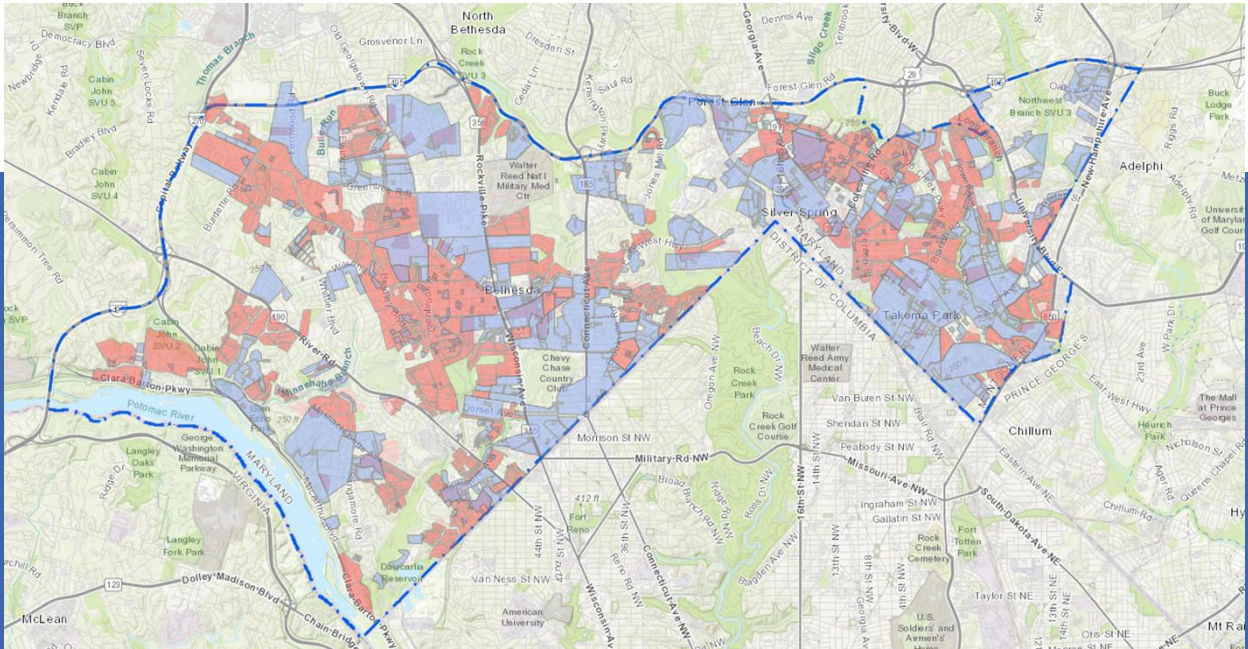


## SECOND BRIEFING ON THE MAPPING SEGREGATION PROJECT



### Description

The Planning Board will receive a second briefing on Phase 1 of the Mapping Segregation. Planning staff requests any feedback prior to transmittal to the County Council.

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MCPB  
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Montgomery County  
Planning Board  
2425 Reedie Drive, Floor 14  
Wheaton, MD 20902

## Planning Staff



John Liebertz, Cultural Resource Planner III, Countywide Planning & Policy,  
[john.liebertz@montgomeryplanning.org](mailto:john.liebertz@montgomeryplanning.org), 301-563-3405



Rebecca Ballo, Historic Preservation Supervisor, Countywide Planning & Policy,  
[rebecca.ballo@montgomeryplanning.org](mailto:rebecca.ballo@montgomeryplanning.org), 301-563-3404



Benjamin Kraft, Planning Research Coordinator, Research and Strategic Projects Division  
[benjamin.kraft@montgomeryplanning.org](mailto:benjamin.kraft@montgomeryplanning.org), 301-495-4536



Jason Sartori, Chief, Countywide Planning & Policy,  
[jason.sartori@montgomeryplanning.org](mailto:jason.sartori@montgomeryplanning.org), 301-495-2172



