

Residential Segregation in Charlotte, N.C.
Federal Policies, Urban Renewal, and the Role of the North Carolina Fund

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“Lines are by no means hard and fast, but in Charlotte, as in many cities in America today, where you live tells a lot about who you are.”

- Thomas Hanchett¹

In modern Charlotte, examining urban patterns of land use and residence reveals a city sharply divided. The city is clearly broken up into sectors that have different purposes and characters. To the southeast, Myers Park, Eastover, and Foxcroft are fashionable and predominantly white neighborhoods. Biddleville, Washington Heights, and University Park on the northwest side constitute the poor, black section of town. Middle-class and blue-collar whites, occupying areas in the northeast and the southwest, function as a transition zone between these contrasting groups. These residential patterns, however, were a surprisingly recent development in Charlotte’s history. The Queen City of years past was far more diverse. Even into the 1920s, predominately black neighborhoods could be found adjacent to white areas and there was much greater socioeconomic mixing. Such dramatic shifts in residential patterns were largely the result of federal programs, housing policies, and urban renewal efforts initiated by the government in the decades following the New Deal. These efforts ultimately contributed to increased city stratification and perpetuated racial segregation in Charlotte.

In the 1960s housing was one of the most visible signs of poverty in North Carolina. Both urban and rural areas were characterized by a high number of dilapidated and deteriorating homes. These structures often lacked basic sanitation and heat, and were too small for the families they housed. Poor housing, particularly when concentrated in urban slums, imposed a number of additional social and psychological problems on the poor, affecting health, education, and crime. In Charlotte, extensive slums throughout the cities led officials to pursue urban renewal projects as a means to get people into better homes and increase the availability of quality low-income housing. Federal funding requirements for such housing projects, however,

ensured that all projects would be designed to be racially and economically homogenous. So, although the condition of low-income housing was improving, poor blacks were increasingly relocated to the northwest of Charlotte's central core. The impact of this segregation on the poor was substantial, particularly in regards to educational opportunity.

The North Carolina Fund, a private antipoverty organization founded by Governor Terry Sanford, was not extensively involved with urban renewal. Rather, the Fund and its community action programs (CAPs) served primarily as coordinating agencies for federal programs, providing limited funding and human capital for the development of proposals and other planning. While the Fund intended to fully employ new and innovative techniques to fight poverty in the state, in the case of housing, such strategies were not pursued. This was largely due to the momentous force of urban renewal that was already in place as the North Carolina Fund became operational. The Fund and its CAPs did not have the authority to combat the negative consequences of federal policies promoting segregation and thus had to primarily focus their efforts on other issues. As the effects of segregation on the poor went largely unaddressed, the efficacy of other anti-poverty efforts under the Fund and the ability of the poor to escape the cycle of poverty were ultimately limited.

Charlotte: Poverty, the North Carolina Fund, and Community Action

During the twentieth century, Charlotte experienced tremendous growth and transformation. The city's population grew rapidly, increasing by over fifty percent between the 1950 and 1960 census and surpassing 300,000 in Mecklenburg County by 1963.^{2,3} By the 1960s the "Queen City" hosted a thriving economy based on a diverse set of industries. Manufacturing was an important aspect of the local economy and several new plants, employing

large numbers of workers, were constructed or planned for the near future.⁴ With this rise in manufacturing, Charlotte emerged as an important distribution and trucking center between Atlanta and Richmond.⁵ More than ninety-five major carriers operated out of Mecklenburg County by the late 1960s. Charlotte also developed as the Southeast's premier banking and financial services center. As the economy expanded, the employment outlook also improved for many citizens. Thousands of workers commuted in and out of Charlotte, and in 1963 alone, more than 1,500 new jobs were created.⁶ A large percentage of the city's workforce earned good wages and Charlotte boasted a median family income of \$5,632, the highest in North Carolina.^{7,8}

