The Historical Roots of the Crisis in Housing Affordability: The Case of Buffalo, New York 1920–1950

Henry Louis Taylor, Jr.

A crisis of housing affordability emerged in the 1970s that caused the *housing challenge* to become one of the nation's top domestic issues (Kain, 1983; Downs, 1988/89). This affordability problem meant that increasingly households had to pay more than a third of their income on lodging, thereby making the quest to meet other family needs—food, healthcare, clothing, childcare and transportation—exceedingly difficult (Feldman: 2002). Thus, because of the high cost of housing, finding a place to live and making ends meet became a daily struggle to survive the city, especially for blacks, Latinos, and low-income whites. To understand why this crisis in housing affordability emerged in the 1970s, we have to recast the 1920s, 1930s and 1940s as a critical period in (1) the formation of a new vision of the American city, (2) the building of a local and national political coalition empowered to realize the vision, and (3) the construction of a public policy and institutional framework to make it happen (Heathcott, 2008). In the first half of the 20th century, local and national leaders thought and acted in metropolitan terms, and their new urban vision was based on the idea of turning the central city, suburbs and outlying areas into one big city—*an American metropolis* (Taylor, 2000).

During the thirty-year period between 1920 and 1950, urban leaders laid the theoretical, organizational, institutional and policy groundwork needed for the construction of this new *American metropolis*, which they built during the 1950s and 1960s. The creation of this *metropolis* gave birth to the contemporary crisis in housing affordability. Within this context, housing affordability and fair housing became intertwined issues because the growing economic rationalization of urban space and created the desire to keep out people who might devalue property. This thesis is explored by examining the experiences of Buffalo, New York between 1920 and 1950.

Buffalo is an ideal city to investigate the historical roots of the housing affordability crisis. A medium size, bi-national city located on the Upper Great Lakes, where the Niagara River joins Lake Erie, Buffalo became one of the nation's leading manufacturing centers in the late 19th and early 20th centuries (Goldman: 1983). Its history, then, mirrors that of other Great Lakes, mid-western and eastern seaboard cities. Today, even though Buffalo is the third poorest city in the United States, with about 30 percent of its population living below the poverty line, a significant number of its households still pay more than 30% of their income on housing. For example, in five of the city's nine council districts, more than 50% of the households pay more than 30 percent of their income on lodging. Housing affordability, then, is a big issue in this Rust Belt city (City of Buffalo: 2003). At the same time, reports from Buffalo's Housing Opportunities Made Equal (HOME) indicate fair housing, especially in the suburban region is still problematic (Patterson and Silverman, 2005)

The Need for a New Urban Vision: Life in the Unregulated City

Industry triumphed in the late 19th century, and manufacturing became the engine that drove the development of American society. This economic victory triggered a period of spectacular urban growth during the late 19th and early twentieth century. For example, New York City grew from less than 1 million inhabitants in 1860 to more than 5.5 million in 1920. Chicago, which was a place with less than 100,000 residents in 1860, soared toward the 3 million mark in 1920. Everywhere, urban centers grew. From Atlanta, Birmingham, and Louisville to St. Louis, Milwaukee, Cincinnati, Cleveland, Buffalo, Kansas City, and Omaha to Philadelphia, Baltimore, and Washington, D.C. to Denver, Los Angeles, San Francisco and Seattle, people flocked to the city. By 1920, for the first time, the U.S. census revealed that more than 50 percent of all Americans lived in urban areas (Taylor: 2000).

The astounding growth of American cities was informed by a vision of the city and a city building process that had remained virtually unchanged throughout the 19th and early 20th centuries. Thus, also cities became much larger; the process used to build them remained essentially the same. Of course, over this period, residential areas became increasingly segregated by class, the suburban regions became more built up, industry became more concentrated, building codes became restrictive, and cities begin to introduce zoning and subdivision regulations (Teaford: 1986). These, however, were quantitative, not qualitative changes in the city building process. Throughout the 19th and early 20th centuries, cities continued to be developed in an unregulated urban environment, and the vision of the city was framed within a central city rather than metropolitan context (Fairbanks: 1988). This started to change in the opening decades of the 20th century when population growth and technological innovation brought the city building question to the forefront of American urban development.

In the unregulated environment, the rapid growth and development of urban centers challenged the sensibilities of existing strategies of city building and forced leaders to rethink their vision of the city. For example, the lack of a strong system of land use regulation meant that factories and "substandard" dwelling units could be built anywhere, including in exclusive residential districts (Taylor: 1993). In this setting, where work was still the main determinant of where people lived, the working class *home sphere* was typically a place *where* factories, businesses, railroad facilities and dwelling units were intermingled in a landscape of shared space (Emergency Work Relief Bureau: 1934). In the working class *home sphere* homeownership was viewed as a cultural artifact that offered greater *security* than renting. The geographer, Jon Gross, says that a building, including housing, is more than it seems. "It is an artifact—

an object of material culture produced by society to fulfill particular functions determined by, and thus embodying or reflecting, the social relations and level of development of the productive forces of that society" (Gross, 1988). In this sense, housing not only reflects the culture of an era, but also reflects the reproduction of social relations. Within this context, during the unregulated era, among workers, housing represented an opportunity to acquire a "secure" living place in a complex and uncertain world (Harris: 1996).

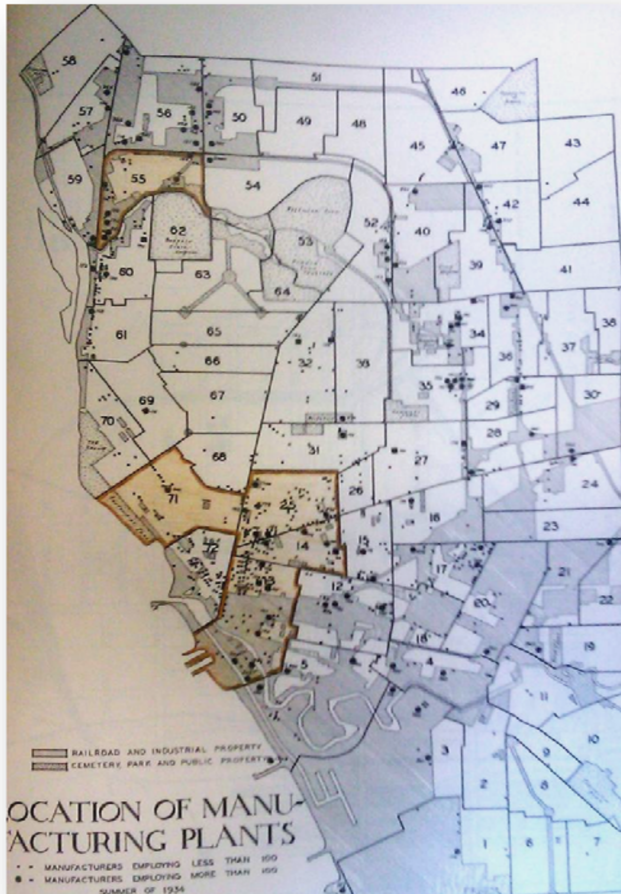
Restrictive covenants were used to protect the integrity of elite residential district, but their application across the metropolitan region was limited (Self: 2001; Gotham; 2000). Without being able to protect residential districts and segregate housing based on type and cost, a growing number of urban leaders believed that owning a home would never become a good economic investment (Taylor, 1993). During this same period, the automobile combined with the decentralization of manufacturing to spawn a suburbanization movement that made city building even more complex. As early as 1915, Graham Romeyn Taylor, in his classic study of *Satellite Cities*, described this suburbanization trend. "Huge industrial plants," he said, "are uprooting themselves bodily from the cities. With households, small stores, salons, lodges, churches, schools clinging to them like living tendrils, they set themselves down ten miles away in the open (Taylor, 1913)."

This intra-urban migratory movement was an extraordinarily democratic one, which was led by factory workers and the white-collar workers that followed them (Harris, 1996). African Americans also joined the trek, as they moved into the suburban hinterland in search of improved housing and a place of their own (Wiese, 2004). By 1920, the rate of suburban population growth not only exceeded that of the central city, but brought the hinterland into the vortex of urban development, thereby, creating a new urban metropolis that consisted of an increasingly integrated *central city*, *suburban hinterland*, and *rural areas* (Teaford, 1986; Harris & Lewis, 2001).

City Building in Buffalo

City building in Buffalo, New York took place in an unregulated environment during the opening decades of the twentieth century. By 1930, the Queen City, one of the nation's leading industrial centers, was divided into three sectors: West Side, East Side, and South Buffalo. Main Street split the city into West and East Sides, while the Buffalo River formed the northern boundary of South Buffalo. There were 998 manufacturing firms in the city proper. These firms were free to locate anywhere. Consequently, they could be found in every section of the city. Yet, the historical landscape of the West Side differed from that of the East Side and South Buffalo (Figure 1).

