

The Arc of Justice: From Here to Equality

Episode 3 -- A Tale of Two Cities: How the Federal Government Promoted Housing Segregation and Thwarted Black Home Ownership

Lindsay Foster Thomas: In northwest Detroit, there's this neighborhood. It's called Garden Homes Community. Mostly Black people live there, in single family homes with leafy, tree-lined backyards and through some of those backyards stretches a concrete wall. It's been there for more than 80 years.

Timothy Jagielo: I'm standing by the wall... It's concrete and it has kind of thick columns. Every I'll say 10 feet. ...

Lindsay Foster Thomas: Our contributor Timothy Jagielo paid a visit to the wall on a recent afternoon.

Timothy Jagielo: Sections of it are plain gray concrete, some sections are painted white.

Lindsay Foster Thomas: When it was built in 1941, the wall stretched for half a mile. It's six feet high, a foot thick, and these days, it's pretty overgrown with branches and shrubs. Folks who live in Garden Homes now probably don't think much about the wall or why it's there. ...unless they visit the neighborhood park the wall also runs through.

Timothy Jagielo: The section that goes through the park is painted with murals, really colorful murals...they share like a vibrant, high contrast, simple, kind of blocky look to them. Some of the mural is kind of just abstract, but some of it has kind of a historical social justice theme to it, um, there are some people carrying picket signs.

Lindsay Foster Thomas: The murals hint at the wall's history: how it was built to separate Black homeowners from white ones with the full blessing of the federal government.

From the Sanford School of Public Policy at Duke University, this is "The Arc of Justice: From Here to Equality," a special series from the podcast Ways & Means. We look at the vastly different financial fortunes of Black and white Americans, how this wealth gap was created and how we might begin to close it. I'm Lindsay Foster Thomas.

Today: how the federal government helped usher in a new era of homeownership -- while sanctioning racial segregation and the destruction of Black neighborhoods.

It's a chilly Friday afternoon, and two girls are playing basketball in Alfonso Wells Memorial park in northwest Detroit. Right next to them is the city's infamous 8 Mile Wall. Timothy Jagielo has come out to the park to find out how much local residents know about the wall.

Timothy Jagielo: What do you know about the wall? Do you know why it was built?

Alexus Jenkins: I think it was built for separation.

Lindsay Foster Thomas: That's Alexis Jenkins. Her grandmother lives nearby.

Timothy Jagielo: What do you mean by that?

Alexus Jenkins: Like, Blacks and whites. That's why I think it was built because it's been there for like a really, really long time.

Lindsay Foster Thomas: This wall, it goes by several names. Some people call it the 8 Mile Wall, some call it the Birwood wall. It's also been called Detroit's Wailing Wall. But there's no mystery about what purpose it served. And it's no big surprise communities were segregated by race in the 1940s...but the wall's origin story builds on a recurring narrative in American history: that the US government was a primary perpetrator of deepening the racial wealth gap.

Kenneth Johnson grew up near the wall. He remembers playing there as a child. It was just, you know, part of the landscape. That is, until he learned why it was built.

Kenneth Johnson: [laughs] Kids are kids, right? And to feel rejected, or ostracized, or, you know, what to be told to get out of here, and which we were told that, sometimes it does, we'll be over here, this kind of thing. So, what I would do, I'm being honest, what I would do along with some of my friends, we would tie cans on our, on our bicycles and we would ride through the neighborhood making all kinds of calamitous noise, to irritate the people who told us we couldn't come in, and they would be angry and upset. Well, my thing was now you know how we feel that we can't come in your neighborhood or your community.

Lindsay Foster Thomas: Kenneth belongs to a group called the 8 Mile Old Timers' Club. He says his community was close-knit when he was growing up. It had to be. Back when the Birwood wall was built in 1941, racially restrictive covenants kept Black potential homeowners from renting or purchasing property in 80 percent of the city.

Gerald Van Dusen: And this is one little square of real estate along with five other little pieces of land in Detroit, where African Americans could purchase or rent property.

Lindsay Foster Thomas: This is Gerald Van Dusen. He's the author of "Detroit's Birwood Wall: Hatred & Healing in the West Eight Mile Community."

