

Philadelphia's homicide rate has been on the rise, reaching a more than decades long high in 2018. The Office of the City Controller decided to study homicides as a result, [releasing a report](#) on the economic impact of homicides in October 2019. The report analyzed historical data from 2006 through 2018 to quantify the effect of a single homicide on residential sale prices in Philadelphia and used the potential economic benefit of reducing homicides as a leverage point for the City to consider alternative or more concerted investment in proven violence reduction strategies. The report carefully noted the complex intersection of gun violence and intergenerational structural racism, including residential segregation, and its role in shaping Philadelphia's neighborhoods today. Since the report's release, 2019's homicide rates have been finalized, surpassing 2018's total. In an effort to provide additional historical context and support a better understanding of the collective responsibility for these challenges, the Controller's Office mapped 2019's homicides and present-day disadvantage alongside 1930s redlining maps. This interactive data release is part of an on-going analysis by the Controller's Office of gun violence in Philadelphia.

### *A History of Redlining*

During the first half of the 20<sup>th</sup> century, local and federal governments prevented African Americans and other minority populations from homeownership through the creation of discriminatory federal mortgage programs and redlined appraisal maps, as well as the use of racially restrictive stipulations written into deeds that prohibited certain races from the ownership of specific properties. These policies, which exclusively provided white populations with the access to capital and privilege necessary for homeownership, had a significant role in the racial segregation of American cities.

Discriminatory lending practices became ingrained at the federal level during the 1930s with the creation of the Homeowners' Loan Corporation (HOLC) and the Federal Housing Administration (FHA), New Deal programs that provided financial support to homeowners and aimed to increase homeownership in the wake of the Great Depression. HOLC refinanced home mortgages in default or at risk of foreclosure<sup>1</sup> and created now-infamous appraisal maps of cities across the country that included an explicit racial component. The FHA, which provided federal insurance for mortgages, relied on these neighborhood appraisals, as well other risk assessments, to tailor its underwriting policies to limit or prohibit mortgage insurance for individuals from neighborhoods deemed "risky."<sup>2</sup>

These discriminatory federal policies directed lending practices in the private sector, creating significant barriers to mortgage lending for African Americans and incentivizing white populations to move out of redlined neighborhoods and into approved, racially homogenous neighborhoods.<sup>3</sup> By the end of World War II, the definition of "white" had expanded to include Eastern European, Irish, and Jewish populations,<sup>4</sup> creating majority African American neighborhoods across America's cities with depreciating property values and compounding disinvestment. Ultimately,

<sup>1</sup> <https://rooseveltinstitute.org/home-owners-loan-corporation/>

<sup>2</sup> Hillier, A., 2003, pg 395.

<sup>3</sup> Nier, C. "Perpetuation of Segregation: Toward a New Historical and Legal Interpretation of Redlining under the Fair Housing Act." *Marshall Law Review*, 1999.

<sup>4</sup> Sacks, K., "How Did Jews Become White Folks?" *How Did Jews Become White Folks & What That Says About Race in America*, 1998.

the homeownership enabled by these programs allowed select populations to accumulate wealth through the 1960s, while redlining and other racially restrictive policies explicitly prevented African Americans from participating in this wealth building.<sup>5</sup>

With the Fair Housing Act and the Civil Rights Act, redlining and other discriminatory housing policies were made illegal in 1968.<sup>6,7</sup> However, discriminatory lending practices have persisted to this day in the form of “reverse redlining,” in which mortgage lenders charge African Americans and Latinos higher interest rates and fees on loans than their white counterparts.<sup>8</sup> In the years since the Great Recession, there have been a number of class-action lawsuits against major mortgage lenders for their reverse redlining practices, including in Philadelphia.<sup>9</sup>

### *The 1937 Redlining Map for Philadelphia*

As one of the country’s most racially segregated cities,<sup>10</sup> the history of structural racism described in the previous section is particularly important for Philadelphia. The HOLC’s appraisal map for the city is a striking illustration of this history. The 1937 map, which can be seen on the next page, includes large areas of the city classified as either “hazardous” (colored in red) or “definitely declining” (colored in yellow). The “redlined” zones typically had an “undesirable population” of African Americans, immigrants, and Jews, while the yellow zones showed evidence of an “infiltration of a lower grade population.”<sup>11</sup> These assessments stand in stark contrast to those for the green and blue zones, which were considered ideal for investment, had above-average housing conditions, and often contained a “homogenous” white and affluent population.<sup>12</sup>

<sup>5</sup> Rothstein, Richard. *The Color of Law*, 184-185.