Figure 1.0: Location of Manufacturing Plants in Buffalo, 1934



Source: Emergency Relief Bureau: Slum Area Determination Study, 1934

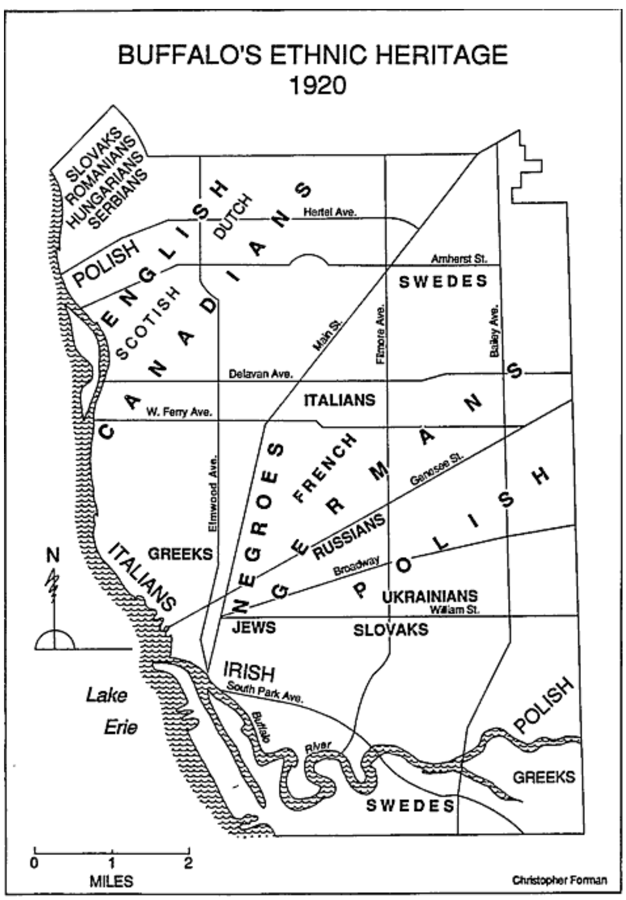
The reason is that on the West Side, an industrial belt formed along Niagara Street, near the Black Rock Canal and Upper Black Rock Canal, and then culminated in an industrial district in the Black Rock community, in the Military Road area. This location placed the West Side manufacturing firms close to the Niagara River and Lake Erie, which they accessed via the Black Rock Canal. There were virtually no West Side industries located outside this area. The reason is the presence of the Olmsted Park and Parkway System combined with the existence of the Buffalo Teachers College, the New York State Hospital Campus, and neighborhoods of the elites to discourage the location of West Side factories outside of this industrial belt (Figure 1).

The story of industrial development on East Side was very different. In this part of town, factories could and did locate anywhere. Large clusters of manufacturing firms were scattered across the face of the East Side, with the heaviest concentration of factories found below East Delavan Avenue, especially adjacent to downtown Buffalo and along the waterfront. The South Buffalo factory district was actually located in Lackawanna, NY, a small industrial suburb that formed on South Buffalo's southern border.

The Home Sphere and the Housing Delivery System

Working class neighborhoods developed in the shadow of these manufacturing plants and railroad facilities. This happened on both the East and West Sides, as well as in South Buffalo. Thus, in the unregulated city, the working class *home sphere* often consisted of a mixed land use environment, where the homes of unskilled, semi-skilled and skilled workers co-existed with the manufacturing plants, commercial corridors and tangled webs of railroad tracks (Digital Sanborn Maps-New York, 1920-1940). The landscape of work also shaped the city's population distribution. For example, the Italians were overrepresented in the lower East Side, where they worked on the docks, while the Polish, Germans, blacks, Russians, Irish and Czechoslovakians were overrepresented on the East Side. American-born whites, the British and the Canadians were overrepresented on the East Side (Figure 2).

Figure 2: Buffalo Race and Ethnic Make-Up in 1920



Source: S. Gredel, Pioneers of Buffalo (1960) (Buffalo Council of Human Relations).

I use the term *home sphere* to capture the complex nature of the industrial city residential environment, where social interactions took place at multiple levels (Lewis, 1991). In this framework, *home* refers to the household and the *community*. In this environment, the neighborhood was composed of several sub-communities—black, Italian, Russian Jews, Polish, Irish and other ethnic groups. Figure 2 captures the overlapping way in which these varied racial and ethnic groups shared residential space. Physical proximity in the *home sphere* meant that racial and ethnic groups interacted *within* and *across* "communities." The term *home,* then, is meant to capture the complexity of an interlocking web of multiple households and *communities* socially interacting within the same spatial margin. The word *sphere* seeks to capture the neighborhood environment in all its complexity. This concept not only includes the household and *community*, but also the place of work and commercial corridors, along with the tangled web of interactions that occur in a multi-racial, ethnic and cultural setting where social interaction is omnipresent. Thus, Buffalo's *home sphere* represented an environment that existed at several different, but highly interactive levels—household, workplace, neighborhood, shopping, recreation, and *community* (Williams, 2001).

This brings us to a discussion of the housing delivery system, which was driven by micro-home construction firms. These small firms operated in an *economically non-rational* housing market. By this, I mean the market was not structured to maximize profits and that most companies operating in it barely made ends meet. According to a survey by the Commerce Department in 1929, approximately 80 percent of the builders did an annual business of less than $9,000 (Radford, 1996). In Buffalo, the cost of constructing a "standardized" home was about $5000 (Milliken, 1937). Thus, the typical builder constructed only about one or two houses a year, which kept home building from being a profitable business for most firms. Still, there was no shortage of builders. This was an easy field to enter, since many people knew the fundamentals of simple wood framing and expensive machinery was not required (Radford, 1996). This explains why there were so many small enterprises and why cities, such as Buffalo, had no problems producing a sufficient supply of housing to meet the demand of a growing population.

Although the evidence on home construction is fragmentary, it seems that most financing and building took place on a piecemeal basis. Individuals would acquire a parcel of land and hire a builder to put up a specific structure on it. In some instances, depending on the owner's resources, the house was constructed in a bit by bit fashion. The owner would build one room, move in, and as resources increased, they would add more units to the house. People normally financed the operation using some combination of saving and personal loans (Radford, 2006; Taylor, 1993; Taylor 1979).

In Buffalo, unlike New York City, Cincinnati and Philadelphia, builders mostly constructed small wooden single- and two-family housing units. Families were almost equally distributed between these two types of dwelling units. Among cities with 500,000 or more residents, for example, Buffalo had the largest proportion (43%) of its families living in two-family dwelling units (Behrens, 1939). Typically, in the working class *home sphere*, the dwelling units were built on small lots, very close to each other. These bungalows were usually very long structures, consisting of three to five rooms, with no hallway (Radford, 1996). In this unregulated residential setting, sometimes, to reduce the cost of construction by eliminating the purchase of a new building lot, owners would construct two houses on a single lot. The second house was typically built to provide lodging for a relative or immediate family member (Housing Committee, Civic League of St. Louis, 1908). Working class neighborhoods were anchored by a commercial district, which provided goods and services to community residents. Apartments were located above many of the business establishments in the locale, thereby, turning the commercial district into a live/work neighborhood. In Buffalo, these live/work neighborhoods anchored most communities (Behrens, 1939; Buffalo Planning Board, 1940).

The work of owner-builders augmented the building activity of these small producers. According to the Geographer, Richard Harris (1997:252), by 1949 one-quarter of all new single-family homes in the United States were owner built. Owner builders not only constructed houses in the city, but also in the suburban hinterland. During this period, the urbanization process increasingly converted large tracts of land from rural to urban uses. These workers, in turn, either built their own homes, or hired a carpenter to build a house for them. In addition to constructing their own homes, owners often added new rooms by subdividing their existing home or building new rooms onto the house. Home building and *conversions*, as the practice of subdividing or adding to rooms to a structure was called, then, formed a significant part of the landscape of working class residential districts in both the central city and suburbs (Taylor, 1979: Harris 1996; and Wiese 2004).

Race and the Working Class Home Sphere

In the 1930s, the Buffalo Municipal Housing Authority, as part of their studies of “slum” conditions in the Queen City, produced a series of *dot maps*, overlying census tracts, which showed the residential location of racial and ethnic groups in Buffalo. Based on these maps, it is not only possible to determine where in the city African Americans lived, but also to be able to determine who were their neighbors.

The data showed that while blacks and white ethnic groups were underrepresented in some neighborhoods and overrepresented in other neighborhoods, work, rather than race or ethnicity seem to determine where within city a person lived. Within this setting, the lower East Side industrial neighborhood was the most diverse in the city. The neighborhood was situated adjacent to downtown Buffalo and fell within census tracts 12, 13, 14, 15, 25 and 26. This neighborhood had the largest concentration of industry in the city. For example, there were about 15 large manufacturing plants, which employed more than 100 workers and more than 221 smaller manufacturing firms that employed less than 100 workers.

The neighborhood had a remarkable racial and white ethnic population composition. Here, about 16,000 African Americans shared the neighborhood with about 71,000 Polish, Italians, Germans and Russian workers, along with a handful of Canadians, British, Irish, Austrians, and Hungarians. Blacks and white ethnics not only lived side by side, but sometimes they even lived in the same dwelling unit. As late as 1953, some blacks and whites were still living together in the same dwelling unit.[1] For example, at 531 Clinton Street, four blacks and one white lived together. Nearby, at 490 Eagle Street, five whites and three blacks lived in the same building. At 506 Eagle Street, half of the sixteen residents in the building were white. Thus, on the eve of the 1954 Supreme Court decision that outlawed school segregation, in Buffalo's working class neighborhoods, blacks and whites could still be found living in the same residential building (Buffalo Municipal Housing Authority, 1953).

Racial residential segregation did not occur in working class neighborhoods because no economic incentive existed to exclude blacks from these communities. In the *unregulated city*, with its slack building codes and weak zoning laws, the housing market was an economically non-rational one. This gave rise to a working class *home sphere* with three distinct characteristics. First, housing was a cultural artifact, rather than a commodity to be bought and sold. Second, the housing inventory was built to meet the demand of all workers—unskilled, semi-skilled and skilled. In this mixed land-use environment, any type of residential structure was allowed. As a result, owner- and renter-occupied units stood side by side, along with cheap and expensive housing units (Radford, 1996; City of Buffalo, 1940).