## Summary:

- Montgomery Planning's Historic Preservation Office and Geographic Information Systems (GIS) teams built a mapping tool that illustrates racial restrictive covenants (a legally discriminatory housing practice during the first half of the 20<sup>th</sup> Century), historical patterns of segregation, and Black homeownership in the Downcounty Planning Area of Montgomery County. A working draft of the [online project mapping tool](#) is now publicly available.
- The research illustrated the wide-spread use of racial restrictive covenants throughout the Downcounty Planning Area. The researchers presented the historical background and research, including an analysis of Takoma Park as a case study, to the Planning Board on December 1, 2022. Staff received comments from Planning Board members at that meeting and indicated that additional information would be presented at a follow up meeting.
- Montgomery Planning's research reveals a pattern of racial restrictive covenants that is difficult to reconcile with existing neighborhood conditions in many instances. Over the subsequent decades, other factors beyond racial covenants have influenced who lives in those communities today. No clear analysis could directly connect racial restrictive covenants alone with present-day housing and demographic data in Montgomery County. The layered influences of transportation improvements and changing demographics, as well as insufficient data to conduct statistically accurate comparisons, among other factors complicate the ability to draw direct inferences from racial covenants to present day conditions. The research, however, illustrates how the actions of developers, homeowners, and the government set the condition for the initial growth of the county in the first 70 years of the twentieth century.
- Staff are requesting any additional comments or feedback from the Planning Board prior to transmittal of the final report to the County Council.

## OVERVIEW

The Mapping Segregation Project team presented our working draft of the “Racial Restrictive Covenants, Black Homeownership, and HOLC Loans in the Downcounty Planning Area” report and our project mapping tool to the Planning Board on December 1, 2022. The report presented the historic context regarding the various forms of legal prejudicial housing practices that existed in the United States prior to adoption of the Fair Housing Act (1968) and results of the research and documentation of land records. After the Planning Board briefing, newspaper articles about the project led to increased communication with neighboring governmental agencies, organizations, and residents.

Following the last briefing to the Board, the project team reviewed the initial findings and determined that no clear analysis could directly connect racial restrictive covenants alone with present-day housing and demographic conditions in Montgomery County. Population shifts, transportation improvements, immigration, and insufficient data to conduct statistically accurate comparisons, among other factors that occurred after racial restrictive covenants became unenforceable have complicated the ability to determine the lasting impacts of covenants.

The main contribution of the deed research and contextual historical analysis has been to illustrate how the actions of developers, homeowners, and the government set the condition for the initial growth of the county in the first 70 years of the twentieth century. This vision for growth and development was envisioned for the benefit of the white community, while the laws and overt practices of the real estate industry demonstrated active hostility towards the health, welfare, and prosperity of the Black community. While the rapid demographic changes of the past 50 years may have obscured a direct correlative throughline from the enactment of deed covenants to present day housing conditions, the era of broad-based systemic racism in which they were created cannot be put aside as either unrelated or inconsequential in understanding how racism can be manifested through private actions in real estate and through cultural practices at the community and neighborhood level.

### **Public Discussion of the Mapping Segregation Project**

After the Planning Board hearing, Dan Brendel wrote “[Montgomery County planners detail first phase of the housing discrimination study](#)” for the *Washington Business Journal*, Apoorva Bichu wrote “[Project breaking down MoCo’s history of housing discrimination](#),” for the *Bethesda Magazine*, and Katherine Shaver highlighted the project in “[Was your home once off-limits to non-Whites? These maps can tell you](#)” for the *Washington Post*. Between the Planning Board hearing and January 17, 2023, the mapping tool had nearly 12,000 views with the majority near the release of the *Washington Post* article.

The positive media exposure and word-of-mouth for the project led to numerous conversations with nearby governmental agencies, organizations, and residents. Planning staff held a meeting with the City of Alexandria’s (Virginia) Planning Department who requested additional information about the

project's methodology and findings. The Capital Jewish Museum contacted the team to discuss the results of the data relating to Jewish residents and explore future joint programming opportunities. The Greater Capital Area Association of Realtors requested a briefing to their association on the history of discriminatory housing practices in the county and the overall project. In addition, numerous individuals with backgrounds in land record research or racial restrictive covenants contacted staff to offer their expertise.

## **Quantifying Racial Restrictive Covenants**

Our study is part of a cohort of recent scholarship that has illuminated the scope of discriminatory housing practices. These practices, including the creation of racial restrictive covenants, were contributors to the persistent wealth gap between Black and white people. Housing discrimination either denied homeownership opportunities to Black people altogether or confined them to isolated neighborhoods where disinvestment and devaluation accumulated.<sup>1</sup>

Of the various discriminatory practices, the legacy of redlining has received the most quantitative scrutiny, and studies confirm that its effects were lasting. Redlined neighborhoods across the country continue to have lower housing supply and population density, older housing stock, lower home values, and lower homeownership levels, credit scores, and increases in concentrations of racial minorities compared to other neighborhoods within cities that were rated more favorably by the HOLC and the FHA.<sup>2</sup>

The legacies of redlining and racial restrictive covenants are intertwined, but covenants have several key differences from redlining which complicate the ability to determine their specific local effects. First, the practice of placing racial restrictive covenants on deeds began before other neighborhood altering events in the history of the nation. Racial covenants were commonly used prior to the promulgation of redlining by federal agencies. Racial covenants were then ruled unenforceable in 1948,<sup>3</sup> while redlining continued into the 1960s and 1970s until the passage of the Fair Housing Act (1968), Equal Credit Opportunity Act (1974), and Community Reinvestment Act (1977). Further, the construction of the U.S. Interstate Highway System, which altered the trajectory of many urban neighborhoods, began in the late 1950s, after covenants became unenforceable.