Despite the evidence of great prosperity and growth, poverty remained a serious problem in Charlotte. Compared with counties in the rest of the state, Charlotte-Mecklenburg County had more families living in poverty, higher rates of crime, more people living on public assistance, more people living in overcrowded and otherwise unsuitable conditions, more illegitimacy, more cases appearing before juvenile courts, and the least educated population.⁹ In 1964 the U.S. Bureau of Labor Statistics defined a family of four as living in poverty if household income was less than \$4,000. Using this definition, thirty-two percent of families in Mecklenburg County fell under the poverty line. If the poverty line was drawn at \$3,000 to identify more severe poverty, 14,000, or twenty percent, of families fell below that mark. There was also a strong racial disparity in household incomes, with seventy-five percent of blacks earning less than \$4,000 and fifty percent making less than \$3,000. The median income for blacks was \$2,904, as compared to \$6,440 for whites.¹⁰

This sizable impoverished population faced a barrage of disadvantages that made it nearly impossible to escape the cycle of poverty. Limited education, skills, and training made securing employment and finding better jobs difficult. Families often lived in cramped and

dilapidated housing in run-down neighborhoods. This environment made learning and staying in school more difficult and helped contribute to juvenile delinquency and crime. Widespread racial discrimination made it particularly difficult for blacks to get better jobs and break the cycle of poverty. These problems were not unique to the poor in Charlotte-Mecklenburg County. Poverty was a significant problem across the state of North Carolina, the pervasiveness of which led to the development of an extensive antipoverty campaign.

In 1963 North Carolina Governor Terry Sanford was finding that the poor children were benefiting less than nonpoor children from improvements to the educational system that he had made a priority as governor. He realized that, in many cases, it was the overwhelming poverty of children that prevented them from taking advantage of what education had to offer. Hunger, sickness, poor living conditions, and lack of early educational opportunities led to low achievement and high dropout rates among the impoverished.¹¹ The Governor decided to attack this problem of poverty through the creation of a privately funded nonprofit organization, the North Carolina Fund.

As he developed the North Carolina Fund, Governor Sanford did not design an organization that would try and solve the problems of poverty at only the state level. He would not dictate policies to local communities. Rather, he deferred a large part of this challenge to individual communities, asking them to define their unique problems and develop specific plans to improve the conditions of their poor. Fifty-one communities throughout the state answered his call and submitted proposals, hoping to take advantage of the Fund's resources for a variety of antipoverty efforts. Ultimately, eleven areas were selected to pilot extensive community action programs, including one in Mecklenburg County – the Charlotte Area Fund (CAF).

Plans for developing the Charlotte Area Fund began even before the North Carolina Fund was fully established. Business and civic leaders were very excited about the prospect of community action in Charlotte.¹² The formal proposal was submitted to George Esser, executive director of the Fund, early in January 1964. William F. Mulliss, president of the CAF expressed the “desire to get into the difficult neighborhoods and to find, if possible, indigenous leadership around which to build.” He believed that “enough evidence exists to show that there is an untapped reservoir of leadership there with imaginative ideas and willingness to work.”¹³ Under this sentiment, the CAF was approved by the North Carolina Fund and officials began to move ahead with implementing its neighborhood programs in Charlotte.

The Federal Role in Reorganizing Charlotte

The reorganization of American cities was a gradual process, with major shifts occurring over a period of several decades or more. Urban patterns in Charlotte were not unique in the South, nor were southern cities particularly different from the rest of the country. Metropolitan development below the Mason-Dixon Line often mirrored changes observed in northern cities many years earlier. Despite similarities, however, remnants of the southern class culture did lead to progress with a “distinctly Southern flavor.”¹⁴ The way cities rearranged around the issue of race varied from that in the North and reflected a long standing racial hierarchy.

In the 1920s while much of Charlotte had organized into distinct neighborhoods of race and class, these appeared in patches across the city. As shown in Figure 1 (see appendix), several predominantly black neighborhoods were dispersed through Charlotte’s original four wards. This patchwork arrangement meant that different race and income groups were choosing to live in close proximity to each other. Given the social history of race relations in the South,

this pattern of urban development was somewhat surprising. Black and white residents, rather than immediately separating after the fall of slavery, continued to live relatively close together. Carl Abbott, in reference to Charlotte, wrote that the “heritage of rigid social lines and a racial caste system allowed social distance to function without the reinforcement of physical isolation” and consequently, “attention focused on the social status of small groups of blocks rather than large sectors of the city.”¹⁵ Hence, throughout much of Charlotte’s history, remnants of the racial social structure reduced the importance of segregation by significant distances. Whites did not feel threatened by their presence in surrounding neighborhoods. It was with the rise of the Civil Rights movement, however, when blacks began to assert their equality that these groups fully separated.