Third, housing was not separated on the basis of type and cost, which meant boarding housing were next to single family units, very cheap housing and more moderately price structures were intermingled. Thus, although African Americans lived in the cheapest and poorest quality housing, they were not separated from white workers, and there was no demand to exclude them from the neighborhood (City of Buffalo, 1940). The reason is the value of housing was not attached to residential homogeneity and exclusivity. In this moment, in working class neighborhoods, no correlation existed between property values and population composition (Hayden, 1980; Cohen, 1989; Wheelock, 2008). Consequently, white property owners had no economic incentive to keep out blacks, so they did not protest their presence in the neighborhood (Radford, 1996). Buffalo was not an anomaly, neighborhoods similar to the lower East Side could be found in most American cities.

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[1] In the 1950s, the city's extensive urban renewal campaign required the purchase of numerous residential buildings. To complete this task, the City gathered extensive information of the residents of the buildings they planned to purchase.

The situation was different in affluent white neighborhoods. In this setting, owners used restrictive housing covenants not only to keep out blacks, but also to exclude working class whites and non-residential forms of land-use (Gotham, 2000). Even in a *non-rationale economic market*, they sought to protect the affluence and exclusivity of their communities. This suggests that during the late 19th and early 20th centuries, residential development was different in elite and working class neighborhoods and that the ideals of racial residential segregation had its origin in elite neighborhoods, rather than in the working class *home sphere* (Weaver, 1944).

Housing Affordability: Finding a Place to Call Home

Although the data on housing affordability is sketchy, it is still possible to gain some insight into the issue. The 1939 housing market analysis estimated that the average Buffalo worker made about $1000 annually in 1935 and that only one family in four paid as much as $30 a month for rent (City of Buffalo, 1940; Bureau of Intelligence, 1942; Behrens, 1939). Thus, many workers might have paid less than 30% of their income on housing. The problem is that without having accurate information of the ratio of income to housing for workers at the various skill levels, we cannot really determine the degree to which affordability was a problem. However, the available data does suggest that in the *unregulated city*, workers had many options for dealing with the affordability issue. Thus, housing quality notwithstanding, these options helped workers make ends meet and survive the city.

To start, the weak system of land-use regulation meant that builders, including owner-builders, could construct any type of dwelling units they desired, depending on the resources available to them. This option made it possible for any worker to build a house within their price range. For example, between 1895 and 1914, the cost of residential building increased by 50% as the acceptable minimum standard for new housing increased with the change in housing preferences. In this new setting, the enforcement of building codes became more stringent and indoor plumbing and bathrooms became the new “standard” in housing construction (Radford, 1996).

Even so, in the unregulated environment, workers could still get away with constructing new housing units that did meet the new standards. They could choose to operate within the formal or informal housing market or operate betwixt and between the two. On this point, in Buffalo, builders used non-union workers to construct small houses, and the wages of these laborers were about 20% lower than unionized labor, thereby leading to a substantial reduction in the cost of the housing unit (Behrens, 1939). Moreover, when they employed a carpenter, families, and their friends, often either built a significant portion of their own home, which greatly reduced the cost of housing construction. Families also had to choice of building more than one house on a residential lot, thereby reducing the cost of the second home.

In some instances, in places like Milwaukee, builders would construct as many as three houses on a single lot, which was designed to reduce the price. Indeed, lot crowding was a characteristic feature of the unregulated city (Hagemann, 1916).

In Buffalo's *economically non-rational housing market*, builders constructed housing units targeted for the low end of the market. In 1934, for instance, about 95% of the inventory for family houses was aimed at the lower end of the market, where units had monthly rentals of $49 and less. Within this framework, about 22% of Buffalo's housing inventory was aimed at the very lowest end of the market, those units with monthly rentals under $15 (Behrens, 1939). This was a city in most workers labored in the low-wage sector of the labor market and the *economic non-rationale* housing market was designed to produce products for them.

Suburbanization also increased the housing options available to workers. In Cincinnati, Buffalo and other places, workers, including African Americans, purchased suburban lots and built housing on them. This process was facilitated by roving land speculators, who went from city to city, purchasing rural lands and subdividing them into unimproved residential lots and then selling them to workers, mostly with low-incomes. The workers, in turn, would build a house on the lot. If they did not have the resources to the complete house, they would often build one room, move in, and add onto the unit as their resources increased (Taylor, 2000). As the historian Richard Harris (1997) has noted, owner-built dwellings, in both the central city and suburban region, shaped the landscape of the pre-1950 American industrial city.

Once workers obtained lodging, they could find even more ways to reduce housing costs. For example, a number of workers routinely took in boarders to increase their incomes. In Buffalo, about four percent of all dwellers units contained boarders (5,825), with 66% of those units containing boarders being tenant-occupied. The proportion of dwelling units with renters was probably higher. For example, about 49% of the city's 30,865 two-family, double-deckers, were owner-occupied. These units normally had separate entrances, and the owner probably rented out the second unit. Secondly, property-owners sometimes subdivided their dwelling units into multiple units or simply built additional units onto the structure. Of the 7,716 partially or fully converted single family units in Buffalo, about 58% were owner-occupied. The fact that most of these conversions took place between 1930 and 1939 suggests that people were converting their homes for economic reasons (City of Buffalo, 1940). Lastly, on the commercial corridors, many small business owners had the option of living above their businesses to reduce housing costs, or renting out the apartment.

The renting of rooms in their homes to tenants impacted housing affordability in two interactive ways. First, it reduced the cost of housing for the homeowners and tenants, who took in boarders. Second, it provided an inexpensive place to live for the boarder (Buffalo Municipal Housing Authority, 1953; City of Buffalo, 1940). Thus, in the *unregulated city*, residents had many options with which to deal with the affordability issue. This explains why housing experts never mentioned “homelessness” as an issue in their discussion of the housing problem. In the *unregulated city*, everyone could find a place to call home, even if the quality of that place was poor.

Building the Regulated City

In the late 19th Century, Buffalo’s leaders defined the city’s main urban problem in terms of the housing conditions of the poor and city beautification (Charity Organization Society of Buffalo: 1927; Charles Mulford Robinson: 1902). In this epoch, they believed that solving the housing problem and improving the visual image of the city were central to building a great city. This viewpoint changed during the opening decades of the 20th century. The forces of industrialization, urbanization and population growth combined to force leaders to redefine the urban problem as the confronted a series of unprecedented challenges associated with the city’s dramatic growth.

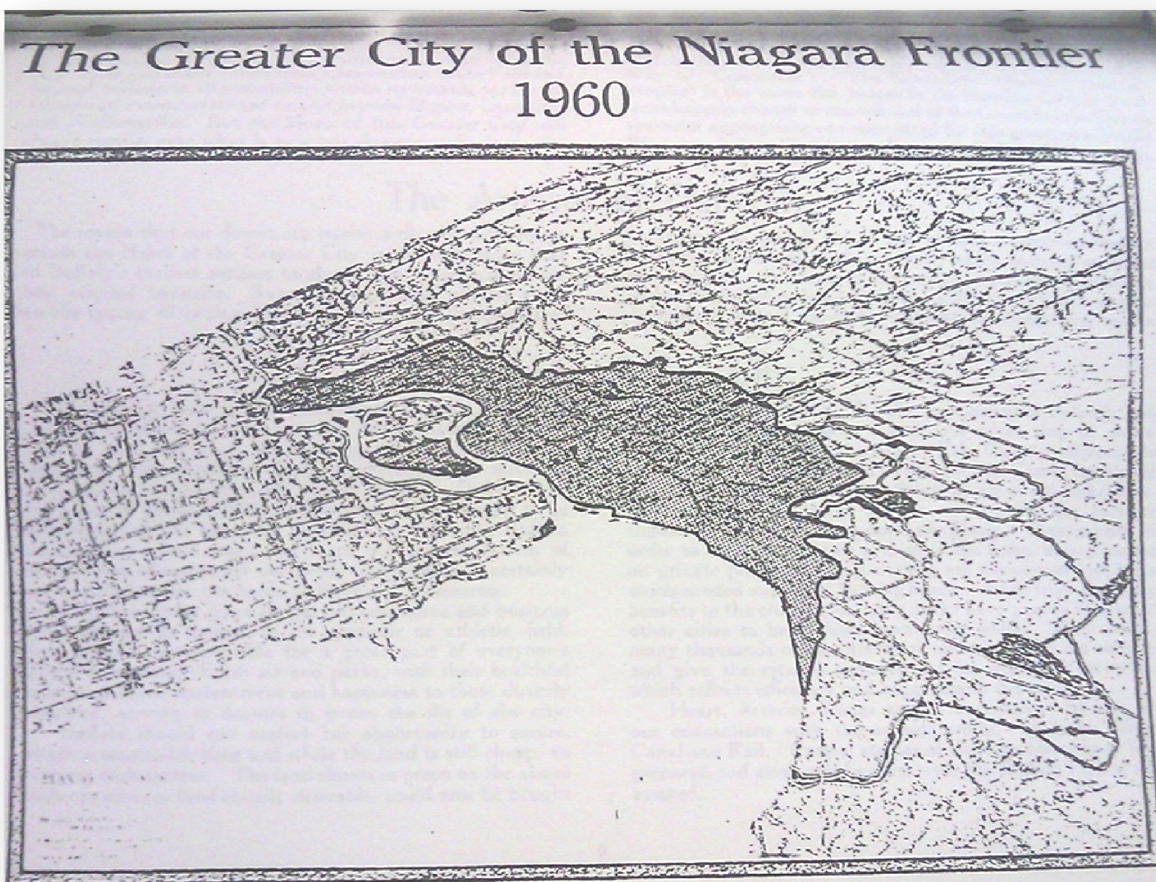
In this new setting, locally and nationally, urban leaders now defined *unregulated growth and development* as the most daunting problem facing cities. To them, the haphazard, chaotic and unpredictable approach to city building threatened the city’s future and posed huge obstacles to its ability to meet the challenges of 20th century urban life. Within this context, developing a new vision and approach to city building became Buffalo’s most urgent tasks. City leaders started working on these two tasks as early as 1911. That summer, members of the Common Council began debating the importance of city planning. The following year, The Civic Improvement Committee drafted a bill for the establishment of a City Planning Committee in Buffalo. In the introduction, Dr. Matthew D. Mann, a local civic leader, outlined the importance of city planning (Mann, 1912).

