Ethnic Studies Lesson 4Nb: African American Housing, Part 2

TOPIC:
AFRICAN AMERICAN HISTORY

GRADE LEVELS:
11-12

TIME:
1½ HOURS

California Ethnic Studies Model Curriculum Themes, Values, and Principles Alignment

Themes:

3. Systems of Power
4. Social Movements and Equity

Values and Principles:

5. Challenge racist, bigoted, discriminatory, and imperialist/colonial beliefs and practices on multiple levels.
6. Connect ourselves to past and contemporary social movements that struggle for social justice and an equitable and democratic society, and conceptualize, imagine, and build new possibilities for a post-racist, post-systemic-racism society that promotes collective narratives of transformative resistance, critical hope, and radical healing.

California English and Social Science Standards Alignment

English Language Arts Standards (11th and 12th Grade):

Reading—Informational Text (RI.11-12)

Determine the central ideas or information of a primary or secondary source; provide an accurate summary that makes clear the relationships among the key details and ideas. (RI.11-12.2)

Evaluate multiple sources of information presented in different media or formats (e.g., visually, quantitatively) as well as in words in order to address a question or solve a problem. (RI.11-12.7)

Speaking and Listening—Informational Text (SL.11-12)

Initiate and participate effectively in a range of collaborative discussions (SL.11-12.1)

Social Sciences Standards (11th and 12th Grade):

History-Social Science Content Standards—(Grades 9-12)

Lesson Purpose

Students will research the historical practices of mortgage credit worthiness, redlining, and efforts to create an equitable yet economically healthy housing market.

Essential Questions

How have the practices of mortgage credit worthiness and redlining impacted housing equity for African Americans?
How have some efforts to improve housing equity had negative consequences?

How has life changed for African Americans over the last 250 years?

Materials

HUD: History of Fair Housing

History: Here's What Caused the Great Recession

Creators: Walter E. Williams: The Housing Boom and Bust (2009)

Independent Institute: Stan J. Liebowitz: The Real Scandal: How Feds Invited the Mortgage Mess (2008)

American Enterprise Institute: Racial Bias in Mortgage Biz? New Data Says No, Researchers Find

CBS News: Redlining's Legacy: Maps are gone, but the problem hasn't disappeared

Unit 4 KWL Chart

Vocabulary

redlining

risk
subprime loans

credit worthiness
default
foreclosure

Lesson Steps

Step 1:

- As a class, remind students that the Fair Housing Act of 1968 made housing discrimination illegal. As a class, use a group reading strategy such as round robin or popcorn to read HUD: History of Fair Housing. As students read, have them take notes on the who, what, when, where and why of the 1968 act.
- When students have finished reading, as a class, have students help create an event card for the timeline. Make sure students see the relationship between the Civil Rights Act of 1964, Dr. Martin Luther King Jr.'s death, other civil rights issues of the time, and the passing of the Fair Housing Act.

Step 2:

- Ask students what they believe are some ways to repair the damage caused by redlining to African American individuals and communities. Let students know they will be researching Democratic and Republican policies in the 1990s that had repercussions in the Great Recession of 2008. As a class, have students watch History: Here's What Caused the Great Recession (video 3 minutes, 27 seconds). As students watch, have them take notes on what some of the key causes were of the Great Recession.
- When students have finished watching, have students pair up to share their notes. As a class, have pairs share their causes and write them on the board. Make sure to include the following from the video:

- Subprime mortgage crisis
- Low-credit-rating borrowing
- Booming housing market
- Housing market bust
- Home values decreasing
- Foreclosures and bank failures

Step 3:

- Ask students, knowing what they know now about the history of housing inequality in the US, who they believe were the people most likely to take out subprime mortgages in order to buy a house. Separate the class into two groups. Students will be creating a poster with at least five points of government policies that were meant to improve housing inequality but created the subprime mortgage crisis. The poster should have a title and a date range at the top.
    - Creators: Walter E. Williams: The Housing Boom and Bust (2009)
    - Independent Institute: Stan J. Liebowitz: The Real Scandal: How Feds Invited the Mortgage Mess (2008)
- When students have completed their posters, have them post them on the wall after the existing poster "Postwar Homeownership Boom and the VA." Have students walk around the room gallery style and put questions on the posters on a sticky note. Have groups present their poster to the class and answer any questions. As a class, also ask students if they have anything to add to their list on the board of causes for the Great Recession of 2008.

