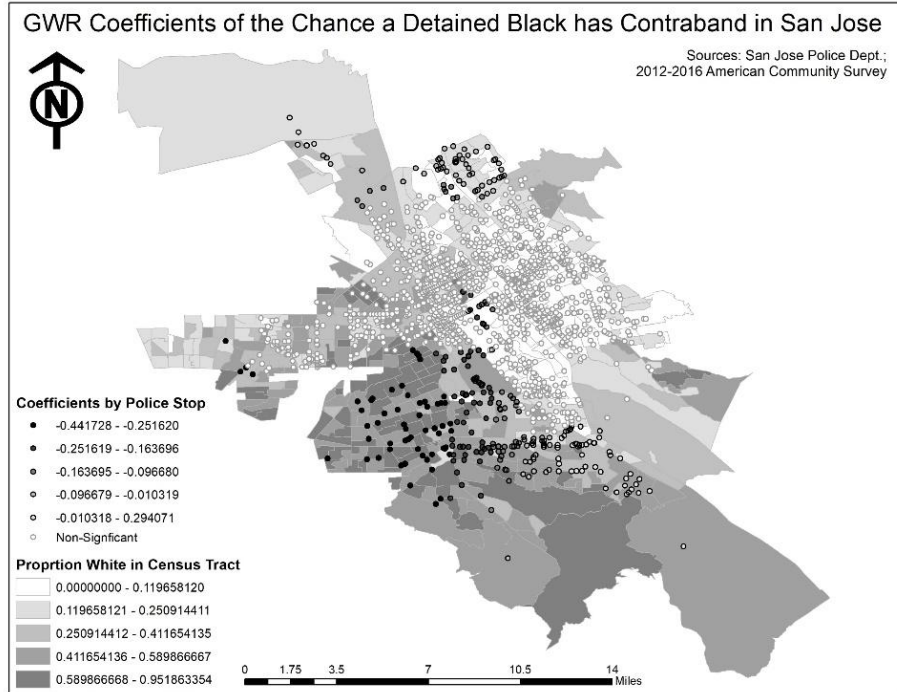
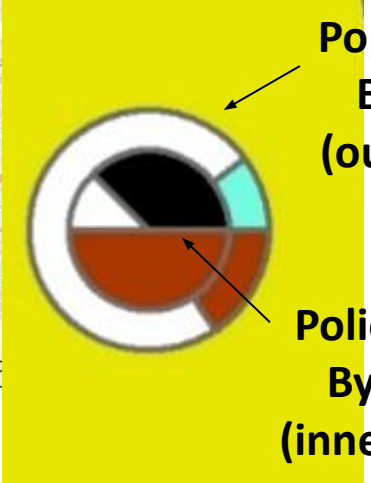
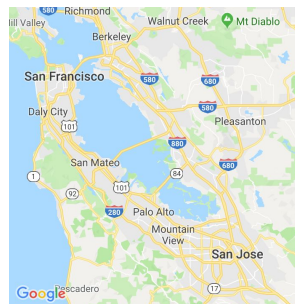