> An ounce of city planning is worth a pound of city re-planning. A city without a city plan is like a ship without a rudder. Instead of leaving the future improvements to the whims of future city officials, influenced perhaps by personal motives, utterly lacking in broad vision and without special training, it will substitute a carefully considered program, which can be changed only by the vote of some of the most competent and best-trained of our officials and citizens, after careful study and deliberation (Mann, 1912).”

Mann was talking about using “official” city plans to overcome the problem of building cities in an *unregulated* urban environment where business, industry, building, retail establishments, and poorly constructed dwelling units could locate anywhere. Without city plans to guide and direct growth and development, urban leaders felt that Buffalo would become a “city of dis-ordered physical growth,” incapable of meeting the 20th century urban challenge. By 1920, the development and implementation of a city building strategy based on “official” city planning and land-use regulation was a top priority (Buffalo Department of Public Works: 1910-1911).

During this period, leaders viewed Buffalo, Erie and Niagara counties as one-big city, which should be developed as a single geographic unit called the *Greater City of the Niagara Frontier* (Figure One). This vision was spelled out in the City Planning Committee’s first Annual Report in December 1919. “The time is not far distant when Buffalo, Lockport, the Tonawandas and Niagara Falls will be one, large industrial community. There will be 400 square miles of manufacturing plants in this community, operated solely by electric power. The population will total 6,000,000 and there will be one horsepower developed for every three persons…” (City Planning Committee, 1919).

Figure 3: The Metropolitan City Vision



(The City Planning Committee (1922). “Plan of Buffalo Show General Development.” Frank S. Palen, Buffalo City Planning: Select Materials, 1880-1969, Vol. 1 and Vol. 2, Buffalo Law School

This broader vision caused urban leaders to shift emphasis from “city planning” to “regional planning” as they sought to realize in practice their dream of *The Greater City of the Niagara Frontier*. At a meeting to organize the Niagara Frontier Planning Board, which was held in Tonawanda, New York on September 29, 1924, Governor Alfred E. Smith outlined the importance of regional planning. “This Region is sure to grow, certain to change. Nothing that we can do is going to prevent that growth and change, but what we can do is to prevent that growth from becoming a haphazard one. What we can do is to guide that growth and to plan it” (Niagara Frontier Planning Board, 1925). Later that year, in its First Annual Report, the Niagara Frontier Regional Planning Board outlined its strategy for creating the infrastructure necessary to build the *Greater City of the Niagara Frontier.* “The Niagara Frontier Regional Plan proposes to develop new communicating highways, parks, and rapid transit facilities, and regional zoning to provide for the proper location of industrial and residential areas, the location of bridges within the Region and across the Niagara River, the furtherance of parkways, boulevard extensions, water supply, sewage disposal and harbor and canal improvements (Niagara Frontier Planning Board, 1925).”

The goal of building a metropolitan city was based on two beliefs or assumptions. Urban leaders were aware of the gradual shift in the center of population growth from the central city to the suburban region. For example, between 1900 and 1920, the population of the City of Buffalo increased by 44%, while the suburban population of Erie County increased by 58%. While the number of people moving to the city (N=154,388) was much greater than the number of people moving to the suburbs (N=46,714), the rate of population growth in the suburbs was greater (U.S. Census Bureau, 1900-1920). Urban leaders not only believed that this trend would continue, but that it would intensify over time (Niagara Frontier Planning Board, 1925; Smith, 1926).

Within this context, the *one big city* ideal would enable them to “capture” this growth and guide its development and use homeownership as the anchor to the new urban metropolis. In this model, urban leaders envisioned a monocentric region in which the Buffalo’s Central Business District (CBD) would remain a major employment center and the hub of the metropolitan region. The central goal was to build a monocentric regional city (1) that was anchored by homeownership and the single-family dwelling unit (2) that had a modern transportation system which facilitated population movement to and from the central city (3) that segregated land-use and (4) that concentrated blacks and low-to-moderate income white workers in the central cities, while higher income white workers and the middle-classes lived in the suburbs. In this new residential environment, urban leaders intended to segregate housing units based on type and cost (Niagara Frontier Planning Board, 1925; City Planning Commission, 1919).

Making it Happen: the Depression and the Federal/Local Partnership

The dreams and aspirations of local leaders notwithstanding, building a metropolitan city anchored by a modern residential environment and homeownership could not happen without a partnership among the federal, state and local governments. The reason is that a modern residential environment undergirded by homeownership required not only the establishment of a regulated city (zoning laws, building codes and subdivision regulations), but also the creation of a banking system based on the amortized mortgage, easy access to capital, and a theory of neighborhood development to guide the investment decision of underwriters and mortgage brokers, along with a method of evaluating neighborhood conditions (Taylor, 1993). Building the regional city also required the allocation of millions in federal and state aid to construct an inter-metropolitan arterial system to tie the metropolis together and to facilitate transportation from the central core to the outer lying region. This process not only included the widening of roads and the building of new bridges, tunnels, streets, parkways, thoroughfares and thruways, but also the acquisition and demolition of thousands of structures and the relocation of people and businesses (Rae, 2003).

The Great Depression and World War 11 created the condition that made possible the development of a partnership between the federal, state and local governments. This partnership enabled local leaders in Buffalo and elsewhere to build a regulated urban metropolis anchored by homeownership. This metropolitan city building process involved three episodes of federal-local activity. In the first episode, the federal government set up the policies, established the institutions, and made the necessary changes in the money mortgage system, while local government developed regional plans to guide the metropolitan building process. In the second episode there was the onset of the massively subsidized construction of low-income public housing projects, which accelerated the process of racial residential segregation, and in the final episode there was the urban renewal and highway construction process of the 1950s and 1960s. Also, during this period, in many localities, the process of building public housing units was completed. These three episodes not only led to the construction of the contemporary urban metropolis, but also they triggered the development of fair housing and housing affordability as major issues in American society.

The First Episode

The Great Depression spawned an epidemic of foreclosures, and this created the opportunity for federal and local leaders to realize in practice their dream of building a modern residential environment anchored by homeownership and the single family dwelling unit. To achieve this goal, the federal government established the Federal Home Loan Bank System (1932), the Federal Home Owners Loan

Corporation (HOLC, 1933) and the Federal Housing Administration (FHA) in 1934 to stabilize the housing market and build the institutional based needed to stimulate mass homeownership (Henderson, 2000). These three institutions provided the institutional foundation for the homeownership movement by providing citizens with easy access to capital and by developing the self-amortized mortgage, which revolutionized the money mortgage system.

The HOLC, which operated under the supervision of the Federal Home Loan Bank Board, developed the long-term, self-amortizing mortgage in 1933. HOLC refinanced mortgages at 5% interest over 15 years, thereby making homeownership feasible for those who had been previously unable to afford short-term mortgages at high interest rates. Before 1930 home buying was a risky financial journey. Institutions required large down payments, charged high interests rates, and demanded the repayment of loans within a very short period, typically from two to five years. So, when a family used its savings to purchase a house, a big economic investment in the dwelling was being made. This investment was risky because rising or falling property values determined the home buyer’s fate (Henderson, 2003; Taylor, 1993).

Only a few people could pay off their mortgage within two to five years, so most owners counted on having it renewed again and again as needed. But mortgage renewal was not automatic. If a lending company believed that neighborhood conditions were declining and that housing values were depreciating, it might not renew the mortgage. If that happened, the home buyer might lose both the house and the money invested in it. This possibility undergirded the view that zoning and building code regulations were essential to the development of an economically rationale housing market. In Cincinnati, Ohio, for example, the city’s Better Housing League said that in addition to strict building codes, comprehensive zoning codes were required to protect residential neighborhoods from invasion by undesirable structures. In its 1921 report, the League stated, “It would be a short-sighted policy to encourage the construction of small homes and to foster home ownership and at the same time fail to take every precaution to see to it that the residential districts are not properly protected (Taylor, 1993).”

By building houses that maintained the class character of neighborhoods and by keeping out bad houses, factories, and businesses, home buyers could maintain property values and protect the home investment. Thus, zoning laws and building codes were essential tools in the construction of a modern residential environment anchored by homeownership. Alone, however, building codes, zoning laws, amortized mortgages and access to capital were not sufficient to build a sustainable economically rational housing market within which homeownership was embedded (Radford, 1996). The missing part of the equation was a theory of neighborhood development, along with a method of appraising the real estate risks in urban settings, which underwriters and insurance companies could use in making investment decisions. For the economically rational housing market to operate efficiently and effectively, insurance companies and mortgage brokers needed a “rational” basis on which to make their investment decisions (Metzger, 2000).