Gerald Van Dusen: When they did purchase these little lots, they sought out bank loans but the bankers, even the black-owned banks who were trying to survive, they were unable to offer loans to these black tenants.

Lindsay Foster Thomas: And there's more. Because black residents were often denied home loans, many Black homes were "self-built."

Kenneth Johnson: I was just turned four years old when I moved into the community. We moved from a project called the Jeffries Projects. And so, when we moved in, we moved into a brand-new house, it was just built. No one had lived there before, and it was our neighbor, he and some other people had built that house. They constructed that house.

Lindsay Foster Thomas: Okay, fine. Don't give me a loan to buy a house. I'll build one myself. Ah ah ah. Because the homes were self-built, local housing authorities would often deem these houses "not up to code." The Federal Housing Administration and local housing authorities outlined neighborhoods they considered to be bad investments in red ink on city survey maps. Those red marks, running through Black neighborhoods gave rise to the phrase "redlining."

Better equipped to explain are Duke Professor William "Sandy" Darity and Kirsten Mullen, an arts consultant and folklorist. They're co-authors of the book "From Here to Equality: Reparations for Black Americans in the 21st Century."

All right, so you guys know about this famous wall in Detroit, the 8-mile wall or the Birwood wall, as some people call it, was built in 1941 – was this wall the result of redlining?

Kirsten Mullen: Yeah, you know, this is a situation where local people were not content to have those red lines exist solely on paper. They needed a physical wall to create that line of demarcation between the black and the white neighborhoods.

William "Sandy" Darity: So, by constructing the wall, they could ensure that on one side of the wall you had an all-white neighborhood, and this would be a neighborhood that would be a prime site for additional bank loans that were denied the folks who were Black living on the other side of the wall. And in fact, you could even argue that the Black residents on their side of the wall were subjected to credit starvation by the banking system. So, the federal policy of redlining was something that was really important in justifying the establishment of this wall.

Lindsay Foster Thomas: Like Kirsten and Sandy, John Kimble has studied how the Federal Housing Administration – the FHA – promoted segregation.

John Kimble: The economists at the FHA, the chief economists thought that racial integration was sort of a natural evil. These aren't my words. These are things that they wrote in industry articles, industry publications, and in government memos that racial integration would threaten the long-term value of the homes because they took it as a sort of a given truth that racial integration was unnatural.

Lindsay Foster Thomas: Sandy Darity says the FHA didn't act alone.

William "Sandy" Darity: Yeah, I mean you, you, you could describe redlining as a public - private partnership. Because the federal government plays a key role in designating specific neighborhoods as being either A, B, C or D quality for lending, and then the private banks follow suit in terms of their own credit allocation practices based upon the designations that the federal

government had provided them with, became a rationalization or justification for lending disproportionately to predominantly white --residents of predominantly white neighborhoods.

Kirsten Mullen: Yes, and when the black neighborhoods fell into disrepair. This provided, visual evidence to whites that black people were irresponsible, had different values from their own and fed into the fears that. Black people would come into the neighborhood and ruin what they had worked so hard to build,

Lindsay Foster Thomas: And I'm just curious, OK, you use the word desirable, but like how explicit was the language in the application that encouraged segregation coming from the Federal Housing Administration?

William "Sandy" Darity: Well, they would literally apply alphabet letter scores to neighborhoods... And if you were a neighborhood that was designated as being a desirable lendings, like the most desirable, you would get a letter A. And this ran from B, C and D, and the predominantly black neighborhoods were invariably assigned the D score. You know, they might be assigned to C, but they were definitely specified as being less desirable sites for lending. ...But the central characteristic that dictated which alphabet score you got was the racial composition of the neighborhood.

Lindsay Foster Thomas: Indeed, there was nothing subtle about the FHA's support of segregation. Here's John Kimble:

John Kimble: So, the government set about a very, very detailed nationwide regime of teaching banks and requiring banks to only make loans to segregated white communities. And for city planners they taught them how to build those communities, how to ensure that they remained white, and also to work to contain black migrants to cities in specific designated areas of the city.