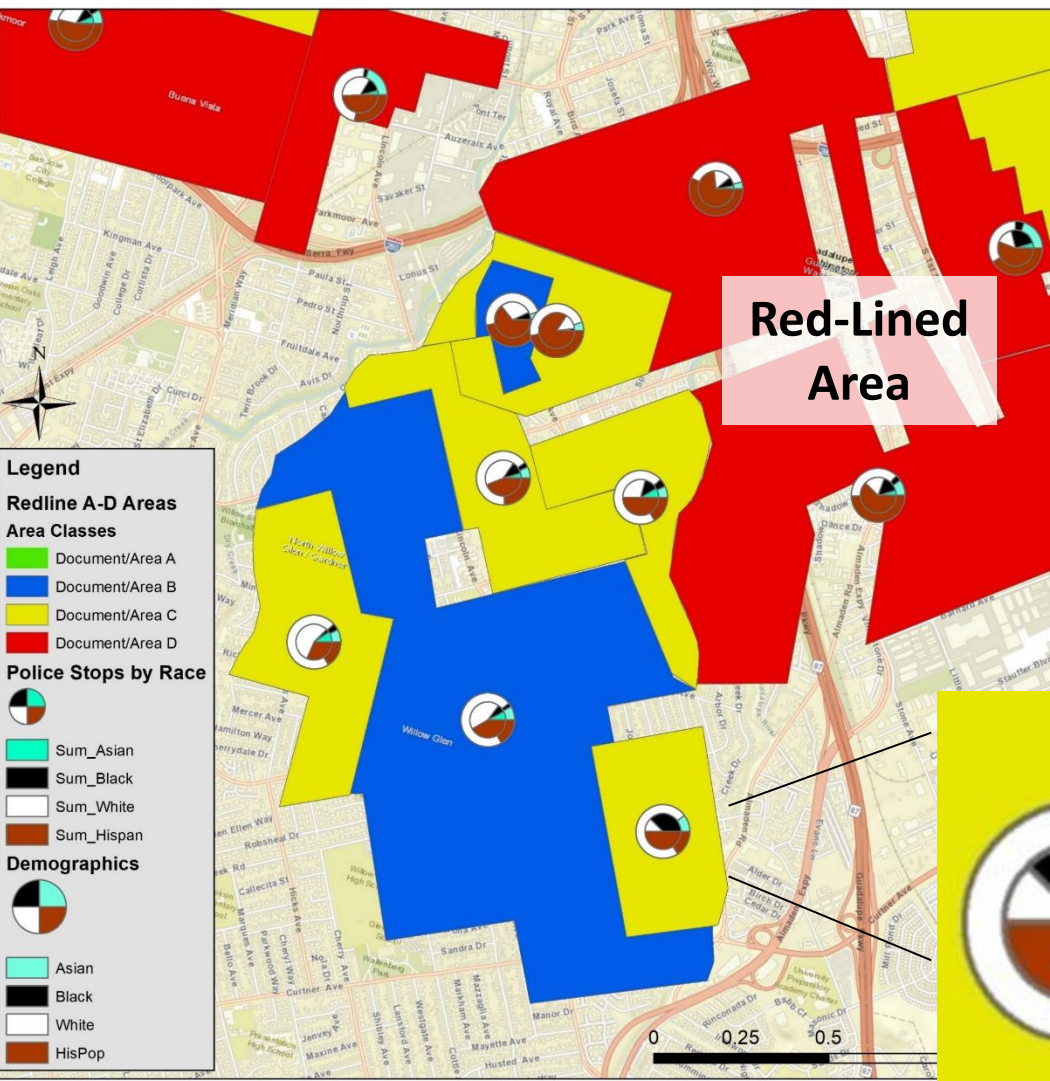
African American pedestrians are stopped at a rate about 5 times that of their underlying population.

