Portland State Homelessness Research & Action Collaborative

A Brief History of Housing Policy in the United States

1843
Armed Occupation Act
This Act aims to remove the Indigenous Seminole inhabitants of southern and eastern Florida by populating the area with white settlers. Each man who cultivated five acres or more of land, for a period of five years, would receive 160 acres of land and one year's rations from the Federal government.

1850
Donation Land Claim Act
This Act is intended to ensure the American claim over Britain to the Oregon territory, and to remove Indigenous people from desirable land. Each settler was entitled to 320 acres, and had to be a white man, or a white man with an Indigenous mother.

1862
Homestead Act
This seminal land distribution policy officially lasted until 1976. It was originally designed with the intention of removing Indigenous residents through settlement, which was a much cheaper solution than military intervention. This was the most significant of these acts, in terms of volume of land settled (160 million acres). It was open to any adult who had not taken up arms against the United States, including Black and Asian people, women and immigrants.

1879
The Exodusters
The 'Exodusters', as Southern Blacks emigrating to Colorado, Kansas and Oklahoma during the time of the Homestead Act were known, sought to escape the oppressive racism of the South and create all-Black communities. They had already seen land grant promises of the Reconstruction era South fall apart when The Freedman's Bureau Act (1865) and Southern Homestead Act (1866) were undermined by bureaucratic inefficiency, funding constraints, and local laws designed to undermine them.

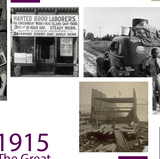
1890s
Progressive Era Housing Reform
Crowded housing conditions in cities give rise to housing reform movements. Social workers, planners, industrialists and others visited housing developments in Europe to study their structure. They were interested in building model developments to raise working class standards of living from the slums and tenements that had become dominant. Their concerns centered around cramped and unsanitary conditions, and resulting physical and moral degradation. Around the same time, housing developers started marketing single family homeownership as a source of stability, status and autonomy for the modern worker. This was directed at both working-class immigrant households, and affluent households.

1910
Lawrence Veiller releases the influential *Housing Reform: A Hand-Book for Practical Use in American Cities*. This guidebook focused on improving the material condition of the poor through housing itself. In later years, the focus of both reform and valuation would expand to the block and neighborhood.

1913
The **home mortgage interest deduction** is written into the US Tax Code. By the mid-1960s homeowner tax deductions were around seven billion dollars annually, and by 1984 had reached $53 billion; a sum almost five times more than all direct federal funding for housing during that year.

Homeowner Society
"The present large proportion of families that own their own homes is both the foundation of a sound economic and social system and a guarantee that our society will continue to develop rationally as changing conditions demand." - Herbert Hoover, 1925
This quote reflects the preference toward homeownership that would shape US housing policy throughout the 20th century and beyond.

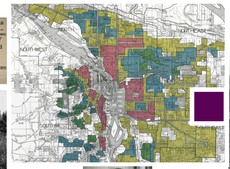
1915
The Great Migration
From 1915 to the end of World War I, 454,000 Black workers would emigrate from the south to the north. Prompted by 'pull factors' of industrial labor demand, and 'push factors' like the boll weevil epidemic, this demographic shift also brought the advent of true segregation and ghettoization to urban Black populations. The early twentieth century was marred by race riots in major US cities, as whites registered their fears over the perceived 'invasion', and Black people of all classes were forced into the same highly segregated neighborhoods. The migration would continue through World War II, and end in 1960.



1917
World War I
The United States enters the war, and creates The Department of Labor's U.S. Housing Corporation (USHC) and the U.S. Shipping Board's Emergency Fleet Corporation (EFC) to provide

1921
Herbert Hoover is appointed US Secretary of Commerce. His housing policy focused on promoting homeownership over building affordable rental housing. The real estate industry was strongly against publicly-funded housing of any kind, and found a compatriot in Hoover, who felt strongly that private control of property and real estate was best. This same year the popular "Own Your Own Home" program was moved from the U.S. Labor Department to the Commerce Department. These campaigns spurred a boom in construction of single-family homes, which accounted for 60 percent of family housing constructed in the 1920s, and 90 percent in the 1930s.

