



STAFF REPORT

MEMO DATE: JULY 19, 2021

MTG. DATE: JULY 27, 2021

TO: Village of Cottage Grove Ad Hoc Housing Task Force

CC: Village of Cottage Grove Board of Trustees
Matt Giese – Village Administrator
Lisa Kalata – Village Clerk

FROM: [Erin Ruth, AICP – Village Planning Director](#)

RE: **Summary of Paige Glotzer Presentation at DCHI 2020 Housing Summit**

BACKGROUND

In advance of the July meeting staff has requested that task force members watch Dr. Paige Glotzer's presentation, entitled "Racial Discrimination in Housing", at the Dane County Housing Initiative's 2020 Housing Summit. The first 20 minutes of the video are comprised of informal small group discussions. You are welcome to view these, or you can skip ahead 20 minutes to the start of the presentation. The video can be found here:

<https://www.youtube.com/watch?v=Oc9XIJxXbu4>

The slides that accompanied the presentation can be found here:

<https://danehousing.countyofdane.com/documents/housing-summit/2020/Paige-Glotzer-Slides--DCHI-12-15-20.pdf>

OVERVIEW

The following is an outline of the key points from the presentation.

- Restrictive Covenants
 - Legally binding documents created by private developers establishing rules for subdivisions
 - Became a standard component of suburban residential development
 - Typically excluded land uses considered nuisances
 - Treated minorities as "nuisances" and prohibited land/home sales to non-white people

- In many cases covenants were simply copied with new place names substituted and therefore standardized language spread rapidly
 - U.S. Supreme Court decision in 1948 (*Shelley v. Kraemer*) declared that courts cannot enforce racially restrictive covenants

- Zoning
 - Baltimore segregation ordinance enacted in 1910 making it unlawful for a minority to live in a white neighborhood, or vice versa
 - Many copycat laws were enacted in other cities soon afterward
 - Such laws were declared unconstitutional in 1917
 - Some communities then began to manipulate other land use characteristics within their zoning to less explicitly accomplish similar results (for example zoning traditionally black neighborhoods as 'industrial' or enforcing large minimum lot sizes or deep setbacks that ensured cost of land necessary to meet the requirements would eliminate poorer people from moving to the community)

- Realtors
 - National Association of Realtors founded in 1908
 - Must be a member to call oneself a 'realtor'
 - Original code of ethics for realtors called for the maintenance of segregation as an ethical duty for the profession

- Exclusion files
 - Background checks by developers to exclude potential buyers based on race, religion, or other factors

- Redlining
 - Federal housing policy in the 1930s created the FHA (Federal Housing Administration)
 - FHA provided mortgage insurance to make it easier to borrow to purchase a home by reducing risk for lenders
 - FHA policy rated neighborhoods by perceived lending risk and ratings were color coded on maps with the neighborhoods perceived to be most risky shaded red
 - Minority neighborhoods inevitably colored red while new suburbs tended to be green (perceived to be lowest risk for lending)
 - While FHA policy only applied to mortgages insured by the FHA, private lenders tended to adopt the policy and use the maps
 - Obstacles to reinvestment in redlined areas undercut ability for generational wealth building compared to suburbs

- Reverse redlining
 - Disinvestment due to redlining practices left most redlined areas occupied by poorer residents
 - In more recent times the formerly redlined neighborhood became targets for high risk loans and were therefore disproportionately affected by the 2008 housing crash

- Discussion questions
 - See the last slide of the presentation for questions to be discussed at the next Housing Task Force meeting