This patchwork image of Charlotte was thus sharply realigned. Thomas Hanchett, an expert on Charlotte development, wrote that “Charlotte would push separation to an extreme, finally splitting the city into pie-shaped wedges defined by race and income.”¹⁶ The southeastern section of the city came to be exclusively representative of the city’s wealthy white residents. Areas that had previously housed black neighborhoods, for the most part, emptied, and the black population was pushed to the northwest of the central core. Wesley Heights, for example, a westside neighborhood once consisting of white-collared residents, soon became exclusively black. The only real racial mixing could be observed in the transition zones between these distinct sectors, where blue-collar whites and some middle-class blacks took up residence. Examining patterns of growth in Charlotte thus revealed that “the city was not just expanding, but reorganizing.”¹⁷

Many factors contributed to the shifting residential patterns in Charlotte and other American cities. The most powerful of which were products of the federal government, and the

implementation of these policies was a key factor initiating the “sorting out” trend within the city. The first major federal action furthering the emergence of distinct sectoral patterns in Charlotte was introduced through the Home Owner’s Loan Corporation (HOLC) in the late 1930s. Chartered by Congress, this corporation acted to stabilize the mortgage market and expand investment by standardizing credit analysis. Maps of U.S. cities indicating credit risks were developed and distributed so that bankers and investors could better evaluate even distant projects.¹⁸

In 1937 Charlotte was appraised according to guidelines set forth by HOLC. Neighborhoods were given letter ratings that correlated to the desirability and risk for investors. The top two ratings were assigned to trendy and desirable areas, with the difference being that “A” reflected neighborhoods in the process of developing, while “B” areas were more complete. Areas “characterized by age, obsolescence, and change of style; expiring restrictions or lack of them; [and the] infiltration of lower-grade populations” were given “C” ratings.¹⁹ The lowest “D” rating represented neighborhoods in conditions even more severe than in “C” areas. Not surprisingly, the only areas receiving top ratings were located in the southeast sector of Charlotte, neighborhoods such as Myers Park and Eastover. White, blue-collar neighborhoods were predominantly given “C” ratings and all areas with notable black populations were automatically assigned as “D.” Even areas where middle-class blacks were living in or owning relatively high quality housing were given “D” rankings. The racial “D” rating was automatic and subject to no exceptions.²⁰

The use of these maps among lenders had a significant impact on development and residential patterns in Charlotte. They eliminated much of the guesswork behind appraising investments – the process became much more formularized, with some banks only offering loans

in areas with an “A” or “B” ranking. Whereas blacks and low-income whites could previously convince investors that they were secure risks, they now found it very difficult to obtain loans and were thus unable to purchase property. Developers also realized that they could not risk constructing middle- and upper-income subdivisions near black or run-down areas, as the potential infiltration of “undesirables” limited profitability.²¹ Projects would therefore have to be designed for homogenous groups and placed in separate city sectors.

The Federal Housing Administration (FHA) also strongly encouraged racial and economic homogeneity. The FHA was established as part of the New Deal and provided loans to individuals and communities for the construction of lower cost and public housing projects. Securing this funding, however, was conditional on meeting several requirements set forth in its *Underwriting Manual*. Among these, projects had to demonstrate their “economic stability” and “freedom from adverse influences.” In practice, this meant that FHA financing could only be obtained for development that was segregated by both race and income level. As the *Manual* states, “If a neighborhood is to retain stability, it is necessary that properties shall continue to be occupied by the same social and racial classes.”²²

FHA-mandated zoning also contributed to increased residential segregation as “zoning regulations added legal force to Charlotte’s emerging sector pattern.”²³ To come into compliance, the Charlotte Planning Committee created a zoning ordinance that set minimum street width and lot size requirements, and developed area classifications. The “single-family” and slightly less protective “residence” classifications were assigned only in the southeastern sector, while most of the northwest was zoned “industrial.”²⁴ This zoning structure had several implications for urban patterns and housing in Charlotte. Investment and the purchase of homes were often motivated or affected by the zoning of an area. Generally, people were not interested

in buying a home unless it was in a “single-family” area. Most of the housing stock in areas lacking this distinction was therefore not owner-occupied and in deteriorating or already poor condition. There was little incentive to improve these structures, and in some cases they were even torn down as the tax savings outweighed any income from rentals, which further limited the availability of low-cost housing. The absence of “single-family” zoning in black neighborhoods also served to hinder middle-class blacks from purchasing homes. Like the HOLC classifications, these FHA specifications contributed to further racial and economic separation in Charlotte.