1933
Home Loan Criteria
The Home Owners Loan Corporation (HOLC) is established. They create a universal property appraisal system based on neighborhood context that would come to have devastating effects for household of color by informing the rating practice known as 'redlining'.



1934
The **National Housing Act** passes, and The Federal Housing Administration is created to offer federally insured mortgages through private financial institutions. The Public Works Administration (PWA) was tasked with construction and renovation of low-cost housing and slum clearance projects. 25,000 residences were built in four years. The same year, Catherine Bauer's ***Modern Housing*** is released. The book lays out a vision for a comprehensive, European-style government-sponsored public housing regime that would meet the needs of all Americans. Her progressive vision would never come to fruition.

1936
George Healey Act
Requires 'means testing' for public housing built under the Project Works Administration (PWA), tying social housing eligibility to income. This established public housing as the purview of the poor, and along with government subsidies for the private housing market, was a significant step in the emergence of what Bauer called our **duel housing policy.**

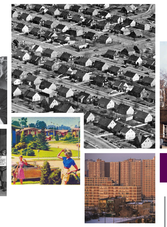
1937
Wagner-Steagall Act
Authorizes local housing authorities to issue bonds to fund public housing developments. An adaptation of a previous bill co-authored by the progressive Labor Housing Conference and Bauer, this version eliminated provisions for nonprofits and cooperatives, and all authority for siting and tenant selection was left to local jurisdictions. This last piece meant that low-income public housing was usually situated in less desirable neighborhoods, and enabling discrimination and concentrated poverty. The '**equivalent elimination clause**' was a key piece of the bill, which mandated urban renewal and slum clearance in equal measure with new dwellings constructed.

1940
Defense Housing
Congress authorizes the US Housing Authority to build World War II defense worker housing using funds for low-income housing. Shortly thereafter, the National Defense Housing Act (Lanham Act) passes, authorizing the Federal Works Agency (FWA) to construct more defense housing. The bill includes a clause specifically prohibiting defense housing from being converted into low-income public housing after the war without congressional approval. Many of the housing developments features innovative design and community features.

1942
The **war phase of defense housing** construction is characterized by a decline in quality, and an increase in housing built for Black workers, which accounted for over 11% by 1944. Overall, 700,000 residences were constructed under the Lanham Act by the end of the war. By 1955, 87% of defense and war housing had been liquidated, with 182,000 permanent homes sold to residents, investors and veterans. Only 2% of the total housing stock created during this time was converted to low-income public housing.

1949
Housing Act
Authorizes federal funding for slum clearance and **urban renewal**. Meanwhile, federal mortgage backing and suburbanization supported through legislation like the Interstate Highway Act of 1956 led to the phenomenon of 'white flight' from urban centers. Over the next decade, the percentage of public housing residents who were households of color increased from 36% to 46%.

1950
Rent Control
New York becomes the first state to enact its own rent control program, as a replacement to expiring federal controls implemented under the Emergency Price Control Act during World War II, and the subsequent Federal Housing and Rent Act of 1947. The city has the longest running program in the country.



Racialization of Space
While the HOLC stated there was no reason that mortgages couldn't be issued in the lower-rated areas, The Federal Housing Administration and private lenders applied the rating system in this way, which privileged single-family housing in low-density neighborhoods. This redlining practice meant that residents of predominantly non-white neighborhoods had restricted access to home loans, for improvement or sale. Meanwhile new suburban developments often included covenants of racial and religious exclusion in their deeds, which limited buyers to white Christian households. Discriminatory real estate practices also dictated where non-white households could buy and rent housing, which created overcrowded, racially segregated neighborhoods characterized by disinvestment at the hands of absentee landlords, and underfunded municipal governments.

1968
The Douglas Report is released, recommending annual construction of 500,000 units of low-income housing. Instead, President Nixon issues a moratorium on all housing activities involving the federal government. The combination of low rental incomes and lack of federal funding had caused many properties to fall into disrepair, and the blighted 'project' became the trope of public housing. **The Housing and Urban Development Act of 1968** aimed to address concerns about the concentration of poverty by prohibiting construction of high-rise public housing for families and children.