Even more specifically, to support this redlining project, the FHA had appraisal forms that it required banks to use when it was appraising the value of the home that someone was trying to purchase and get a loan for. And that appraisal form included questions like, Is there a negro invasion of the neighborhood? Or the potential for a negro invasion of the neighborhood? And if you answered yes to those questions you couldn't get a loan.

Lindsay Foster Thomas: In the early 1940s, Detroit was growing, and developers saw a chance, a chance to build a new, middle-class white neighborhood in the northwest part of the city. The FHA refused to back the project -- because it bordered Garden Homes, a black neighborhood. FHA support was key, because home loans depended on FHA insurance. Then the landowners and a local developer, Harry Slatkin, suggested this six-foot, concrete barrier to separate the new white community from the existing Black one. And with that change, the F-H-A agreed to support the project. Slatkin argued that the wall would QUOTE "protect" the new development. Here's Gerald Van Dusen again:

Gerald Van Dusen: He thought that by walling off the African American community that he was ensuring the likelihood that the property values would be maintained.

Lindsay Foster Thomas: The Birwood Wall was just one example of federal government-sanctioned segregation. Across the country, FHA-backed loans financed thousands of new subdivisions for whites in the early 20th century. Those neighborhoods were powered by something new -- FHA-backed 30-year mortgages. And as the Depression was waning, those government interventions helped usher thousands of Americans into the middle class for the first time - - white Americans, that is.

William “Sandy” Darity: I think it's important to not only take into account the the Federal Housing Administration, but also the GI Bill in the aftermath of World War Two, which had provisions to support home buying on the part of the returning veterans...And I think if we take those those two policies in conjunction, we have the foundation for the most dramatic effort that the United States government has ever performed since the Homestead Acts to create an extensive middle class in the United States. So, both of those laws were very instrumental in producing social mobility, but it's upward social mobility that was clearly intended largely for white Americans and not for black Americans.

Lindsay Foster Thomas: The most egregious racism in home lending was declared illegal in 1968 with the passing of the Fair Housing Act. But by then...

William “Sandy” Darity: The damage was done, and I think that the process of comparative credit starvation for predominantly black neighborhoods has continued subsequent to the passage of the Fair Housing Act.

Lindsay Foster Thomas: The federal government didn't just promote *segregation* in the early 20th century. The damage went even deeper. Let's travel now to Memphis, home of Robert R. Church, Sr., the South's first Black millionaire. After he gained freedom from enslavement, Church made his way to Memphis...where he made a fortune. While amassing a great deal of wealth as a banker and real estate mogul, he built up the legendary Beale Street district and built a lavish residence.

Elaine Turner: It was a grand Victorian home, oh I'm sorry, not Victorian! Queen Anne, the first Queen Anne-style home in the city of Memphis. And when it was built, it was so spectacular, that it was described in the daily white newspapers. And that was quite unusual.

Lindsay Foster Thomas: Elaine Turner owns a Black history tour company in Memphis, Heritage Tours. She first learned of Robert R. Church and the Church family estate while researching local history.

She says that at the turn of the century, the Church mansion was the heart of an integrated community on Lauderdale street in downtown Memphis.

Elaine Turner: Lauderdale Street was a community that that entire area was a community, a mixed community...there was one an attorney, a black attorney who lived on that street. There was a person who was on the who was a city alderman. It was an, it was an upscale neighborhood as you would say.

Lindsay Foster Thomas: Elaine grew up in Memphis with the Church family legacy echoing all around her. But she was unaware.

Elaine Turner: As a child growing up in Memphis, I went to Church's auditorium and the big carnivals, and all of that took place at the Church Park. So that's all I knew as far as the Church family and their contributions.

Lindsay Foster Thomas: There's a reason Elaine didn't grow up learning about the Church family. After Robert Church Sr.'s death, his son, Robert Church Jr., grew the family fortune by getting into politics. Generational wealth was in play. Junior worked closely with another local power broker, a white man -- Edward Holt Crump -- better known a "Boss" Crump. Robert Church Jr. helped Boss Crump get elected as mayor of Memphis, by rallying Black voter support. In exchange, Boss Crump let Robert Church Jr. get by without paying property taxes, for a while. By the late 1930s, though, the two men's unlikely alliance was starting to fray. And that's when the city, decided to collect -- at the urging of Boss Crump.