Urban Renewal in Charlotte

Among the many problems related to poverty, housing remained one of the most visible across the state. In Charlotte, there were several areas of concentrated slums with high levels of blighted housing and overcrowding. “Blighted” areas were typically defined by rampant substandard housing – deteriorating structures lacking adequate sanitary facilities, heat, and other amenities. They were also characterized by irregular plots of land, poor or absent roads, and prevalent crime or other social dysfunctions. Overcrowding referred to residences “without minimum space considered essential for adequate ventilation, light, and air,” typically defined as averaging more than one person per room.²⁵ While Charlotte did pioneer city ordinance code enforcements, which led to some housing improvements, these efforts were not adequate for alleviating the housing problem as a whole.

Residents of slums that were subject to poor housing conditions incurred a variety of social consequences. Health problems were exacerbated due to poor ventilation, lack of heat and sanitation facilities, and the close proximity to many other individuals. Educational opportunity

was limited as overcrowding produced an environment that was not conducive for study and learning. Violence, vandalism, teenage delinquency, and other crimes were also widespread. The general atmosphere in these slums was depressing and residents tended to lack a sense of hope for better conditions in the future.

Although code enforcement and rehabilitation of structures could reasonably improve some slum housing, in many cases, the only real option for dealing with slums was clearance and redevelopment of the area. Claiming eminent domain, cities destroyed slums and commenced new construction. The stated goal of “urban renewal,” as it came to be known was to improve housing conditions for the poor. A 1996 report of Charlotte’s Urban Renewal Task-Force stated that “the first purpose of urban redevelopment is to get human beings out of slums and into better homes, in better, cleaner surroundings – into what we all hope will be better lives.”²⁶ Between 1949 and 1974, the Federal Urban Renewal Administration provided extensive funding to cities for urban development projects. The funding essentially covered the costs of destroying slums and allowed cities to sell that land to developers at drastically reduced prices. These lowered costs thus enabled the construction of low-income housing in these areas. Urban renewal was also eventually expanded to allow for the replacement of slums with public buildings and other facilities. City governments eagerly requested such funding, as it enabled them to conduct major improvement projects while only providing approximately one-third of the costs through local government. In Charlotte, for example, under project head Vernon Sawyer, over forty million in federal dollars was used for renewal projects.²⁷

The process of urban renewal first began with a project in Brooklyn, Charlotte’s largest black neighborhood and worst slum. Located in second ward, the southeast section of the city’s central core, “Brooklyn was ugly, fetid, dangerous, [and] worn out beyond repair.”²⁸ This

neighborhood was an eyesore to the public and could be seen from the offices of many government officials. City planners were also realizing the need for land on which to build new city and other public buildings. Even in 1912 city officials noted that “this section, because of its proximity to the center city must sooner or later be utilized by the white population.”²⁹ Brooklyn was thus a “natural” for Charlotte’s first urban renewal venture.³⁰

Authorized by the Charlotte City Council, the leveling of Brooklyn took place in five stages between 1960 and 1967. The clearance of this slum displaced over 1,000 families and did not include a single unit of replacement housing. Instead, the area became home to Government Plaza buildings, private offices and business venues, a city park, and better roads connecting the new downtown to the eastside.³¹ With this very first urban renewal effort, officials in Charlotte demonstrated their disinterest in truly improving conditions for the city’s poor blacks. With no new low-income housing available and little relocation assistance, many of the displaced black families were forced to take up residence in other slums to the northwest of the city.