<sup>6</sup> “The Fair Housing Act...makes it unlawful for any lender to discriminate in its housing-related lending activities against any person because of race, color, religion, national origin, sex, handicap, or familial status.”

[https://www.federalreserve.gov/boarddocs/supmanual/cch/fair\\_lend\\_fhact.pdf](https://www.federalreserve.gov/boarddocs/supmanual/cch/fair_lend_fhact.pdf)

<sup>7</sup> Santucci, L. “How Prevalent Were Racially Restrictive Covenants in 20<sup>th</sup> Century Philadelphia? A New Spatial Data Set Provides Answers,” Federal Reserve Bank of Philadelphia, 2019, p.15.

<sup>8</sup> Housain, A., 2016. <https://mjrl.org/2016/11/02/reverse-redlining-and-the-destruction-of-minority-wealth/>

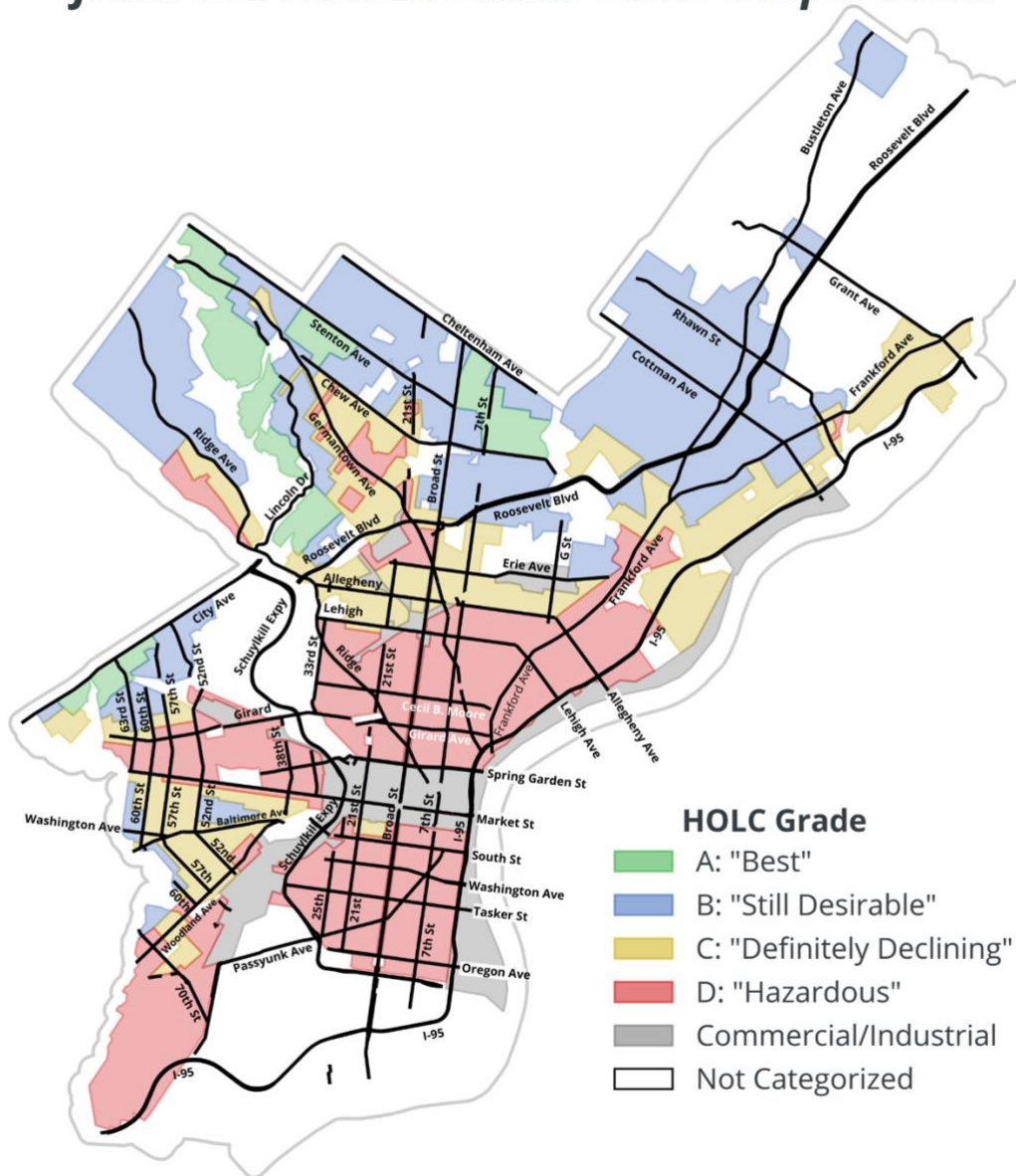
<sup>9</sup> <https://www.inquirer.com/real-estate/housing/philadelphia-settles-lawsuit-wells-fargo-allegations-discriminatory-mortgage-lending-minorities-20191216.html>

