



## ROOT CAUSES OF HOUSING AND LAND JUSTICE: **BUILDING WHITENESS**

Local governments in the United States have long used public infrastructure investments to attract wealthy white residents to targeted neighborhoods, going back to the 19th century and continuing today. This practice both mirrors and influences private investors to disproportionately invest capital in whiter and higher-income neighborhoods, in some cases, up to four times that of majority Black neighborhoods.<sup>1</sup>

One notable example of this practice is the creation of New York City's Central Park. The construction of Central Park was part of a larger effort by local leaders to transform the city into a desirable place for the wealthy and influential to live. The City of New York paid for the land and the design of the park; wealthy individuals and organizations provided additional funding for its construction and maintenance. However, the City used eminent domain to acquire 700 acres of the land, displacing 1,600 lower-income and immigrant residents to make way for the park's construction.<sup>2</sup> The park successfully attracted wealthy residents to the surrounding neighborhoods which now have some of the highest property values in the world.



Aerial view of the Central park, Adobe Stock.

Public investment in urban areas continues to be used to attract wealthy residents. One example is the redevelopment of Seattle's South Lake Union (SLU) neighborhood. The process began in the 1990s and continues today. Wealthy individuals including Microsoft co-founder Paul Allen, the largest landowner in the SLU area and owner of Vulcan Development, wanted the area to become a high-tech employment center. Vulcan developed millions of square feet of commercial real estate in the neighborhood. This vision was pitched to Seattle leaders to broaden the city's tax base (if redevelopment was supported by public funds). The city approved major land use rezoning and

contributed over \$500 million for new streets, a streetcar line, and utilities. The redevelopment attracted office locations for global philanthropy, biotech, and technology companies including Amazon's global headquarters for its over 45,000 employees.<sup>3</sup> The rapid influx of wealthy residents drove up the costs of living for everyone as they competed for housing nearby, resulting in increased housing costs, property values, and homelessness.<sup>4</sup>

A 2018 racial equity assessment of the City of Baltimore's Capital Budget by the Department of Planning found municipal bond spending in predominantly white neighborhoods outpaced spending in neighborhoods of color by alarming margins. An average of \$15 million was authorized for projects in Baltimore neighborhoods where residents were at least 75% white. Only \$8 million was authorized in areas where residents were more than 75% people of color.<sup>5</sup> In short, Baltimore subsidizes their wealthiest residents at the expense of those most in need.

In conclusion, the use of public investment to attract wealthy residents to certain areas has a long history in the United States and had a significant impact on the racial segregation and income inequality of residents. While these public investment projects can benefit government budgets, the racial dynamics of these projects are inequitable and unacceptable. They often result in disproportionately white property owners reaping economic windfalls while households of color are excluded from benefiting financially and are displaced in the process. Understanding these dynamics can help policy makers shape new growth to repair past harms and meet the needs of communities of color rather than the priorities of wealthy households.

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1 Brett Theodos, Brett Meixell, Brady Hangen, Eric Rajasekaran, Prasanna. ["Neighborhood Disparities in Investment Flows in Chicago"](#), Urban Institute, 2019.

2 Roy Rosenzweig, Roy and Blackmar, Elizabeth, "The Park and The People: A History of Central Park", 1998.

3 City of Seattle Office of Economic Development, ["Public & Private Investments in South Lake Union"](#) 2012.

4 ABC News, ["The jobs came faster than the housing': In Seattle, Amazon's rise also delivers growing pains"](#), 2018.

5 Duncan, Ian, Baltimore Sun, ["Study finds deep racial disparities in way Baltimore allocates public construction dollars Baltimore"](#). Dec 12, 2017.

# ROOT CAUSES AND SYMPTOMS OF HOUSING AND LAND INJUSTICE