City planners did not wish to stop the process of redevelopment with Brooklyn. An inter-governmental task force for urban renewal was created to perform in-depth analysis of the city’s design and submit plans for future projects. In 1966 this committee proposed four additional renewal projects in Charlotte: First Ward, Greenville, Dilworth, and the Downtown Project. In First Ward, the area targeted for redevelopment was approximately sixty city blocks with seventy-three percent of its structures classified as blighted and thirty-eight percent of residences labeled overcrowded. Improvements made with this project would include work on highways and roads running through the ward, expansion of the Central Piedmont Community College, utilities improvements, the governmental center, and a public housing unit.³² The Greenville project area, planned for a seventy block section in the eleventh ward, closely resembled the

level of blighted and overcrowded housing as seen in the First Ward project. Redevelopment anticipated that forty percent of the land would be used for community facilities and roads, while the remainder would provide area for approximately 1,760 units of low-income housing. The Dilworth project only sought to redevelop a six block section of the neighborhood, replacing it with a new school and 340 dwellings. Finally, the Downtown Project proposed to remodel the central city with a convention center and parking facilities, a park stretching towards city hall, and other buildings appropriate to the location.³³

In addition to providing better housing for some of Charlotte's poor, these urban renewal projects were also expected to be a direct addition to tax revenue. While city and local government were only expected to fund approximately one-third of the cost, the remaining balance was covered by federal dollars. "Even the most conservative estimate of the new property tax income indicates that the city alone could expect to recover its investment within five years after the property is fully developed."³⁴ This additional tax revenue would greatly benefit the local government and residents as social services, in turn, were also improved.

Perhaps the greatest limitation placed on urban renewal in Charlotte was due to the high number of families and individuals that would be displaced by such projects. A Public Housing Administration study found that nearly 5,000 families and individuals would be displaced by urban renewal projects in Charlotte.³⁵ In order to secure funding, the federal government required cities to demonstrate that there was an adequate supply of low-cost housing into which these displaced persons could move. At times, the progress of urban development in Charlotte was threatened by this requirement. The amount of public housing available to dislocated families was highly limited as was the private low-income housing stock.

When federal funding for public housing became available during the New Deal, Charlotte was slow to pursue such projects. A series of photographs published in the *Charlotte News*, which demonstrated the severe condition of housing in the city's slums, finally sparked public attention to this issue. The prospect of securing federal funds ultimately overshadowed objections to public housing and the Charlotte Housing Authority (CHA) was created to develop public housing projects. In 1941 Fairview Homes, located in the northwestern Greenville neighborhood, opened to black residents and the opening of Piedmont Courts, located in the northeast, for poor whites followed soon after. Southside Homes for blacks and Belvedere Homes for whites were also constructed in the early 1950s.³⁶

The governing board of the CHA was primarily responsible for planning and siting public housing projects in the city. Members of this board happened to all be wealthy whites from the southeast section of Charlotte. There was little to no input from the low-income groups that were to take up residence in these projects. Due to both federal requirements established by the FHA and personal interests to maintain their own property values, the governing board had no incentive to develop public housing such that areas would be racially and economically diverse. Urban planning under their guidance was very much in "accordance with the vision of the sorted out city."³⁷

After Southside and Belvedere Homes opened no other public housing projects were pursued in Charlotte; and as urban renewal planning got underway, the need for additional low-cost housing became increasingly apparent. The city needed affordable housing into which the high number of displaced families and individuals could relocate. Despite a nearly fifteen year hiatus from public housing construction in Charlotte, as urban renewal projects moved forward, planning also began for additional public housing units. Earle Village and Edwin Towers were

built in 1966, and the Public Housing Administration assured funding for 1,000 additional units to meet the relocation needs in Charlotte.³⁸ Admission to these housing units was based on a set minimum household income level, and priority was also given to families and individuals who were forced to move due to urban renewal projects.

A City Divided – Residential Shifts in Charlotte

By 1980 the patchwork-style city arrangement of years past could no longer be seen. Urban renewal and federal housing policies effectively divided Charlotte into sectors clearly defined by race and income. As in some other southern cities – namely Norfolk, Tampa, Birmingham, and Memphis – the percentage of black population in Charlotte actually decreased between 1940 and 1980.³⁹ Blacks represented just over thirty percent of Charlotte’s population in 1940 and fell to twenty percent over the next forty years (see Table 1 in appendix). Despite the relative decline in the city’s black population, these residents became increasingly concentrated to the northwest of the central city. And while black neighborhoods typically became more black, white areas also tended to get more white. Examining the shifting residential patterns ward by ward reveals these demographic trends and suggests linkage to major urban renewal projects (see table 2 and figures in appendix).