<sup>10</sup> Frey, W. and Myers, D., “Neighborhood Segregation in Single Race and Multirace America: A Census 2000 Study of Cities and Metropolitan Areas,” 2002.

<sup>11</sup> Hillier 2005; FHLBB Division of Research and Statistics 1937

<sup>12</sup> See e.g., <https://slate.com/news-and-politics/2015/05/racism-in-real-estate-landlords-redlining-housing-values-and-discrimination.html>

## 1937 "Redlining" Map of Philadelphia from the Homeowners' Loan Corporation



Sources: HOLC map via 'Mapping Inequality'

### *Redlined Neighborhoods Today*

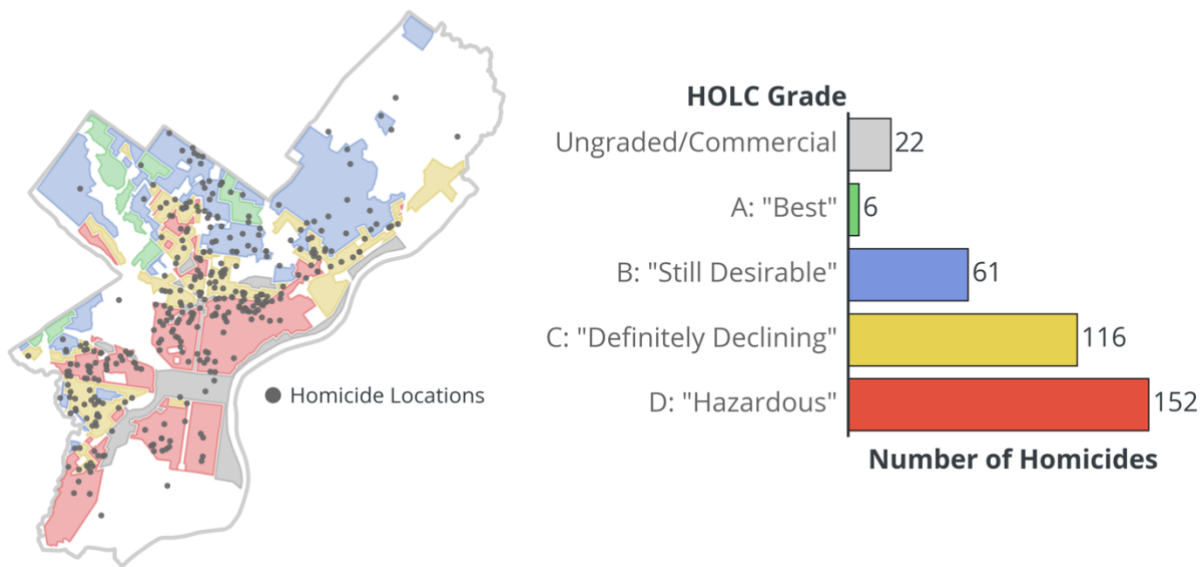
Without access to lending and legal deed ownership, minority populations in Philadelphia were forced to reside in neighborhoods condemned by the federal government as unworthy of investment. This denial of opportunity has compounded in the decades since, leading to unequal outcomes across Philadelphia's segregated neighborhoods nearly a century later. Historically redlined areas of Philadelphia continue to experience disproportionate amounts of poverty, poor

health outcomes, limited educational attainment, unemployment, and violent crime compared to other neighborhoods in the city.<sup>13</sup>

In particular, racial residential segregation is a key predictor of urban violence and homicide.<sup>14</sup> The chart below shows the locations of Philadelphia's 357 homicides in 2019 — the most since 2007 — and the relationship to the risk assessments made by HOLC. It is clear that Philadelphia neighborhoods experiencing the highest levels of present-day violence are the same neighborhoods characterized as “hazardous” or “declining” in the HOLC map. In fact, 75 percent of all homicides in 2019 occurred in regions graded as “C” (declining) or “D” (hazardous) by the HOLC.