The Home Owners' Loan Corporation (HOLC)'s Residential Security Maps color-coded 239 American cities and offer the best illustration of discriminatory assessments and federal-sponsored redlining in urban communities in the mid-twentieth century. The University of Richmond's [Mapping Inequality](#)

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<sup>1</sup> Richard Rothstein, *The Color of Law: A Forgotten History of How Our Government Segregated America* (New York: Liveright Publishing Corporation, 2017).

<sup>2</sup> Jacob Krimmel, "Persistence of Prejudice: Estimating the Long Term Effects of Redlining," *SocARXiv* (March 2); Ian Appel and Jordan Nickerson, "Pockets of Poverty: The Long-Term Effects of Redlining," *SSRN Electronic Journal* (January 2016); Daniel Aaronson, et. al., "The Long-Run Effects of the 1930s HOLC "Redlining" Maps on Children," *Federal Reserve Bank of Chicago* (April 2022).

<sup>3</sup> Kevin Park and Roberto G. Quercia, "Who Lends Beyond the Red Line?: The Community Reinvestment Act and Legacy of Redlining," (September 2019): 2-7.

project digitized and provided these maps to researchers for free, which allows for easier direct comparison with present-day census boundaries. As noted in the previous Board briefing, these maps do not exist for Washington, D.C. or its environs.

In contrast, racial covenants can present challenges because they were instituted in land records (individual deeds, declaration of covenants, and agreements) deed by deed, sometimes to individual parcels, and sometimes to larger pieces of land prior to subdivision. This scattered nature of restrictive covenants complicates the process of matching them to standard census boundaries, such as blocks and block groups, which enable socio-economic information to be estimated for areas in question. For these reasons, the effects of redlining have received more rigorous quantitative investigation than covenants. And as noted above, econometric studies examining the legacy of redlining have found that its imprint is lasting and generally detrimental to neighborhoods.

One study to date that overcame many of these difficulties to examine the effects of covenants also finds lasting effects that are similar to those found for redlining. Specifically, Aradhya Shood and Kevin Ehrman-Solberg used the data from the [Mapping Prejudice](#) project and found that houses with covenants in Hennepin County, Minnesota, (the county that includes Minneapolis) have 3.4% higher present-day values than houses without restrictive covenants, and that every percentage point increase in the number of restrictive covenants on a block is associated with a 14% drop in Black population and a 19% drop in Black homeownership.<sup>4</sup>

The Hennepin County study benefitted from a database of over 120,000 historical deeds compiled by the Mapping Prejudice project team. This database includes the entirety of the central city of Minneapolis and its suburbs, both of which are crucial to understanding the legacy of discriminatory covenants. In addition to requiring additional parcel level data, a comprehensive Hennepin-style understanding of the legacy of racial covenants in Montgomery County would require an accounting of racial covenants in Washington, D.C., which was the most populous jurisdiction and also more fully developed than its suburbs prior to 1948.

In addition to having an extensive multi-jurisdictional deed database, the Hennepin County study incorporated several external datasets including building and sales records and a sophisticated econometric methodology to isolate the effects of covenants from other historical events or conditions that may have influenced the trajectory of neighborhoods. Montgomery Planning lacks the resources to conduct a study thorough enough to confirm that racial restrictive covenants caused neighborhood disparities present today. Even if such resources were available, there is no guarantee that such a study would find evidence of neighborhood-level legacies of restrictive covenants as the Hennepin County study did.

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<sup>4</sup> Aradhya Sood, William Speagle, and Kevin Ehrman-Solberg, "Long Shadow of Racial Discrimination: Evidence from Housing Covenants of Minneapolis," *SSRN Electronic Journal* (September 30, 2019).