In the first ward, preexisting slums were cleared and redeveloped to include public housing units and other low-income housing. This resulted in a fifty percent increase in the black population, making the area ninety-six percent black in 1980. In 1940 Brooklyn was the largest black neighborhood in Charlotte, and the second ward was nearly seventy-seven percent black. After urban renewal efforts eradicated this slum and replaced it with the Government Plaza and other public buildings, the black population was relocated to other neighborhoods. By

1980 the black population dropped by forty-two percent to less than thirty-five percent. The fourth ward, encompassing the northwest corner of Charlotte's central core, which had been predominantly white in 1940, also experienced a fifty percent increase in its black population as the city sorted out into sectors. Wards seven and eight, on the other hand, which housed wealthy white neighborhoods on the southeast side of Charlotte, saw either decreases or little change in the percentage of blacks. Transition zones in wards five and six to the northeast and nine and ten to the southwest, which included middle-class blacks and blue-collar whites, showed more moderate increases in the percentage of black population of about twenty percent.

As the organization of Charlotte changed, the city's sectors were clearly distinguished by race and socioeconomic status. Black residents were increasingly pushed away from the wealthy white neighborhoods of the southeast side and concentrated in the northwest sectors. This special separation of the races led to a significant rise in the segregation index for Charlotte. Between 1940 and 1970, its segregation index increased by nearly three points, making Charlotte the fifth most racially segregated city in the nation. The city previously ranked eighteenth. This trend towards increased racial segregation was observed in many other segregated cities as well. In 1940, the number of cities ranked in the top twenty in terms of segregation was split relatively evenly between northern and southern cities. In 1980, however, Southern cities were heavily dominant with more than fifteen cities listed.⁴⁰

The Impact of Residential Segregation

Residential segregation imposes many negative consequences on blacks, particularly relating to education. Although Charlotte "voluntarily" desegregated its schools in 1957, only forty-two of 18,000 black students in the Charlotte-Mecklenburg school system attended

majority-white schools. By the end of the 1968-1969 school year two-thirds of black students still attended schools which were more than ninety-nine percent black.⁴¹ These predominantly black schools, in most cases, received lower levels of funding and had less qualified teachers. Consequently, the quality of education for blacks was less than that for whites, helping to perpetuate a racial gap in academic and economic achievement.

Challenging the way in which students were assigned to Charlotte public schools, Darius Swann's case led by attorney Julius Chambers, reached the U.S. Supreme Court in 1971. Focusing on the role government policies played in promoting residential segregation, which was then reflected in schools, the Court ruled that busing was both acceptable and needed to effectively desegregate schools. The decision supported District Judge James McMillan's statement that "residential segregation of course involved many ad hoc decisions by individuals and by the city, county, state and federal governments... the clear fact however is that the displacement occurred with heavy federal financing and with active participation by local governments."⁴² Busing was thus used in Charlotte from 1974 until 1992 and "almost all students were bused to schools outside their neighborhoods for at least some portion of their educational careers."⁴³ Blacks, however, rode buses for more years and over greater distances than white students.

Despite the implementation of busing, first-generation segregation, which refers to the racial composition of schools within a district, was never eliminated. The Charlotte-Mecklenburg school system came very close to meeting court requirements in the early 1980s as less than five percent of black students attended schools exceeded the black enrollment ceiling. In the mid-1990s this figure exceeded twenty-seven percent.⁴⁴ A 1997 study examining the impact of segregation on education in Mecklenburg County found that "attending a racially

isolated Black elementary school has direct negative effects on achievement and track placement.”⁴⁵ Even after adjusting for race, gender, and background, the negative affect of attending segregated elementary schools on students’ test scores almost as large as the effect for being black.⁴⁶ These findings supported earlier studies that found academic outcomes were better for blacks attending a desegregated school.

The negative impacts of segregation do not stop with education. As the segregated learning environment leads to lower academic achievement for blacks, it also contributes to disparities in employment opportunities. With less education and training, it is not only harder to find employment, but wages are also typically lower. This leads to further economic disparities between the races. This cycle of inequality and limited opportunities continues to affect other aspects of daily life and future generations.

The North Carolina Fund’s Role in Urban Renewal

The North Carolina Fund and its community action programs did not take a remarkably active role in urban renewal or housing improvement projects for the poor. For the most part, their involvement was limited to developing proposals, providing seed money, and performing other preparations necessary to secure federal funding. This level of commitment required minimal expenditure and investment of human capital. Even when they were involved in these activities, Fund Board members and staff often took on a disinterested role.