This is where the work of the economist Frederick M. Babcock comes in. Before joining the HOLC as its chief underwriter in 1936, Babcock, in his influential text book, the **Valuation of Real Estate**, urged realtors to analyze the *future histories* of neighborhoods when appraising them.

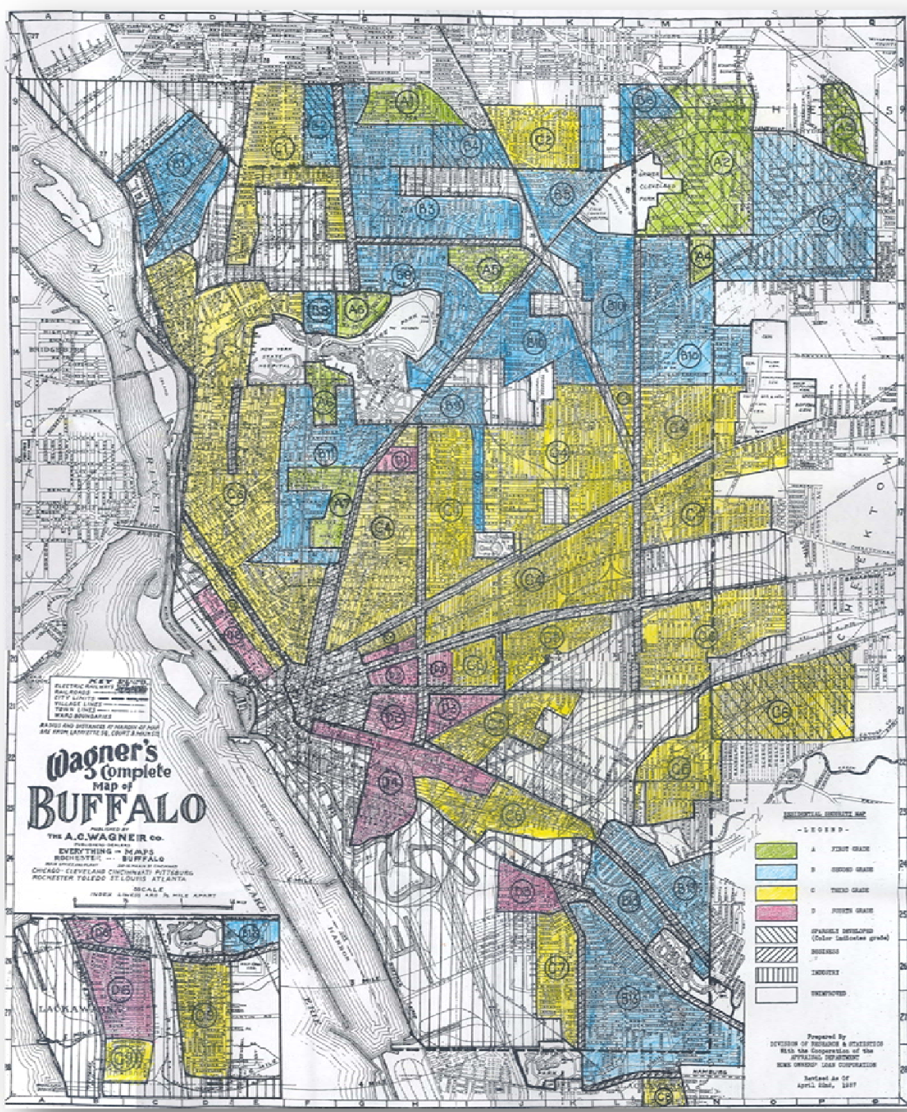
> A residential district seems to go through a very definite and inevitable course of development when not affected by forces which can entirely change its use. This cycle is characterized by the gradual decline in *quality of people* [emphasis added] through the years accompanied by population increases and the more intensive residential use of ground (Babcock, 1932).

Babcock’s neighborhoods life-cycle theory suggests that a linear relationship exists between race, class and neighborhood decline. For instance, when talking about a “gradual decline in quality of people,” he was referring to the influx of blacks, foreign-born, and/or low-white workers into neighborhoods, which changed their class composition, thereby resulting in an “inevitable ultimate condition” of becoming either “a poor, blighted, or decadent district,” or even worse, a district of “a slum character.” Babcock’s language about the inevitability of neighborhood decline became a vital principle in FHA *Underwriting Manual*. In 1935, based on Babcock’s neighborhood life-cycle theory, the HOLC conducted a study of neighborhood conditions in 239 cities to unearth principles to guide the underwriting decisions of insurance companies and mortgage lenders. The goal was to establish a method for appraising real estate risks in urban neighborhoods. Toward this end, HOLC fieldworkers sought to determine where in the lifecycle a neighborhood was situated (Rae, 2003).

The fieldworkers were given extensive instructions on how to carry out their confidential survey of neighborhoods. They gathered comprehensive information on the kind of structures located in the community, including data on the type, age, condition, and value, and they were instructed to evaluate the entire neighborhood, not just the dwelling units. So, they were asked to identify a neighborhood’s positive and negative features. For example, did the community have parks, recreation centers, schools, churches and good transportation linkages? Were the streets and sidewalks in good shape and were manufacturing plants, especially those with noxious odors, located in or near the community? (HOLC Security Maps of Buffalo, 1937)

HOLC fieldworkers were particularly concerned the socioeconomic composition of neighborhoods. They wanted to know the race, ethnicity, occupation, and family income of people living in each community, or that might potentially move into the neighborhood, especially the number of blacks, foreign-born whites, or “low-grade populations. If blacks, or other *low-grade populations*, had started to move into a neighborhood, the fieldworkers estimated the rapidity of the in-migration. They concluded their assessment by projecting *the trend of desirability for the neighborhood over* a ten to fifteen year period. Based on this thorough examination, a color-coded grade was assigned to each residential area which ranged from first to fourth. First grade areas were coded green, second grade areas blue, third grade areas yellow, and fourth grade areas red. Neighborhoods coded green and blue were considered highly desirable communities, while neighborhoods coded yellow and red were considered undesirable communities on a downward trajectory. Neighborhood coded red were considered slum areas, which had already reached the point of no return (Rae, 2003).

1937 HOLC Map of Buffalo, New York



Source: Division of Research and Statistics, Appraisal Department, Home Owners Loan Corporation, HOLC Residential Security Map, Buffalo, New York, April 1937.

In Buffalo, the HOLC survey revealed *two things* about residential development. First, most of the neighborhoods in the city were declining. Over half the 58 residential areas designated by the HOLC in 1937 were coded yellow (36%) and red (16%),[1] with the majority (83%) of these *yellow-red* neighborhoods found on the West and East sides, below West and East Delavan Avenue where the many of the cities industries were located (Hillier, 2003). Indeed, the HOLC coded all the neighborhoods situated along Buffalo's industrial zones on both the East and Lower West sides. Here, it should be recalled that the HOLC fieldworkers were asked to look unfavorably on the neighborhoods where industries were located. These yellow and red coded neighborhoods covered most of the city's land area. There were only four (7%) neighborhoods in the city coded green or first grade, and these residential districts were situated on the northern fringe, near Amherst, a bucolic suburban area.[2] On the flip side, the East Side industrial neighborhood, where blacks shared residential space with white ethnic workers, was coded mostly red, indicating that multiracial neighborhoods near manufacturing plants were the most undesirable in the city.

Second, the HOLC survey confirmed that most of the building lots in Buffalo had been exhausted and there existed little or no room for the development of new subdivisions. A study, conducted at same time the HOLC survey was taken, indicated that about 89% of the City's land parcels (107,000 out of 120,000) had structures on them (Deane and Milliken, 1936). Thus, by 1930, in Buffalo, most of the undeveloped land suitable for residential development had disappeared. Therefore, without extensive demolition, there were no sites on which to develop new subdivisions. The built-up character of Buffalo meant the construction of new owner-occupied, single-family dwelling units would have to take place mostly in the suburban hinterland. Buffalo was no anomaly. In most places, in the 1930 to 1970 period, population growth and new residential development took place in the suburbs (Teaford, 1979; Burgess, 1994).

The central role of suburban development was reflected in the design of Greater Buffalo's metropolitan arterial system. Regional studies of automobile registration and suburban population growth reinforced the notion that the center of population growth and residential development had shifted to the suburban region. In its first annual report, the Niagara Frontier Planning Board speculated that by 1960 almost 1.6 million people would be living in the Erie and Niagara counties and that Buffalo would be the hub of this great metropolitan city (Niagara Frontier Planning Board, 1925). While this vision proved overly optimistic, the suburban region did become in the center of population growth in metropolitan Buffalo. For example, between 1920 and 1960, Erie County's suburban population grew from 127,913 to 531,929, an increase of 404,016 residents (a 316% increase). Concurrently, during this same period, the population of Buffalo grew from 506,775 to 532,759, an increase of only 25,000 or five percent (Figure).

During the seventies, for the first time, Buffalo experienced negative growth, while the suburban population grew by 119,000, an increase of 22% (Figure). In the first half of the 20th century, operating in the context of the *One-Big City* view of urban development, leaders believed the future of metropolitan Buffalo centered on suburban population growth, and they sought to create an arterial system to facilitate traffic flow from the central city to the suburbs. Thus, in Buffalo and elsewhere, transportation planning, regional planning, and suburban population growth marched in unison.