## Legacy of Racial Restrictive Covenants in Montgomery County

In the general sense, there is little doubt that discriminatory housing practices perpetuated and worsened the racial wealth gap that persists in the United States today. Explicitly and implicitly, discriminatory policies and practices were widespread and widely documented, and because practices such as covenants were broadly exclusionary based on race and ethnicity, they—in theory at least—harmed all people who belonged to the classes at which the discrimination was aimed. With some neighborhoods off-limits, prospective Black homeowners were forced to concentrate in remaining areas with no restrictions, exacerbating patterns of racial segregation. Homes in majority-Black neighborhoods—the existence of which is due in part to racial covenants—have consistently been valued lower and appreciated at lower rates than homes in otherwise comparable majority white neighborhoods.<sup>5</sup> Even Black homeowners who may have moved out of predominantly Black neighborhoods after housing discrimination became illegal likely suffered decades of lost housing wealth accumulation. This suppression of real estate wealth building potential compounded with denials of wealth building opportunities in other areas, such as education and employment, to produce the stark and persistent racial wealth gaps that exist today.

While the legacy of racial restrictive covenants still effects the Black community across the U.S. and in Montgomery County, this research does not provide enough information to quantify or locate the specific legacies of racial restrictive covenants in the same way the Hennepin County study does.

Although Montgomery Planning’s deed research reveals that the practice of racial restrictive covenants was widespread, it is not sufficient to make a quantifiable link to existing neighborhood conditions. Even qualitatively, historical patterns of covenants are difficult to reconcile with existing neighborhood conditions. For example, the New Hampshire Estates neighborhood—which currently has one of the highest poverty rates in Montgomery County and a high concentration of Hispanic and Latino residents—contained several blocks subject to racial restrictive covenants. Further, Latino and Hispanic people rather than Black people make up the largest ethnic minority group in Long Branch. While Latinos have historically experienced many kinds of discrimination, their population in the Washington D.C. area was very small when restrictive covenants were enforceable, so they likely were not harmed by covenants to the extent that Black families were; these covenants were effectively a form of anti-Black discrimination given the demographics of the time.

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<sup>5</sup> Flippen, C. (2004). Unequal returns to housing investments? A study of real housing appreciation among black, white, and Hispanic households. *Social Forces*, 82(4), 1523-1551.

Markley, S. N., Hafley, T. J., Allums, C. A., Holloway, S. R., & Chung, H. C. (2020). The limits of homeownership: Racial capitalism, black wealth, and the appreciation gap in Atlanta. *International Journal of Urban and Regional Research*, 44(2), 310-328.

Raymond, E. L. (2018). Race, uneven recovery and persistent negative equity in the southeastern United States. *Journal of Urban Affairs*, 40(6), 824-837.

Perry, A., Rothwell, J., & Harshbarger, D. (2018). The devaluation of assets in black neighborhoods. *Library Catalog: www.brookings.edu*.

The discrepancy between historical and present-day patterns of segregation is likely caused by the intervening factors discussed above, or because places like Chevy Chase Village were already so exclusive in the early 20<sup>th</sup> century that racial covenants were not needed to keep racial and ethnic minorities, who tended to be poorer, from purchasing homes there. Additionally, Montgomery County has experienced significant demographic changes since racial covenants became unenforceable, and especially since 1990 (see the [Trends in Racial and Ethnic Diversity storymap](#)) in becoming one of the most diverse counties in the nation. In 1990, 105 out of the county's 161 census tracts (62%) were at least 70% non-Hispanic white. By 2020, that number had fallen to 25 census tracts (16%) and most tracts had no single racial or ethnic group comprising over 50% of its population. Similar intervening dynamics are at work in other metros. For example, while lingering effects of redlining have been found in some places, these links are not evident everywhere.

The value of this research has been to expose the extensive geographic scope of racial restrictive covenants. It provides concrete examples of historical practices of discrimination that can otherwise seem abstract to people in the 21<sup>st</sup> century. The public can connect these deeds to their own family stories and imagine a community where many of their current neighbors would not be welcome. The lasting value of this study is to illustrate the extent to which these practices limited the growth of existing Black communities and excluded Black residents, and other racial and ethnic groups such as Jewish and Asian residents, from the suburbs.

## CONCLUSION

The project team pursued and expanded upon several topics that were related to the initial scope of work, and some that were tangentially related, but provided detailed information (such as in Takoma Park) that could be replicated for other community-based case studies. The team accomplished the initial project goal to research and map the trend of racial restrictive covenants within the Downcounty Planning Area, and then analyzed property, people, and lender specific information to develop a narrative describing the pervasiveness of racial discrimination in Montgomery County real estate and building practices. Planning staff believes that several important lines of inquiry have been established in this project that can be further developed by historians, academics, the Planning Department, and individuals looking to understand the history of the county. The Segregation Mapping project has contributed positively to the dialogue in the greater Washington D.C. metro region around housing discrimination and equity. Staff looks forward to continuing the conversations and data sharing that have been initiated by this effort.

Staff requests that the Planning Board provide any additional feedback or comments prior to transmittal of the final report to the County Council.