In the summer of 1965, George Esser launched a series of study committees on a variety of topics to more fully examine issues of poverty and how they impacted the poor in North Carolina. These committees typically consisted of five members from the Fund’s Board of Directors, five from the Fund’s staff, and ten others chosen by Board members and staff.⁴⁷ Many

members of the Housing Study Committee, however, were not highly active. “The Fund Board members on the committee, with the exception of John Wheeler, did not actively participate in the activities of the committee and only reviewed its activities for Fund Board meetings.”⁴⁸ Some other members, including John Zuidema of the Charlotte Area Fund, served as advisors and rarely met with the committee.

The only significant outcome of the Housing Study Committee was the proposal for and subsequent establishment of the Low Income Housing Demonstration Corporation (LIHDC). The proposal to the Office of Economic Opportunity (OEO), prepared by committee head Cynthia Gubernick, stressed four main objectives. First, the LIHDC intended to encourage nonprofit sponsors to pursue funding through FHA Section 221(d)(3) which developed housing projects for the upper-poverty and low middle-classes. Second, it wanted to provide sponsors with support services as they developed housing projects. Third, the corporation intended to provide the “front money” necessary to secure federal funding and get housing projects under way. And finally, the LIHDC also planned to include training and employment programs to improve that skills and employability of the poor.⁴⁹ Approved by OEO in August 1966 and then by the North Carolina Fund in September, the LIHDC became operational on January 2, 1967 as Walter Smith assumed his position as executive director.

Smith ultimately expanded the scope of the LIHDC to include all towns in North Carolina, not just the four Piedmont cities it initially targeted, and refocused the corporations primary goals. He was more concerned with establishing the structural framework in North Carolina so that nonprofits and other sponsors would be capable of running self-sustaining housing programs in the future. Smith also wanted these groups to develop skills in tailoring projects of different size and design to different housing problems or communities. While only

one project was under construction by the summer of 1968, a report stated that, “to Smith, the intangible aspects of the housing program are far more important than the dwelling units.”⁵⁰

Smith recognized the “emotional force of housing” and emphasized that no project for more than 200 units would be planned and that each “site must have at least the possibilities of racial integration and vertical economic mixing, and should be located near groupings of people who are substantially different.”⁵¹ Despite this intention, the LIHDC also recognized several factors interfering with the goal of racial mixing. In addition to federal funding requirements, the political structure in North Carolina encouraged the concentration of blacks in certain areas in order to localize political influence and provide for the election of black representatives. Cities also tended to want to place low-income groups in areas that were “traditionally theirs.”⁵² It was therefore nearly impossible to develop projects promoting diversity.

Walter Smith hoped that housing improvements through the LIHDC would remove the physical barriers of poverty and significantly benefit the poor as educational and employment opportunities expanded. The realization of the corporation’s goals, particularly in Charlotte, however, was not remarkably visible. While the corporation was working with some sponsors developing projects, in 1967 the only project planned for Charlotte had been rejected.⁵³ The bulk of the LIHDC’s tangible work was conducted under a grant from the North Carolina Fund for developing the technical aspects of a prototype low-income house. They also worked on the proposal for a Model Neighborhood, also known as Model Cities, grant.

The Model Neighborhood proposal to the Department of Housing and Urban Development (HUD) boasted recent progress and improvement in Charlotte, while also pointing out many remaining problems. The project study area extended from the city’s central core into the northwest, and included areas where urban renewal projects were already underway. The

majority of the population in these neighborhoods was black, education levels were low, and more than forty-four percent of families were living under the \$3,000 family income poverty line.⁵⁴ The proposal also highlighted the involvement of the Charlotte Area Fund, mostly through its neighborhood centers, and the presence of eighteen other residential organizations. A letter from John Zuidema to city manager William Veeder, assuring that the CAF was highly interested in participating in the program and its planning process, was included with the original document.⁵⁵

The Model Cities projects were intended to promote both the physical and social development of target areas. Programs were not limited to increasing low-income housing, urban renewal, and code enforcement, but also focused on making “marked progress in reducing social and educational disadvantages, ill health, and underemployment and enforced idleness”⁵⁶ Benefits from Model Cities programs, however, were structurally limited by some HUD requirements. Experienced planners were expected to quickly develop plans for the short-term delivery of services as well as long-term development. Due to limited time and experience, the potential for citizen participation and training went largely unfulfilled.