Step 4:

- Ask students if they believe that government intervention has solved the issues created by redlining and housing inequality for African Americans. Do they believe that redlining and discrimination in housing still exist? Keep students in the same two groups and have them research two different interpretations of this issue. Student groups will create a poster listing at least five reasons why they believe that redlining and housing inequality still exist or whether they believe the Fair Housing Act has mostly eliminated unfair housing practices. Student posters should have a title and a date range. Student groups may decide to use additional websites, but students should be careful to use reputable sources and to cite their information on their posters.
    - Group 1: American Enterprise Institute: Racial Bias in Mortgage Biz? New Data Says No, Researchers Find
    - Group 2: CBS News: Redlining's Legacy: Maps are gone, but the problem hasn't disappeared
- When students have completed their posters, have students post them at the end of their poster display. As a class, have students walk around the classroom gallery style and put any questions they have on a sticky note on the poster. Have the groups present their posters and answer questions. Ask students to look at the posters around the room and the complicated history of mortgage lending in the US. Lead a group discussion and emphasize that although discrimination in mortgage lending is illegal, vigilance and creativity are necessary to keep things equitable and to undo the impact of redlining.

Step 5:

- Ask students to reflect on this lesson's questions, "How have the practices of mortgage credit worthiness and redlining impacted housing equity for African Americans? How have some efforts to improve housing equity had negative consequences?" and this unit's question, "How has life changed for African Americans over the last 250 years?" Add what has been learned to this unit's KWL chart.

Essential Question Assessment, Application, Action, and Reflection

As time permits, and for homework, have students pick one of the following articles and give their opinion in a paragraph on whether any of the mitigating policies in the articles could have a positive impact on housing equity without unanticipated consequences. Students should consider the source of the article when evaluating its effectiveness. Students should also cite the source of their information.

- Habitat for Humanity: 5 policy solutions to advance racial equity in housing
- FDIC: Identifying and Mitigating Potential Redlining Risks
- U.S. Department of Justice: Justice Department Announces New Initiative to Combat Redlining

Additional Readings and Resources

Benston, George J. Mortgage Redlining Research: A Review and Critical Analysis Discussion

Black, Harold A., M. Cary Collins, and Ken B. Cyree. "Do Black-Owned Banks Discriminate Against Black Borrowers?" *Journal of Financial Services Research*, February 1997. https://papers.ssrn.com/sol3/papers.cfm?abstract_id=7287

Boghossian, Peter, and James Lindsay. *How to Have Impossible Conversations: A Very Practical Guide*. Lifelong Books, 2019.

Brookings: America's formerly redlined neighborhoods have changed, and so must solutions to rectify them

Capaldi, Nicholas, and Miles Smit. *The Art of Deception: An Introduction to Critical Thinking*, 2nd ed. Prometheus, 2019.

CNBC: The Big Problem with Credit Scores

Henderson, David R. "How Government Enforced Segregation," review of *The Color of Law* by Richard Rothstein. *Regulation* 40, no. 3 (2017): 50-52.

Liebowitz, Stan J. "Anatomy of a Train Wreck: Causes of the Mortgage Meltdown." In *Housing America: Building out of a Crisis*, edited by Randall G. Holcombe and Benjamin Powell. Independent Institute, 2009, 287-321. https://www.independent.org/pdf/policy_reports/2008-10-03-trainwreck.pdf

Muth, Richard F. "The Supply of Mortgage Lending." *Journal of Urban Economics* 19 (February 1986), 88-106.

Muth, Richard F. "Yields on Inner-city Mortgage Loans." Federal Home Bank Loan of San Francisco, March 1979. For discussion of Muth's paper, see Mortgage Redlining Research: A Review and Critical Analysis Discussion

Nonzero, The Truth about Redlining

NPR: A "Forgotten History" of How the U.S. Government Segregated America

Pinto, Edward J., Tobias Peter, and Emily Hamilton. "A Short History of Zoning in the U.S.," chap. 1. In their *Light Touch Density: A Series of Policy Briefs on Zoning, Land Use, and a Solution to Help Alleviate the Nation's Housing Shortage.* American Enterprise Housing Center, January 2022, 5-15. https://www.aei.org/wp-content/uploads/2022/01/Light-Touch-Density-Compiled-FINAL-1.12.2022.pdf?x85095

Pollock, Alex J., and Edward J. Pinto. "Consider Default Rates When Assessing Claims of Disparate Impact." *American Banker*, October 23, 2018.

