

Just Development

A couple of weeks ago, I made arrangements to have a long overdue lunch with my friend, Mark Smith, executive director of the Housing Consortium of Everett and Snohomish County, a small non-profit which provides strategic leadership in crafting program and policy solutions to affordable housing challenges in Snohomish County. As we sat over our lunch, I told him that I was going to be preaching about housing from Isaiah today and showed him the passage I just read on my mobile phone. “This is Isaiah?” he said. “It sounds just like today.”

Mark, as someone who works everyday on the housing crisis in our region, should know just how terribly topical this passage is. This morning, I want to consider how God’s justice and modern community development interact, the tangled web of taxes, zoning, and the free market, and how the original sins of the United States continue to play their role in the injustices we see in housing now. And there will be reference to headlines in the Seattle Times from as recently as this week.

But first, let’s make sure we understand the context for this passage in Isaiah. These verses come in the section of Isaiah written in Jerusalem before the Babylonian Exile. The political situation was unstable but, as always, some folk were finding ways to make money and, as always, that was primarily those who had money to begin with. If you look back at the first seven verses of chapter five, you may recognize them as some that I have read and preached from before. The climax of the first section is particularly memorable: “For the vineyard of the Lord of hosts is the house of Israel, and the people of Judah are his pleasant planting; he expected justice, but saw bloodshed; righteousness, but heard a cry!” Isaiah goes on in these verses to give a fuller picture of the failure of righteousness in Israel perceived by Yahweh.

As my friend Mark spotted so quickly, Isaiah is condemning gross inequity in housing. The wealthy are committing land abuse against those with less resources. They are calling in loans and tax debts in order to seize land, creating a whole underclass of landless workers in Israel and Judah. The land divisions called for in the Book of Joshua and the system of Sabbatical years and Jubilee outlined in Torah were meant to ensure that every family should have their fair share of the land and that even a generation or two of indebtedness would be forgiven every 50 years with land taken in payment returned to the original owners’ families. As the Baptist scholar John D.W. Watts wrote in his commentary on Isaiah for Word Biblical Commentary, “Ancient Israel was taught that the tribe’s inheritance was a sacred right that guaranteed its members land to work and fruit to harvest... When these ordinances gave way to the greed of speculators, it created a class of landless unemployed without home, livelihood, or civil rights... This explains what is meant by ‘to dwell by yourselves in the open country.’”

For these speculators who are robbing their countrymen, Isaiah pronounces dooms from God. A ten-acre vineyard will yield only 23 liters of grapes; sowing 230 liters of grain will produce only a 23-liter harvest. It is an agricultural disaster. Isaiah also upbraids the land robbers for their lavish lifestyles when so many are going hungry. These selfish folks will be the first into exile and death, he predicts, which indeed they were. Those who truly followed God would be known by the kind of righteousness God was seeking. Meanwhile, the innocent creatures of God would inherit those vast, soon to be abandoned, estates.

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It's tempting to think that this passage has no relevance in the United States of 2019, where good zoning laws and banking regulations ensure that land is utilized properly and that predatory lenders are under control, right? Even when development situations show troubling signs of inequity, there will always be a happy ending. Why just look at the cover of your bulletin this morning. Does anybody recognize that picture? It's the so-called "Up" house in Ballard, a pictorial representation of a local story that many people have connected with Pixar's smash movie of 2009. Do you know the story? Edith Macefield owned that little house in Ballard, once part of a thriving neighborhood of like houses, small shops, and green space. Years of economic downturn and stagnation lowered the property values, then boom times made the properties ripe for redevelopment and "gentrification." A new shopping mall was planned and offers to Edith Macefield for her longtime home soared, eventually reaching the princely sum of one million dollars in 2006. But Edith didn't want to move. Eventually, the developers realized she wouldn't be swayed and redesigned the mall to utilize the land they did own right up to the legal limit. Edith's little house was hemmed in. Instead of neighboring homes with gardens and trees and open air, she got high, grey concrete walls on three sides of her little plot.

Edith never did give in. When she died of cancer in 2008, she left her property to the construction foreman of the mall project who had become her friend. He's the one who took her to her doctors' appointments and the hospital after she was diagnosed with pancreatic cancer. Happy ending, right? Well, not so fast. After changing hands two more times, the property is now at last in the hands of the developers. Although they've pledged to keep up the house as a memorial and public space, the house is now dilapidated and fenced off. It would appear that they are simply waiting for memories to fade a bit before they tear it down.

But would it really have been a happy ending after all? Think of the two years that Mrs. Macefield endured in her little house as those walls went up all around her, just feet from her house, construction noise, dust, and all. The byword in development is "highest, best use." Was yet another upscale shopping mall a higher and better use than the cozy neighborhood of homes and small shops could have been with some thoughtful recapitalization?