Population Growth in Buffalo and Erie County, 1900 - 2000

Year	Buffalo	Suburb	% City
1900	352.387	81,199	81.27
1910	423.715	105,270	80.09
1920	506,775	127,913	79.84
1930	573,076	189,332	75.16
1940	575,901	222,476	72.13
1950	580,132	319,106	64.51
1960	532,759	531,929	50.03
1970	462,768	650,732	41.56
1980	357,870	650,723	35.24
1990	328,123	640,049	
2000	292,648	657,617	

Source: U.S. Census Bureau, Population of Census

This process of regional city building intensified racial segregation and spawned the rise of a bifurcated *de-facto* metropolitan city in which whites (the elites, middle-class and higher-paid workers) would be overrepresented in the suburbs, and blacks, foreign-born whites and low-income workers would be overrepresented in the central city. In 1900, whites comprised 99% of the city's population. By 1970, the proportion of whites living in Buffalo dropped to 79%, while the percentage of blacks living in the city increased to 20%. The die was cast. The suburbanization process was sorting and sifting the population by race.

In retrospect, the rise of homeownership combined with the land-use regulation, the amortized mortgage, and easy access to capital birthed the *fair housing issue* and planted the seeds that grew into the post 1970 housing affordability problem. The reason is the HOLC system sent a powerful message to bankers that black and low-to-moderate income white neighborhoods were high risk places, which prudent investors should withhold credit for the purchase, repair or renovation of housing. According to the neighborhood life-cycle theory, African Americans were prime triggers of neighborhood decline, thereby making them the most undesirable residents in the metropolis. Therefore, black neighborhoods, in particular, should be avoided by financial institutions and African Americans should be kept out of the most desirable communities (Metzger, 2003). Consequently, the HOLC rating system combined with the rise of homeownership, operating in the context of an economically rationale housing market, to transform neighborhoods into *defended territories* in which residents sought to keep out undesirables, especially African Americans. Thus, maintaining property values and protecting the home investment became part of the cult of homeownership and neighborhood culture, and this changed fundamentally the nature of race and class relations in the urban metropolis (Massy and Denton, 1993).

The Second Episode

In the second episode, the multiracial East Side Industrial neighborhood was broken-up, thereby opening up the age of racial residential segregation in Buffalo. During the opening decades of the 20th century, most blacks lived in the East Side Industrial neighborhood, along with a plethora of white ethnics. Outside this neighborhood, the only other concentration of blacks was found in Cold Springs, which was situated between Best and East Delavan and Main Street and Jefferson Avenue on the east and west. The remainder of the African American population was scattered across the city, where they resided largely in neighborhoods dominated by white ethnic groups. During these years, racial residential segregation did not exist in Buffalo. Even in those communities where blacks were concentrated, they did not dominate residential space (BMHA, 1934).

In those days, blacks were at the bottom of the city's socioeconomic order. They were mostly a low-income group comprised primarily of domestic servants and unskilled and semi-skilled laborers. Twelve percent held skilled laborer jobs, while only seven percent were employed as professionals—musicians, ministers, social workers, black doctors, dentists and lawyers. There were no black bankers, financiers or brokers. Although blacks shared residential space with whites, they still lived under deplorable housing conditions. For example, about 75% of the black population lived in housing that was designated as *substandard* in the city's 1937 Real Property Survey, which explains, in part, why most of the neighborhoods in which blacks lived were colored *red* by the HOLC (City of Buffalo, 1940). Between 1940 and 1970, Buffalo's black population exploded as it jumped from 17,694 to 94,540, an increase of more than 77,000 African Americans poured into the City, and blacks grew from 3% to 20% of the population.[3] As African Americans moved into the City, an even larger number of whites moved to the suburbs. During this same period, the suburban population grew by more than 428,000 as it zoomed from 222,500 to 650,700, while the City's population declined by a little over 113,000 residents (Taylor, 1990).

The city used a twofold strategy to house this rapidly growing black population, and their approach spawned the growth of racial residential segregation in Buffalo. The first strategy focused on the use of filtered down East Side housing to provide lodging for African Americans. Most of the 77,000 blacks moving into Buffalo between 1940 and 1970 settled in the spatial margin between East Delavan and Eagle Street and between Main Street and Jefferson Avenue, where they moved into housing that had been previously occupied by whites. According to the HOLC survey, the neighborhoods into which African Americans were moving were declining communities that had been coded yellow. Thus, in Buffalo's transitional city, a *housing filtration* strategy was used to meet the demands of African Americans, while white newcomers and old timers were being steered into new suburban neighborhoods with good housing and amenities. Policy makers believed that blacks could not afford the new housing being constructed in the suburban region and would devalue the war housing units being constructed in white neighborhoods, so they tried to keep them out. The process of separating blacks and whites in residential space was starting.

The second strategy involved using public housing to provide lodging for African Americans. This approach did provide African Americans with higher quality housing, but it also forced them to live in a segregated residential environment. In the middle 1930s, urban leaders and real estate industry spokespersons, especially those affiliated with the National Association of Real Estate Boards (NAREB), began calling for the federal government to curb the ruinous effects of urban decay, to revitalize the central city, and to protect downtown real estate investments. Much of the real estate industry's lobbying efforts from the 1930s through the 1950s included the development of a series of policy proposals to facilitate the public acquisitions of *slum land* in blighted areas for clearance and resale to private builders. These proposals included state acts empowering municipalities to redevelop blighted areas, public-private coordination of urban land-use and controls, long-term federal loans to cities at low interests rates, and generous tax subsidies and write-offs for local redevelopment proposals The 1949 and 1954 Housing Acts provided federal funds for local redevelopment authorities to designate "blighted" areas, acquire and clear land, and then sell the land to private developers or local housing authorities for public housing(Gotham, 2001).

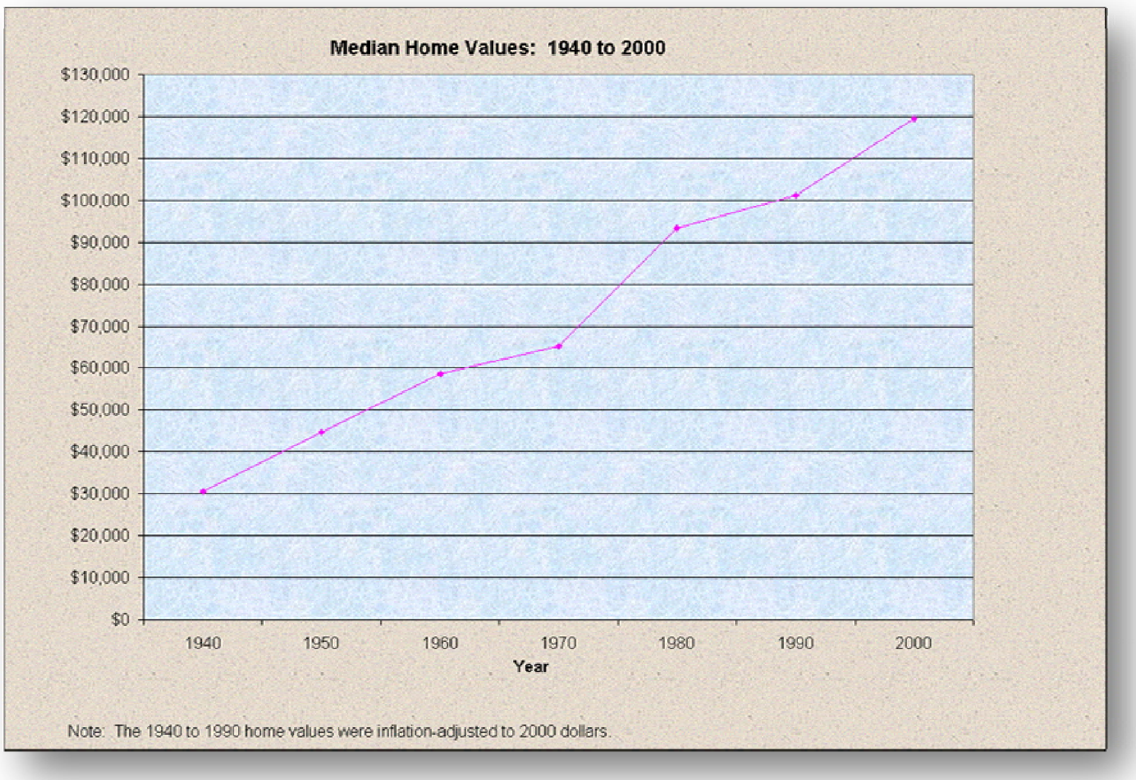
Public housing was not meant to provide housing solely for African Americans. Rather, it was considered transitional housing for working class families, white and black, who were experiencing temporary financial difficulties. They were built to high construction standards and meant to provide residents with good living conditions, as well as a social atmosphere conducive to the development of good citizenships. However, within this context, the federal and state governments allowed local government to organize public housing units along racial lines. As a result, local housing authorities in Buffalo, Chicago and other cities frequently segregated residents according to race, and so they built housing developments in areas where blacks were heavily concentrated (Kraus, 2004).