Elaine Turner: They had already taken all of the Church family properties which was about 300 pieces of property that the Church family owned. So, by that time, all of the those buildings and businesses or whatever was there had been taken over with heavy taxes by the city.

Lindsay Foster Thomas: That seizure included Robert Church's majestic home. The Church mansion wasn't just a solitary symbol of Black wealth. Its presence in the community also drove up property values of nearby homes.

But that didn't last. After the city seized the Church family's property, it came for the surrounding community, with a new policy called "slum clearance." Lovely upper-middle class Black homes were declared squalid and razed.

Preston Lauterbach: And when you look at photographs of the homes that were targeted by the slum clearance, they're grand homes. They're beautiful houses.

Lindsay Foster Thomas: This is Preston Lauterbach. He's author of the book, "Beale Street Dynasty."

Preston Lauterbach: Memphis had plenty of slums that it could have cleared at that time, and did, but the area on the south part of downtown around Beale Street and around the Robert Church home was a beautiful neighborhood of not terribly old homes. They would have been maybe 50 years old at that time. For the people who lost their homes in this slum clearance, many were moved to other areas of the city, you know if they could afford it. That's another

issue with slum clearance. You can imagine what the market rate for a house in a quote unquote, slum clearance area would have been.

Kirsten Mullen: This was a time when, you know, many of them had just gotten to the point where they had paid off their mortgages and were beginning to make, you know, substantial renovations to their properties making, you know, improvements, and then along comes the city and, you know, all of that is for naught.

Lindsay Foster Thomas: The city cleared 46 acres along Lauderdale Street, right across the street from the Church mansion. On that land, the Memphis Housing Authority started building something different -- public housing.

By February 1953, the Church mansion looked out over a 900-unit low-rise public housing project. The mansion itself was vacant.

Elaine Turner: At the time, the Memphis Fire Department was experimenting with a new fire extinguisher. So, the project was, I suppose... let's use the Church mansion for this purpose of training the firemen of how to demolish a structure such as that.

Preston Lauterbach: There are photographs of this event; you can see the onlookers, you know, right outside on the sidewalk on the street packed around watching this taking place. But the house was actually set on fire. And then one set of equipment, was tested, and the house was put out, the fire was put out. And then it was set on fire again, to test some different kind of equipment. And this continued throughout the course of a couple of days until all that was left of the mansion was a smoking heap of rubble.

Lindsay Foster Thomas: At the time of the fire, Roberta Church, granddaughter of Robert Church Sr., was living in Washington DC. She was working for the Eisenhower administration. Years later, Elaine Turner met Roberta Church, and the burning of the family home was still vivid in her mind.

Elaine Turner: She had received a picture of the family home, the mansion, that was in the daily white newspaper, The Commercial Appeal, and it showed the picture of that mansion in flames. She was very sad, in looking at that picture, but she says this is what they did. They burned down our home.

Lindsay Foster Thomas: The fire was devastating to Memphis's Black community.

Elaine Turner: That sent a message that the white community was in charge, they could do whatever they wanted to do. They could acquire all of your properties, they could demolish your whole community that was thriving, a middle-class community. Upper middle-class community! And there's nothing that you could say about it. And when, you know, you decide that, you know, you'll just use this house, to burn it down for everybody to see. Put it on the front page of

the newspaper. And yes, this is what we did. And the Church family legacy is no more because there's nothing else left.

Lindsay Foster Thomas: The thriving, integrated neighborhood that used to exist on Lauderdale Street? That's gone forever.

Elaine Turner: There are some sections of the city where they're integrated neighborhoods, but primarily it's... the neighborhoods are segregated. Now that area where the Church mansion was it is now predominantly African American. So, all of that area is still is segregated now. There's a lot of blight.

Lindsay Foster Thomas: Enforcing segregation. Denying credit. Destroying black wealth. Duke historian Adriane Lentz-Smith says many parties bear the blame for how housing policy has hurt Black Americans. But the federal government leads the list.

