HOW REDLINING IMPACTS MORE THAN REAL ESTATE VALUES
About NCRC

The National Community Reinvestment Coalition and its grassroots member organizations create opportunities for people to build wealth. Its members include community reinvestment organizations; community development corporations; local and state government agencies; faith-based institutions; community organizing and civil rights groups; minority and women-owned business associations, as well as local and social service providers from across the nation.

Programs & Services
- Agenda-setting research, training, insight
- Renovate and build affordable homes for low- and moderate-income families
- Counseling for home buyers and owners
- Business-building expertise for entrepreneurs
- Train and support housing counselors
- Test and challenge discrimination in financial services and housing
- Convene and facilitate agreements between financial institutions and community networks to increase lending, investments and philanthropy in neighborhoods that need it
- Represent members before Congress and federal regulatory agencies
- Routinely cited by journalists, economists and scholars focused on banking, housing, urban renewal, rural development and civil rights.
Housekeeping

**Code**
Our code of conduct applies to all gatherings.
[www.ncrc.org/code/](http://www.ncrc.org/code/)

**Questions**
Submit questions by clicking the Q&A button at the bottom of your Zoom screen.

We'll answer as many as we can during the conversation and in follow-up materials.

**Essential links / tags**
[www.ncrc.org/](http://www.ncrc.org/)
Tag @ncrc
Tag #TreasureCRA and #JustEconomy
Redlining and the Home Owner’s Loan Corporation

• The HOLC program existed for a short period in the late 1930’s to categorize the ‘residential security’ of neighborhoods in many cities.

• This included mapping at least 200 cities, with neighborhood level assessments based on interviews and observations by HOLC examiners.
What was the purpose of the HOLC?

• The Great Depression was essentially a lack of credit availability.
• The goal of this project was to allow the Federal government to buy mortgages from local banks, thus allowing those banks to make more loans.
• The HOLC wanted to make certain the loans that they were buying were worth the price.
Residential Security Maps

- This is the map of Springfield.
- Red – Hazardous
- Yellow – Declining
- Blue – Still Desirable
- Green – Best
HOLC Area Descriptions

- Examiners completed a standardized form to explained their ratings.
- These forms focused on housing value, terrain, and population race, class and income.
HOLC Area Descriptions

1. NAME OF CITY: Springfield, Illinois
   SECURITY GRADE: D
   AREA NO.: 8

2. DESCRIPTION OF TERRAIN: Level, gumbo

3. FAVORABLE INFLUENCES: None

4. DETRIMENTAL INFLUENCES: Colored people
5. INHABITANTS:
   a. Type ___ Laboring class ___; b. Estimated annual family income $ ___ 000-1000
   c. Foreign-born ___ Few ___; 0%; d. Negro ___ Yes ___; 20%;
      (Nationality) (Yes or No)
   e. Infiltration of ___ Negro - slow ___; f. Relief families ___ Many ___;
   g. Population is increasing ___ No ___; decreasing ___ static ___; static.

6. BUILDINGS:
   a. Type or types ___ Single, 4-5 rooms ___; b. Type of construction ___ Frame ___;
   c. Average age ___ 40 years ___; d. Repair ___ Poor ___;
Redlining and gentrification

• “The particular hazard in the area is racial,” states an area description in the Albina neighborhood in Portland, Oregon, “there being a large percent of foreign-born including a number of oriental families and many Russians and Finns.”

• “Were it not for the fact that this area is entirely Jewish, it would command a higher rating,” reads another HOLC description for a neighborhood in New Haven, Connecticut.

• A small, White area in Richmond, Virginia, received a C rather than a B grade because its residents were “respectable people but [their] homes are too near negro area D2.”
Why these maps matter

• Maps were generally made from 1935-1938
• Following the creation of the Federal Housing Administration (FHA) many HOLC staff moved to the new agency.
• FHA built upon the methods of the HOLC and used them throughout the US to assign risk to specific neighborhoods.
Redlining persists in American cities

- Redlining solidified the segregated structure of American cities.
- 74% of areas graded as “Hazardous” eight decades ago are low-to-moderate income (LMI) today.
- 64% are minority majority neighborhoods now.
Redlining, public health and COVID-19

• Social Vulnerability Index
  – A CDC measurement of the capability of a community to withstand natural and human-created disasters because of their more limited resources.
  – The SVI is a scale, with zero being the best and 1 being the worst, or most vulnerable.
Health outcomes we looked at

- Life expectancy at birth
- Asthma
- COPD
- Diabetes
- Hypertension
- Cholesterol
- Kidney Disease
- Obesity
- Stroke
- Cancer
HOLC areas were mapped onto modern census tracts

Life expectancy and SVI show a correlation with redlined areas
Lending also correlates with redlining, SVI, life expectancy and other health outcomes.
What we found

Across the U.S. there were consistent, statistically significant correlations between the share of a census tract that was redlined and the following health issues.

- Asthma
- COPD
- Diabetes
- Hypertension
- High cholesterol
- Kidney disease
- Obesity
- Stroke
- Mental health issues
Redlining as an element of structure racism

• Structural racism represents “the totality of ways in which societies foster racial discrimination through reinforcing systems of housing, education, employment, earnings, benefits, credit, media, health care, and criminal justice”
Thank you

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www.ncrc.org/membership

We’re a network of local and national nonprofits, government and educational institutions.

Together, we lead the movement for a #JustEconomy.

For upcoming training and events from NCRC, visit:

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