Careful, humane redevelopment is not what happened in Ballard and it's not what's happening right now in Seattle's Central District. "Gentrification" is forcing long-time residents out as the modest homes they rent are sold for redevelopment. Those who own their own homes are often being made to feel unwelcome in other ways. There was a story in the Seattle Times a couple of years ago about a woman who'd recently moved into her parents' home in the CD being accosted by a neighbor and told she didn't belong. Do I need to mention that the woman living in her parents' house was black and the new neighbor who didn't recognize her and threatened to call the police was white? It's possible to live alone in the midst of the land even when you have next-door neighbors if you refuse to acknowledge their shared humanity.

But if we want to get at the roots of the housing injustice that's happening in the Central District, we need to dig a little deeper. Why is it, after all, that the CD is ripe for redevelopment? Why are property values there so low? Well, it goes back to more discriminatory, even predatory, business practices. The CD became a haven for African-Americans aspiring to home ownership when they were effectively barred from purchasing homes in other Seattle neighborhoods. According to a report in *Seattle Magazine*: "The city was stitched together with racial exclusions

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written into property deeds and community covenants. Real estate agents and lenders used “redlining” to draw racial boundaries. In 1960, Seattle was 92 percent white. More than 90 percent of Seattle’s black population was pushed into the Central District. In 1964, Seattle voters soundly defeated an “open housing” ordinance that would have let anyone live anywhere. It lost by more than 2-to-1. The city was segregated, and a large majority wanted it that way. While there were vocal advocates for integration, it took the assassination of Dr. Martin Luther King in 1968 and the resulting Central District unrest to finally get an open housing ordinance passed.” Friends, that’s within the lifetime of everyone here over 51.

Seattle, of course, was not alone in this injustice. Redlining was effectively the law of the land, set by Federal policy. The Federal Housing Administration did not loan money to prospective home buyers in African-American or mixed neighborhoods as recently as the 1960s. Connie and I couldn’t have bought our house on Penny Lane without the FHA and I don’t think we’re the only ones here this morning who would say that. And the story doesn’t end there. Thousands of Black families, unable to secure mortgages, fell victim to a scheme called “contract lending.” Here’s how a recent report describes that tactic: “It required a down payment and regular monthly installments from the occupant, but that’s where the similarities to a mortgage ended. The sale price and effective interest rate tended to be wildly inflated. The “buyer” assumed all the responsibilities of a homeowner, including repairs and taxes, while the “seller” retained title, along with the power to evict for missing even a single payment. As a result, families who bought “on contract” didn’t accumulate equity, and faced a long and precarious path to ownership.”

The report continues: “The predation didn’t end in the 1960s. It evolved. There was the FHA scandal of the 1970s, in which indiscriminate federal lending and outright corruption enabled speculators to sell inner-city homes to blacks at inflated prices, resulting in widespread foreclosures. There was the subprime boom of the 2000s, in which blacks were steered into inappropriately expensive loans that enriched a whole ecosystem of mortgage-industry professionals, but often left borrowers with nothing but an eviction notice and a bad credit history. In the wake of the subprime bust, investors including private-equity firms have again targeted the same neighborhoods, buying up houses on the cheap and renting them back to black and other minority tenants -- sometimes under contracts very similar to those of the 1960s.”

Why is property in the CD and other minority neighborhoods cheap for developers? Because the contract lending system and other inequities has prevented minority owners from building equity in their property. One last quotation from that report by Mark Whitehouse: “Using data on sales and mortgage rates, (researchers) calculated how much each family’s payments exceeded what they would have been if the property had been purchased at the prevailing market price with a conventional mortgage loan. They then added it up for all the contract properties they could identify from the years 1950 to 1970. The outcome: Black families were overcharged somewhere between \$3.2 billion and \$4 billion (in 2019 dollars). The real estate agents and investors who profited were almost exclusively white, so this represents a direct transfer of wealth from one race to another. Worse, the contracts’ exorbitant terms, along with the lack of equity to borrow against, left black families without the means to invest in their properties, contributing to the physical decline of their neighborhoods.” In a situation that mirrors Isaiah’s, wealthy people have become more wealthy by taking advantage of those with less money, less

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power, and less standing. Again, an underclass of landless, jobless, hopeless people is created. God is not pleased.

Lest we take refuge in the facts that this is now 2019 and we live in Snohomish County and not in the City of Seattle, let me bring to bear some findings from the 2012 report from the Snohomish County Urban County Consortium on Impediments to Fair Housing Choice. One-third of residents who responded to their survey reported that they had experienced housing discrimination in the past. “These residents were largely low income. Race or ethnicity, familial status and disability were common reasons for discrimination. In the focus groups conducted for this study, Hispanic and African refugees described rental situations they experienced that appear to be discriminatory.”