Adriane Lentz-Smith: The Federal Housing Administration made policies that had an effect, but it set a tone and legitimized practices and that had an effect too. So, in some ways, there are many fingers to be pointed. But even with the other players involved, a lot of the influence tracks back to what the Federal Housing Administration the Housing Authority asked and/or told and/or required folks to do.

Lindsay Foster Thomas: So, if we're thinking about housing as one of the keys to wealth, as a key to a middle-class life. How has government action on housing policy impeded access to the middle class for black people?

William "Sandy" Darity: The central type of federal policy for asset building purposes in the 20th century, unlike the 19th century where the focus was on the land, the central focus in the 20th century has been on promoting homeownership. And this has been very, very significant in terms of the development of in particular the white middle class in the United States.

Lindsay Foster Thomas: And that legacy of housing discrimination, that the federal government helped launch? It lives on. Paul and Tenisha Tate-Austin are third-generation California residents. They were excited to buy their first home in Marin County, California in 2016.

The house needed updating, though, so the couple added more than 1,000 square feet of space plus a new deck, a fireplace, and an entire new floor. They couldn't wait to to learn how much their home improvements had increased the value of their property. The appraiser was an older white woman.

Paul Tate-Austin: She came back very low. To say the least she came back underneath a million dollars.

Lindsay Foster Thomas: The appraisal was just \$100,000 more than the couple had paid for the house. And that was after spending \$400,000 on renovations. So, the Tate-Austin's got creative. They scheduled a new appraisal. But this time, they asked a white friend to pose as the owner of the home.

Tenisha Tate-Austin: I'm going to have my friend come over and pretend like she's me and see what comes of it. So yeah, we took off all of our art off the wall, which depict like, you know, black people, took down all of our pictures. And then my friend brought a picture, just one single picture of her husband and her son, when he was a baby, walking on the beach.

Lindsay Foster Thomas: The result?

Tenisha Tate-Austin: The house appraised for significantly more,

Paul Tate-Austin: Yeah, almost 1.5 or \$500,000 difference.

Lindsay Foster Thomas: The Tate-Austins were relieved that all their hard work and investment will pay off, after all. But still...

Tenisha Tate-Austins: I would hope that it wouldn't have to be white families here that would impact the value, right? The home should be valued for the actual property -- it shouldn't be based off of the race of the person who occupies it or who owns it.

Lindsay Foster Thomas: Next time – providing for America's veterans. We'll take a look at one single policy –how that policy was implemented, and how it affected white Americans and Black Americans -- the GI Bill.

Deondra Rose: I mean, it was unprecedented, and many have argued that no other policy, no other social policy in US history has done so much to elevate citizens to the middle class.

Adriane Lentz-Smith: As the documents show, as the history shows, that boost wasn't available to all people in the same way. The government provided extra resources for many, many, many white Americans and very few black Americans.

Lindsay Foster Thomas: "The Arc of Justice: From Here to Equality" is produced by the Ways and Means podcast from the Sanford School of Public Policy at Duke University and North Carolina Public Radio WUNC. It's co-produced by Duke Professor William Sandy Darity Jr. and folklorist and arts consultant Kirsten Mullen. Their book is "From Here to Equality: Reparations for Black Americans in the 21st Century"

We have show notes, an episode discussion guide and full credits for the series at our website Ways and Means Show dot org. This episode was produced by Alison Jones, Stacia Brown, Carol Jackson, and Malu Frasson-Nori with Candace Manriquez Wrenn, Matt Mayjak, Erin Blanding, Timothy Jagielo and Johnny Vince Evans.

Original music for this episode was produced by youth in Durham, North Carolina, in collaboration with Black Space and Only US, featuring music from King Shuan, Lil' Monsta, Zone, and Jamm. Additional original music by Solomon Fox, appearing courtesy of Forging the Musical Future [FTMF Talent].

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So, what do you think of this season so far? I would love it if you left us a review. No, really, I would love it. Or tweet at us at [@waysandmeansshow](https://twitter.com/waysandmeansshow). Until next time, I'm Lindsay Foster Thomas.