Pollock, Alex J., and Edward J. Pinto. Letter to Regulations Division, Office of the General Counsel, Department of Housing and Urban Development, Re.: FR-6111-A-01 Reconsideration of HUD's

Implementation of the Fair Housing Act's Disparate Impact Standard (August 17, 2018). https://www.aei.org/wp-content/uploads/2021/09/Pollock-Pinto-Disparate-Impact-Comment-Letter-to-HUD-Aug-2018-FINAL-1.pdf

Powell, Benjamin, and Edward Stringham. "Housing." In *Concise Encyclopedia of Economics*. https://www.econlib.org/library/Enc/Housing.html

Rothstein, Richard. *The Color of Law: A Forgotten History of How Our Government Segregated America*. New York: W. W. Norton, 2017.

Sowell, Thomas. *Discrimination and Disparities*, rev. ed. Basic Books, 2019, 88-89.

Sowell, Thomas. *Economic Facts and Fallacies*. Basic Books, 2008, 178-183.

Sowell, Thomas. "The Economics of Housing." In his *Applied Economics*, rev. ed. Basic Books, 2009, 95-132.

Sowell, Thomas. "An Economic Whodunit." In his *Dismantling America*. Basic Books, 2010, 142-144.

Sowell, Thomas. *The Housing Boom and Bust*. Basic Books, 2009.

Thomas SowellTV. "Thomas Sowell Explains the 2008 Financial Crisis." https://www.youtube.com/watch?v=gvLXZAn61lU

Tootell, Geoffrey M. B. "Redlining in Boston: Do Mortgage Lenders Discriminate Against Neighborhoods?" *The Quarterly Journal of Economics* 111, no. 4 (November 1996): 1049–1079. https://doi.org/10.2307/2946707

The Truth about Redlining—Glenn Loury

Wenzel, Nikolai G., and H. Shelton Weeks. "Back to the Future: The Biden Administration's Loan Level Price Adjustment and a Repeat of the Housing Crisis." American Institute for Economic Research, May 1, 2023. https://www.aier.org/article/back-to-the-future-the-biden-administrations-loan-level-price-adjustment-and-a-repeat-of-the-housing-crisis/

Williams, Walter E. "Congress's Financial Mess." Creators Syndicate, January 14, 2009. Reprinted in his *American Contempt for Liberty*, Hoover Institution Press, 2015, 46-47.

Williams, Walter E. "Housing and the Poor." In his *America: A Minority Viewpoint*. Hoover Institution Press, 1982, 92-94.

Williams, Walter E. "Lessons From the Bailout." Creators Syndicate, October 8, 2008.

Williams, Walter E. *Race and Economics: How Much Can Be Blamed on Discrimination?* Hoover Institution Press, 2011, 128-131.

NOTE TO EDUCATORS REGARDING ADDITIONAL READINGS AND RESOURCES: America is a pluralistic country, ethnically. It is also a pluralistic country politically—left, right, and center. Ethnic studies educators have ready access to resources from the left-of-center in the 2021 California Model Curriculum and in the Liberated Model Curriculum. This Comparative Cultures Ethnic Studies curriculum favors teachers exposing students to views from across the political spectrum. Educators often lack guidance to materials from outside the left-of-center. Therefore, in the sections on Additional Readings and Resources, the Comparative Cultures Ethnic Studies curriculum alerts educators to credible resources that provide an alternative to the other Model Curricula. In doing so, this curriculum encourages educators to acquaint students with evidence-based views from left, right, and center.

NAMES: ____________________

Ethnic Studies 4A: KWL Chart

KNOW	WONDER	LEARNED
What do we think we already know about this topic?	*What do we wonder about this topic? Write your questions below.*	*After the research is completed, what did we learn? Make sure to cite your source.*