Perhaps most damningly from that 2012 study in Snohomish County is this: “Hispanic and African American mortgage loan applicants are denied loans at much higher rates than Whites. In 2009, there were approximately 31,000 mortgage loan applications in the Snohomish County Consortium, and another 6,179 in Everett. Whites had lower denial rates (16%) than minority applicants (around 20%) ... African American applicants were denied loans 26 percent of the time; Hispanics were denied loans 23 percent of the time. The jurisdictions with the greatest gap between denials by race include Brier, Marysville and Mountlake Terrace. The jurisdictions with the greatest gap between denials by ethnicity include Brier, Lynnwood and Marysville, with non-Hispanics having a much lower denial rate compared to Hispanics.” Are you hearing this hit close to home?

If not, let me bring up a story from this dissertation: “The Purposes of Community: A Narrative History of Good Shepherd Baptist Church, Lynnwood, Washington, 1960-1995,” by Rev. Dr. Judy Gay. Judy reports, “Warren and Isabelle Burton, Lynnwood residents, were among the first members of Good Shepherd. It is widely rumored that they were later forced out of Lynnwood because they were African Americans.” I called Judy this week and asked her about that. She said she didn’t have her notes so she couldn’t tell me where that report originated but said she was confident in her sources. “Besides,” she said, “do you think Charlie Scalise would have let me get away with unsubstantiated rumor?” I think it should be noted that Warren and Isabelle Burton were outstanding members of the community. Warren was a decorated World War II veteran, winner of the Bronze Star for heroism. He was also the first Black secondary school administrator in the State of Washington. He died in 2006 but I’ve been unable to track down Isabelle or their surviving children.

The roots of all of this housing inequity are in the greed that Isaiah saw in the human heart and have been played out again and again in the history of this nation. European settlers stole the land from indigenous Americans through conquest, murder, and broken treaties, then imported African slaves to work the land so that cheap labor inflated profits. Had the Federal government followed through on the 1865 grant of land to freed slaves made by General William Tecumseh Sherman, things might be very different. But the legendary gift of “40 acres and a mule” was not only not extended past Sherman’s initial grant, President Andrew Johnson revoked the grant and returned the land to the South Carolina planters who had rebelled against the United States in the first place. William Darity of Duke University writes, “Had such a racial land reform taken place in the United States during the late 1860s, it is easy to envision that the vast current

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differences in wealth between blacks and nonblacks would not exist.” Darity reports that although African-Americans make only about 50% of the income of Euro-Americans per capita, the ratio of accumulated wealth for African-Americans is even worse – roughly 15-20% of Euros. He writes, “Since the major sources of wealth for most persons today are inheritance and in vivo transfers, a past history of wealth deprivation has dramatic intergenerational effects. Remarkably, blacks somehow managed to accumulate 15 million acres of land by dint of their own initiative during the postemancipation years, but the cumulative effects of land taking have reduced that total to about 1 million acres of black-owned land today.”

Today; today is the time to act for we cannot act in the past. On Wednesday, June Nineteenth, debate opened in Congress on H.R. 40, “Commission to Study and Develop Reparation Proposals for African-Americans Act.” Two points of symbolism may be hidden to those of us who are not African-Americans. First, the date of the first hearing: June Nineteenth is colloquially known as “Juneteenth.” It marks the anniversary of the date in 1865 that slaves in Texas were informed by Federal troops that they had been freed by the Emancipation Proclamation two and a half years prior. Second, H.R. 40, so named for that unfulfilled promise of “40 acres and a mule.” Will the Commission be established? What will it decide is a just way forward? Given the tenor of the Federal government these days, it is hard to know but what is certain is that it is time and past time for the United States to begin to act on centuries of injustice.

Already, there have been detractors. Sen. Mitch McConnell has said, “I don't think reparations for something that happened 150 years ago for whom none of us currently living are responsible is a good idea.” But Mitch is just plain wrong, and I know he knows better. You see, he used to be a member at Crescent Hill Baptist Church in Louisville, just as Connie and I were, and I know he heard about justice there. But those of us who are Euro-Americans have benefitted from the injustices done to our African-American sisters and brothers. Those who inherited property from homesteaders should remember that homesteading was blocked for most Black Americans. Those of us who inherited from investments in nearly any business that existed prior to the Civil War should remember that American prosperity was built on the backs of slave labor. Those of us who graduated from any college or university that ever banned or limited black students owe a debt to those who couldn't go. Those of us who went to well-funded public schools in white neighborhoods owe a debt to those minority students whose schools were underfunded. My sisters and brothers, except for those of us who are recent immigrants to this country, all of us should see reparations as justice, mercy, love, and duty.

We began this morning with hymns of yearning and a psalm of lament because too many within easy distance of this house of worship still suffer from years of discrimination and prejudice. We have lifted up our voices in a pledge to do what we can to make abundant life a reality in this world, God's Beloved Community. Now we will close with a hymn asking God to weave justice and shalom into this world with our help. May God empower us to continue to seek justice, to bring mercy to those in need, and to love all our neighbors as we walk humbly with our God. Amen.