Starting in 1934, Buffalo's public housing developments were built in several locations around the city and in the suburbs, but African Americans were allowed to live only in those developments built on the lower east side, the Willert Park apartments (Kraus, 2004). The issue of whether to allow blacks to live in public housing in predominantly white residential areas came to a head in 1941. That year, several white neighborhoods successfully mobilized opposition to housing for African Americans, who were employed in war related industries that were located in their neighborhoods. Thus, growing white opposition to blacks in their neighborhoods caused new war housing to be built in the shadow of the Willert Park apartments, thereby reinforcing the growing pattern of racial residential segregation. Moreover, this action demonstrated that strong opposition existed to black presence in white neighborhoods, and policy makers would use this knowledge to influence future decisions on where to construct public housing units (Kraus, 2004).

The city and regional building process initiated in the 1930s in Buffalo, and elsewhere, altered the social geography of the metropolitan region by creating an urban duality between the central city and the suburban hinterland. The suburbs became the residential center of higher income groups, living in new single family dwelling units, while the central city became the place where blacks and low-income workers were overrepresented. In this new setting, racial residential segregation became the norm. In 1968, the Kerner Commission, in its report on urban riots, said the United States is moving toward the development of two societies, "one largely Negro and poor, located in central cities; the other predominantly white and affluent, located in the suburbs (Massey and Denton, 1993)."

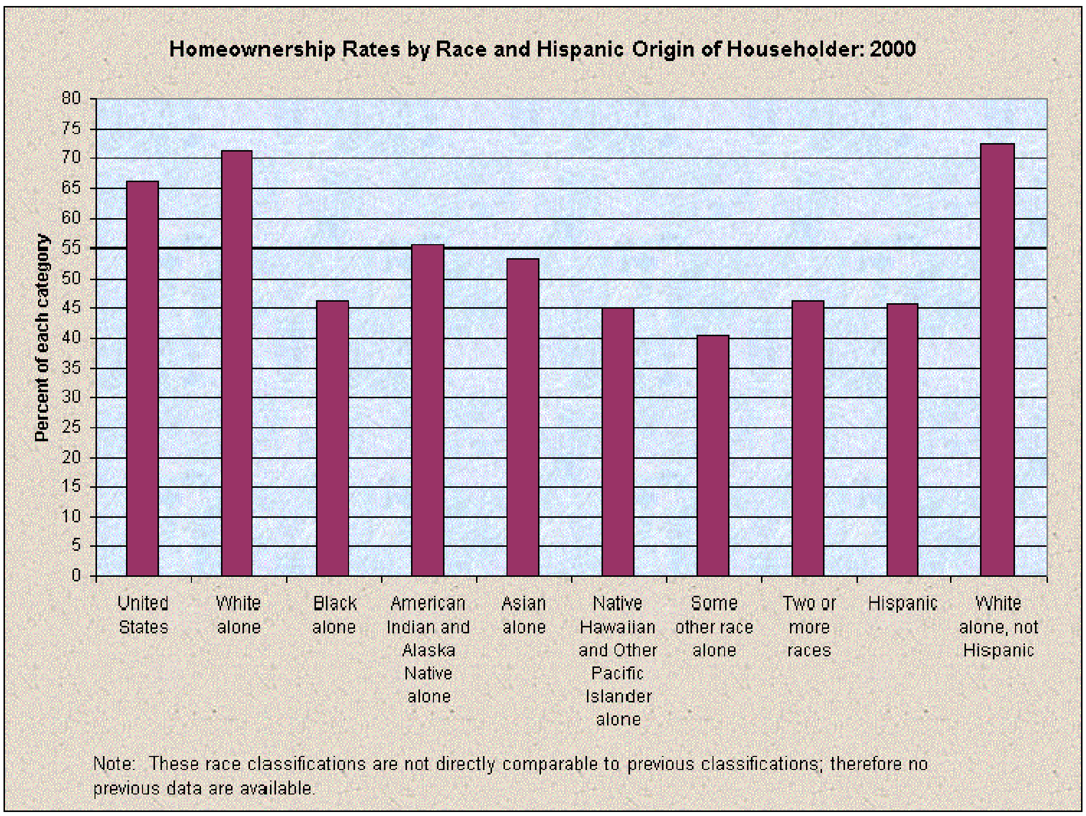
The quest to build a *regional city* based on a system of homeownership, operating in the context of an economically rational housing market, was the culprit. This approach to city and regional building dramatically changed the urban metropolis and the way in which neighborhoods were organized. For example, between 1940 and 1970, the national rate of homeownership jumped from 43% to 63%, an increase of 47%. In New York State, during the same time, the homeownership rate jumped from 30% to 47%, an increase of 57%. Not only did the rate of homeownership change, but even more important, the emergence of the economically-rational housing market transformed the owner-occupied dwelling unit into a commodity to be bought and sold for a profit (U.S. Census of Housing, 1940-2000).

This shift of owner-occupied housing from a cultural artifact to a commodity is reflected in the dramatic increase in the value of housing, both nationally and in New York State. Nationally, between 1940 and 1970, in constant dollars, the value of housing jumped by 110%, as it increased from $31,000 to $65,000. In New York State, the value of housing increased by 87%. In other places, the increase was even more dramatic. For example, in Tennessee, the value in housing increased by 153% during the same time frame, and in Illinois, the value of housing jump by 124%, as it increased from $34,000 to 76,000 (U.S. Census of Housing, 1940-2000). Overall, nationally, between 1940 and 2000, the value of housing increased by 287%, as it jumped from $31,000 to $120,000 (Figure xxx).



Source: U.S. Census of Housing, Historical Census of Housing Graphs, Online.

The great irony is that increments in the cost of housing ultimately placed homeownership beyond the reach of many Americans, thereby, thwarting the original goal of *mass* homeownership. For example, between 1940 and 1960, the rate of homeownership increased by 32%, while in the forty year period between 1960 and 2000, the homeownership rate increased by only 6.4%. On the other hand, the cost of housing increased by 103% over the same period. The ratio between cost and homeownership helps to explain why race was a factor in this quest. Between 1940 and the present, as owner-occupied housing morphed into a commodity, it became a major source of wealth accumulation in the United States. However, the income disparity between blacks and whites produced a disparity in homeownership between the two groups. The gap between homeownership rates among white households and black households has exceeded 20 percentage points every year since 1940, and in 2000 that gap was 26% (Leigh and Huff, 2007). In that census year, about 71% of whites owned the home within which they lived, while about 46% of African Americans and 45% of Latinos owned their homes. So, for whites, mass homeownership became a reality, while for blacks and Latinos it remains a dream deferred. In terms of value, the median value of homes for whites is $123,000, for blacks it is $81,000 and for Latinos it is $105,000.

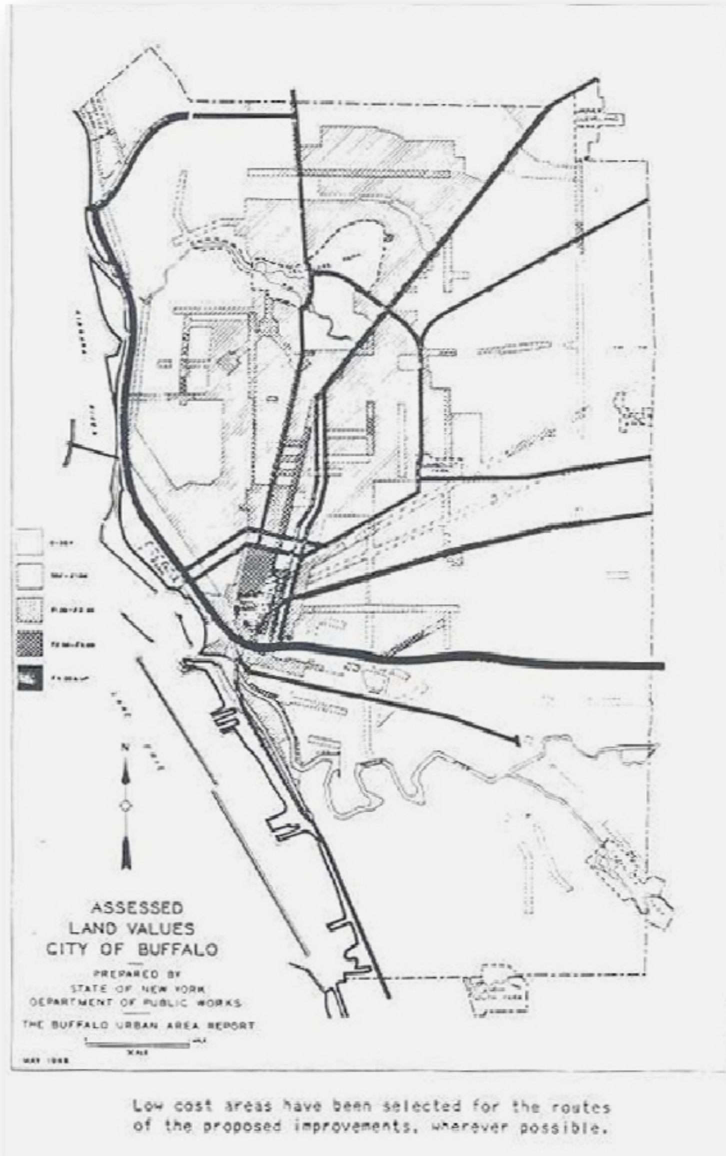


Episode Three

During the first half of the 20th century, urban leaders in Buffalo and elsewhere forged their dream of building a metropolitan city and then formulated plans to guide its development. Between 1950 and 1970, cities, including Buffalo, began the process of implementing these plans. The legislative engine that drove this effort was the Housing Act of 1949 and the 1956 Federal-Aid Highway Act (Lang and Sohmer, 2000). The 1949 Housing Act provided local government with funding for slum clearance programs associated with urban renewal projects in American cities, increased authorization for the Federal Housing Administration (FHA) mortgage insurance, and extended federal money to build more public housing units, while the Federal-Aid Highway Act gave state and federal governments complete control over new highways, which were often directed through vibrant urban neighborhoods, especially those where African Americans lived. The fundamental goal of the Highway Act was to create an arterial system that moved traffic in and out of central cities as efficiently and effectively as possible (Levine, 1959).