### Locations of 2019 Homicides by the Area's 1937 HOLC Grade

*75% of all homicides in 2019 occurred in areas graded as 'C' or 'D'*



Sources: Police Department; HOLC map via 'Mapping Inequality'

These redlined neighborhoods not only experience the highest levels of violence, but more broadly, they are the most disadvantaged communities in the city. The chart below shows present-day disadvantage across the city as measured from Census-based indicators, including public assistance usage, poverty rate, the number of female-headed households, and the population under 18 years old. As the figure shows, the most disadvantaged neighborhoods of the city today (darkest blue) were marked as “declining” (yellow areas) or “hazardous” (red areas) by the HOLC. These areas of the city have also experienced the highest levels of violence and homicide in recent years.

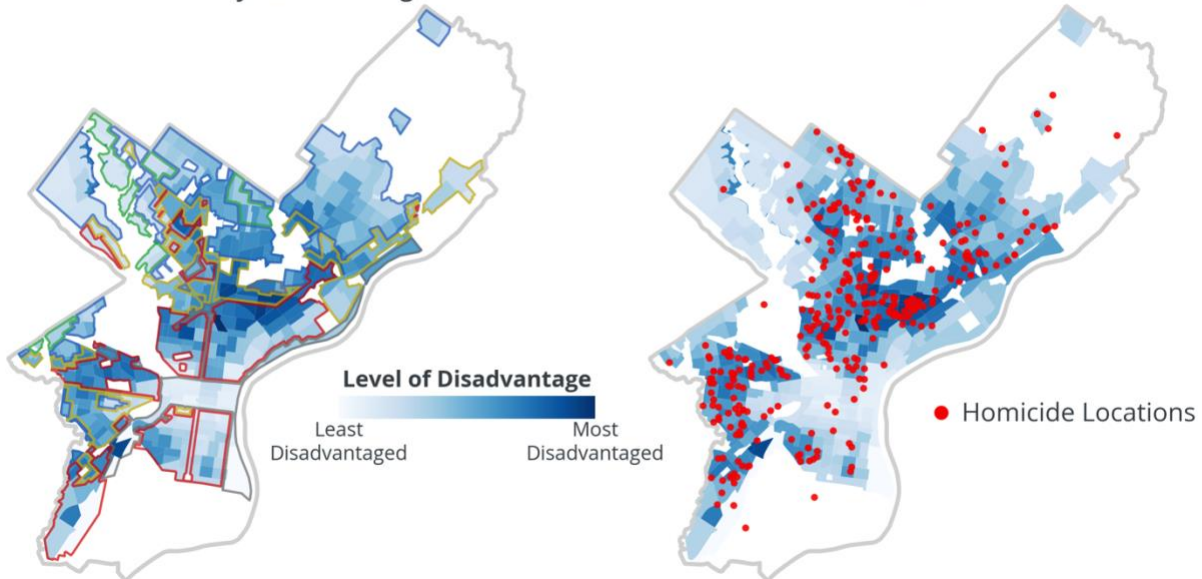
<sup>13</sup> See, for example, the Department of Public Health's report on the [2019 Health of the City](#).

<sup>14</sup> Shihadeh, E., and Flynn, N., “Segregation and Crime: The Effect of Black Social Isolation on the Rates of Urban Violence,” *Social Forces*, 1996, 74:4, 1325-1252.

## Historical Redlining vs. Present-Day Violence & Disadvantage in Philadelphia

*HOLC Boundaries with  
Present-Day Disadvantage*

*Present-Day Disadvantage with  
2019 Homicides*



*Sources: 2014-2018 ACS estimates; Police Department; HOLC map via 'Mapping Inequality'*

Philadelphia has both the highest poverty rate and the highest homicide rate per capita of any of the ten largest cities in the country. As a city, we must acknowledge the root causes of present-day disadvantage — racial residential segregation and structural racism — that perpetuates the cycle of violence in certain communities and work together to develop a comprehensive, focused and data-driven response that stops homicides now. The Controller's Office will continue to lean in on efforts to make Philadelphia's neighborhoods safer, especially those neighborhoods where the legacy of structural racism still persists today.