1973
Nixon declares **the 'urban crisis' over**, and scales back social services in the inner-city, leaving community organizations to fill in the gaps.

1974
The Housing and Community Development Act
Marks a significant shift in housing policy, by moving towards block grants and designating increased authority to local jurisdictions. It rolled seven housing and infrastructure programs into the Community Development Block Grant (CDBG) program, and was the origin of the Section 8 program.

1986
Tax Reform Act
Creates the Low Income Housing Tax Credit (LIHTC) incentive. This policy provides tax credits for investing in affordable rental housing, and would become an essential pillar of affordable housing provision for decades, accounting for 90% of designated affordable developments.

1987
McKinney-Vento Homeless Assistance Act
The first legislation to specifically address homelessness, and provides federal support for a multi-tiered system of homeless service programs at the local level . The Federal Emergency Management Agency (FEMA) was initially the lead agency tasked with managing the shelter system for individuals experiencing homelessness, which was shifted to the Department of Housing and Urban Development (HUD) with the passage of the Act.

2000s
Predatory Lending
Lenders take advantage of securitized mortgages and recent deregulation, targeting loan products to low-income and minority homeowners who were previously excluded from the homebuying market.

Gentrification
In a reversal of mid-century suburban 'white flight', middle-class and affluent households start returning to urban centers where real estate is cheap. This trend results in increasing land values, triggering waves of speculative investment on multiple scales. As a result, residents are displaced from their neighborhoods through evictions, foreclosures and rent increases - both commercial and residential.

Financialization of Rental Housing
Rental housing emerges as a major investment frontier in the mid-2000s. This unfolded concurrently with the subprime mortgage boom, and was an outcome of the same search for new capital circuits, enabled by deregulation or lack of regulation and oversight. Weakened rental protections also shaped the nature of financialization (defined as private equity investor-owned property) in urban space, by creating opportunities to transform affordable housing into a new global asset class. Wall street investors bought about 100,000 rent stabilized apartments in New York City alone in the early 2000s, where erosion of rent control created an environment favorable to speculative investment.

2007
Great Recession
Triggered by subprime mortgage securitization, the financial crisis starts in late 2007 and leads to widespread home foreclosures. Between 2006 and 2014, nearly 10 million Americans lost their homes. During this time, Wall Street equity firms bought over 200,000 foreclosed single-family homes. The crisis had a disproportioanate impact on households of color, who had limited

2018
National Housing Crisis
US renters face an 'unprecedented affordability crisis', with 51% of renters paying more than 30% of their income for housing. This includes three quarters of low-income households, and 6 in 10 women of color versus 3 in 10 white men. Prop 10, A California ballot initiative to facilitate the expansion of rent control protections, fails to pass. The opposition campaign was funded by $73 million in donations from the real estate lobby and private equity firms.

2019
Renter Protection Policies
California becomes the second state after Oregon to enact statewide rent stabilization and no-cause eviction legislation.

Whiteness as Property
Harris (1993) argues that the advantages of whiteness implicitly offer powerful incentive to maintain systems of oppression based upon racial hierarchy. Much like physical property, the boundaries of whiteness are defined by who is excluded, and who has the power to exclude. As such, race and access to property was a frequent topic of policy debate during the westward expansion project of the 19th century.

Early local policies of racial exclusion
San Francisco: In response to growing tensions over Chinese immigration and labor force competition, The Workingmen's Party of California was established in 1877 with the intention of passing anti-Chinese legislation. Over the next several years San Francisco rolled out over a dozen ordinances targeting Chinese laundries, which were a primary means of employment for Chinese immigrant entrepreneurs. In 1886 the California Supreme Court ruled that the unequal application of one of these laws (Order No. 1569) was a violation of the Equal Protection Clause of the 14th Amendment. This was the first case to evoke this defense, which would become key in the Civil Rights era.

Baltimore: In 1911 the city enacted the first segregation law in the United States, aimed at Black residents. This legislation was presented in the guise of a progressive reform to avoid racial conflict. The ordinance was officially invalidated when the US Supreme Court struck down a similar law in Louisville in 1917, on the grounds that it limited white homeowners' right to sell their property to whom they wished. However, the mayor of Baltimore continued to uphold it through a variety of tactics.

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