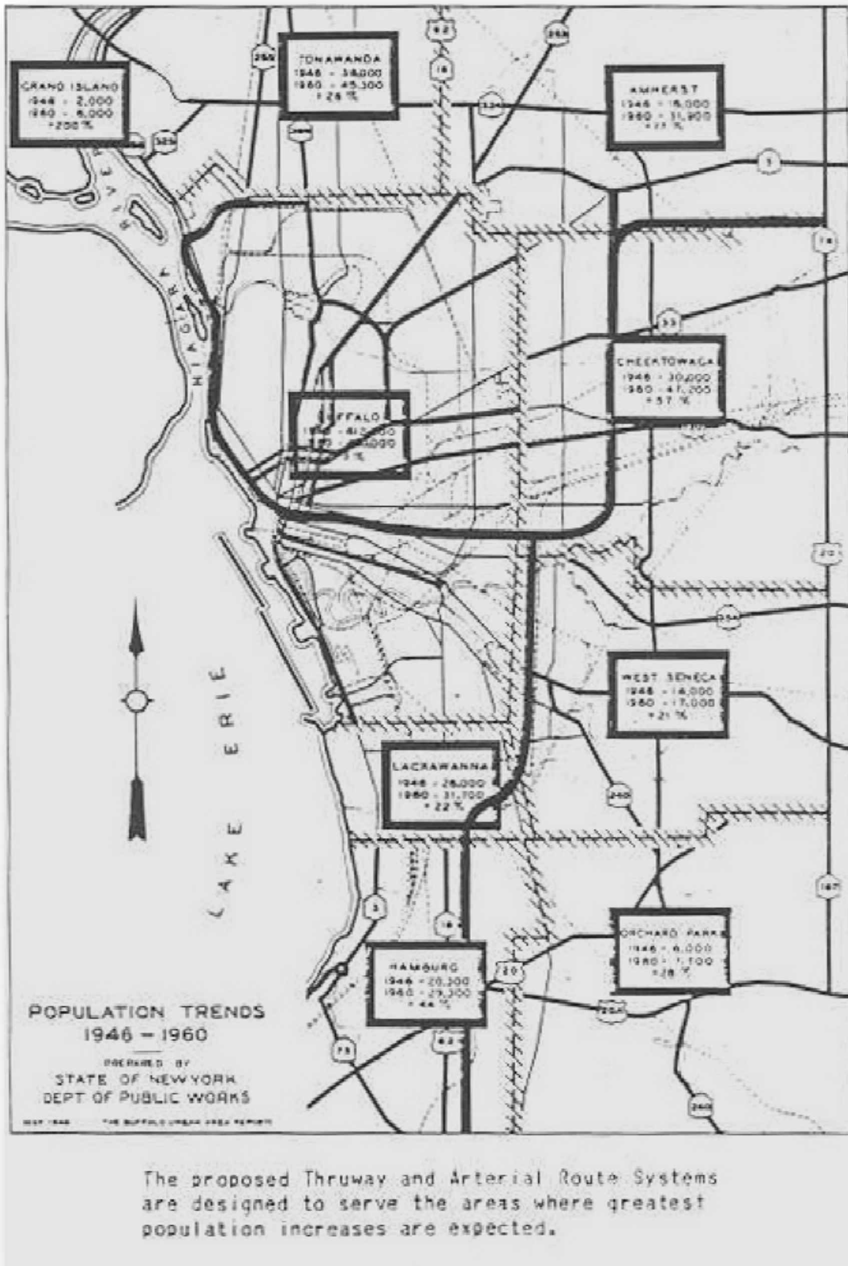
This metropolitan city building process had a dual impact on the urban metropolis. On one hand, the slum clearance and highway construction strategy led to the destruction of many of the central city's vibrant working class and African American communities and intensified the outmigration of whites. For example, in Buffalo, between 1950 and 1970, the central city population dropped by 20%, as the number of people living in Buffalo fell from 580,132 to 462,768. Most of the residents leaving the City were white. For instance, during this twenty year period, 178,065 whites left the City, as their number fell from 542,432 to 364,367, a decline of 33%. Concurrently, the City's African American population increased by 57,584 (or 157%) as their numbers grew from 36,745 to 94,329 (Taylor, 1990).

In Buffalo, the highway construction process wreaked havoc in the black community. Policymakers routed most of the new highway construction through the East Side, where the growing black population was settling (Figure xxx). For example, the construction of the Niagara Thruway to connect the Buffalo Niagara Frontier to the Erie Thruway was built though portions of the East Side Industrial neighborhood, and the building of the Kensington Expressway to link downtown Buffalo to the regional airport and to provide rapid transit from the northeastern suburbs to the CBD led to the destruction of the beautiful Humboldt Park and cut through Hamlin Park, an emerging black middle class community. As the Kensington Expressway moved through the black community, it divided neighborhoods, demolished hundreds of dwelling units, devalued property and accelerated the process of neighborhood decline (Taylor, 1990).



Source: Urban Area Report: New York State Thruways and Arterial Routes—the Buffalo Urban Area, 1946, Plate 30: Buffalo City Planning: Selected Material, 1880-1960, Volume 2, 1931-1960, UB School of Architecture and Planning.

On the flip side, omnipresent demolition combined with new highway construction and road widening to facilitate suburban growth and development (Figure xxx). Thus, while blacks were moving into public housing and declining neighborhoods, whites were moving into the rapidly developing suburban region. For example, between 1950 and 1970, the Erie County suburban population increased by 331,617, an increment of 104%. By 1970, in Buffalo and across the United States, for the first time, the suburban population outnumbered the central city population (Taylor 1990).



Source: Urban Area Report: New York State Thruways and Arterial Routes—the Buffalo Urban Area, 1946, Plate 27: Buffalo City Planning: Selected Material, 1880-1960, Volume 2, 1931-1960, UB School of Architecture and Planning.

The residential dominance of the suburbs over the central city marked the dawning of a new age in urban development. This new urban metropolis was characterized by a *duality* in which blacks, people of color and low-income groups were overrepresented in the core, while whites were overrepresented in the suburban region. Not only this, but the suburbs became associated with the homeownership, upward social mobility and the good life, while the central city became increasingly associated with blacks, crime, and the urban crisis (Massey and Denton, 2003).

Reflection

The Buffalo vision of transforming the central city and suburb into *One Big City* never happened. Instead, the metropolitan city building process created an urban duality and spawned the problems of fair housing and housing affordability. Before the economic rationalization of the housing market, while blacks and other groups experienced housing discrimination, racial factors did not shape the social geography of the urban environment. Back then, when housing was a *cultural artifact*, the value of housing in working class neighborhoods was not tied to racial exclusion. In this setting, although blacks might be overrepresented in one part of the neighborhood and whites in another, the two groups nonetheless shared residential space.

The *commodification* of housing and the rise of homeownership changed this. When the economically rational housing market supplanted the non-economically rational market, housing was transformed from a *cultural artifact* to a *commodity*. When this happened, increasingly, the goal of homeownership was to make a profit on the building and selling of dwelling units, and homeownership became the major source of wealth acquisition in the United States. To make possible the building of homogenous neighborhoods and to protect owner-occupied housing, cities used zoning laws, building codes and subdivision regulations to build the *regulated city* and to develop neighborhoods stratified based on housing cost and type. These regulations transformed neighborhoods into defended territories, where residents sought to keep out people and land-uses that might devalue property. The work of the Homeowners Loan Corporation reinforced this growing trend with its neighborhood life-cycle theory. By declaring that blacks were a major cause of neighborhood decline, HOLC actually encouraged racial discrimination in the sale, rental and financing of housing, thereby, wittingly or unwittingly, making fair housing an urban problem.

Concurrently, although housing affordability did not emerge as a problem until after 1970, the seeds were planted in during the regional city building era. The *commodification* of housing meant that one critical purpose of home owning was to accumulate wealth from the buying and selling of property. Thus, in the decades after 1950, the value of housing grew exponentially, especially from 1970 onward. For example, nationally, between 1950 and 1970, the median value of housing increased from $45.000 to $65,000, an increase of about 44%. However, between 1970 and 2000, the median value of housing increased from $65,000 to $120,000, an increase of 85%. Thus, the *commodification* of housing placed profit-making at the center of the production and sale of housing in the United States. The increasing cost of housing meant that fewer and fewer people could purchase their homes and that renters had to pay an increasing portion of their income on housing.

[1] It is not clear what guidelines the fieldworkers used to established the residential areas, and each area can vary greatly in terms of size

[2] Division of Research and Statistics, Appraisal Department, Home Owners Loan Corporation, HOLC Residential Security Map, Buffalo, New York, April 1937.

[3] This movement of blacks to Buffalo was part of the Second Great Migration of blacks out of the South. More than 2 millions African Americans moved to urban centers in the North and also millions left the farms for southern cities as well.