# SOCIO-CULTURAL HARMS: POLICE STOPS AND RED-LINING IN SAN JOSE, CA

- JOSHUA CHANIN, JOSEPH GIBBONS, BRUCE APPELEYARD

### Black Drivers:

- Higher rate of being stopped (twice national average)
- Higher rate of being searched (as high as four times)
- But lower rate of being justified by anything being found
- Appears to be more extreme in whiter, more affluent areas



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## Harm #7 Homelessness

African Americans are also often over-represented in the homeless population.

From a survey in San Diego, African Americans account for 31 percent of the homeless population, while only constituting about 5 percent of the underlying population (Welsh et al., 2021)



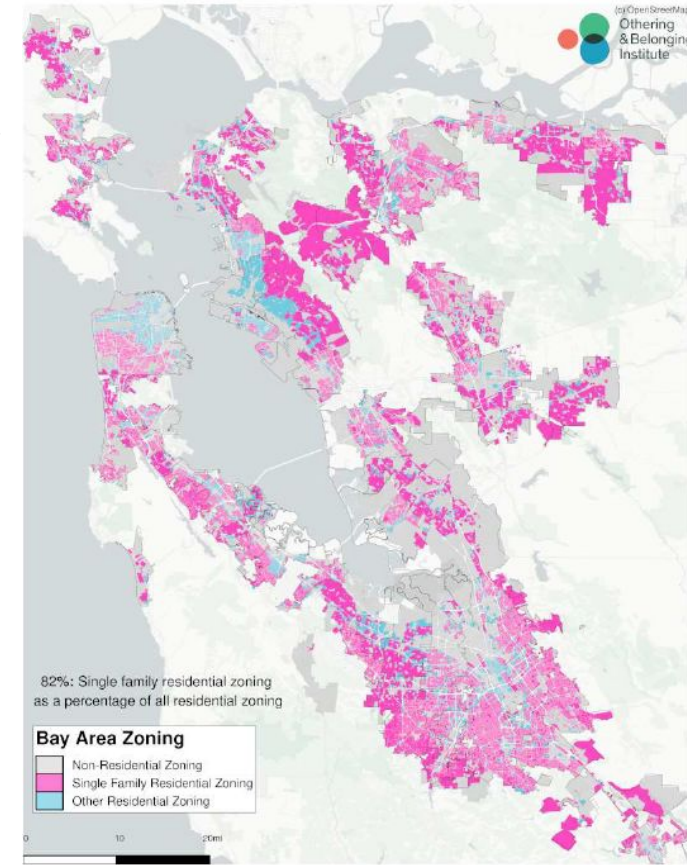


## Policy Recommendations

On top of reparations we can think about policy remedies as follows:

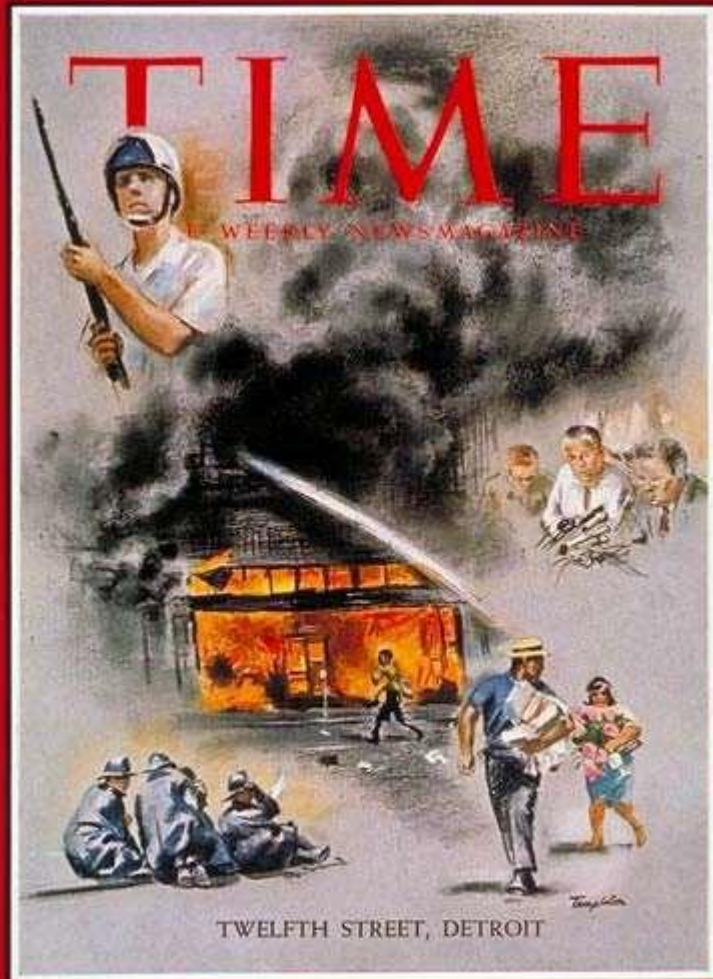
- Open up new neighborhoods and suburbs to African Americans by getting rid of exclusionary single family zoning and allowing townhomes and apartments in those zones.
  - SB 9 and SB 35 both go a long way toward making this happen, but banks also need to make changes to facilitate financing for home ownership in these types of developments.
  - These starter homes would allow more access to build wealth and enter the middle class.
- For highways that were built through neighborhoods, we can offer reparations and businesses and other funding programs like those offered in Syracuse, New York. We can also tear them down or run them underground and reconnect the community.
- For neighborhoods attracting gentrification, we can create anti-displacement programs which can include rental and home-buying assistance, business loans, and other programs.
- Create a well-funded bank to invest in communities of color to fund businesses, home loans, etc.

Single Family Zoning in the Bay Area  
85% single family





# Advisory Commission on Civil Disorders (**Kerner Commission**, 1968)



Urban Riots starting in 1964 (Detroit), peaking in Watts in 1965, and then continuing in 1966 and 1967.

# Advisory Commission on Civil Disorders (**Kerner Commission**, 1968)

"Segregation and poverty have created, in the racial ghetto, a destructive environment totally unknown to most white Americans. What white Americans have never fully understood, but what the [African American] can never forget, is that white society is deeply implicated in the ghetto.

- white institutions created it,
- white institutions maintain it,
- and white society condones it."





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