Community Action and the Charlotte Area Fund

Under Johnson’s War on Poverty, community action was emphasized as a primary strategy to break the cycle of poverty. Community action agencies were established to facilitate the goal of involving the poor in antipoverty efforts and they “were intended to overcome government’s failure to coordinate services at the local level in such a way as to effectively meet the needs of poor people.”⁵⁷ Programs were intended to be implemented with “maximum feasible participation of the residents of the areas and the members of the group served.” Few

community action programs, however, succeeded in fully achieving “maximum feasible participation” or had very low expectations as to what was “feasible” from the poor. Oftentimes, the poor were minimally involved and many of the new community leaders were “not themselves poor, but frequently middle class and professionally educated.”⁵⁸ As these leaders were not truly representative, community action was often viewed as “little more than opportunistic exploitation of the true black urban poor.”⁵⁹

The Charlotte Area Fund, as it was proposed, relied heavily on the participation and leadership of the poor. The initial proposal to the North Carolina Fund stated that, “the strength of a democratic society is to a large extent determined by the ability of its people to develop techniques for making decisions and managing affairs at every level of the social organization,” and that “these techniques must function efficiently at the local community level if the community is to meet its obligations and solve its problems.”⁶⁰ The CAF focused on the development of four neighborhood centers as the primary means for delivering services to and involving the city’s poor. These centers would provide job training and employment counseling, youth programs, meeting space, and other services to help benefit the poor.

The CAF proposal was slightly contradictory on the issue of citizen participation, however, as it hinted towards the exclusion of poor blacks. Evaluating leadership capability in the target areas, the proposal stated that “There is no real assurance that a prominent Negro leader has a personal knowledge of the attitudes of Negroes living in poverty any more than would be true of a white leader.”⁶¹ It noted in addition, an “increasing feeling that leaders do exist in every neighborhood” who “have meaning to their neighbors even though they are so inexperienced and inarticulate that they cannot convey this leadership to the whole

community.”⁶² This observation ultimately became a self-fulfilling prophecy as the CAF failed to deliver on the goal of significant involvement of the poor.

The Charlotte Area Fund’s failure to involve the poor could be observed immediately. Leadership on the organization’s Board was heavily representative of wealthy and middle-class whites, and did not include any members from the targeted poor communities. Initially, there were only three black members on the Board, all of whom were part of the educated middle class. In response to criticisms, more blacks and some representatives from lower-income groups were added to the Board in 1965, but at this point all major planning was complete. Reginald Hawkins, a black dentist and constant critic of CAF, charged that “those Negroes are just sitting there,” and “they have no say.”⁶³ It was also revealed that this expansion of the Board was necessary in order to secure an additional \$360,000 in funding from the OEO. There was thus very little interest to truly solicit the leadership and involvement of the poor. This failure not only limited the benefit to the poor as their interests were not represented in planning and other decisions, but also as their potential for a political future was curtailed. Between 1964 and 1967 nearly twenty-five percent of all blacks elected to city councils, executive posts, or the state legislature had developed their political skills through community action programs.⁶⁴ Without adequate experience in the political system, poor blacks would continue to be misrepresented and excluded from decision-making.

In relation to housing and urban renewal, the only contributions from the poor were generated by tenant and other residential organizations that the neighborhood centers helped facilitate. These groups, however, were not highly active and provided little improvement to the housing problems facing the poor. The major accomplishments of the tenant association for Piedmont Courts, which was established in the Eastside Center, for example, were to increase

police presence, improve lighting, and reduce the number of rats in the public housing project.

While these improvements did slightly enhance residents' quality of life they did not take on the greater problems of housing for the poor. The poor were not involved in the planning or siting of housing projects, and were thus unable to combat tendencies towards residential segregation. In addition, the neighborhood centers failed to provide some of the services most needed by the poor, particularly relocation assistance to the thousands of families displaced by urban renewal projects.

Could the North Carolina Fund Have Done More?

While the North Carolina Fund and the Charlotte Area Fund could certainly have been more effective in developing strategies to improve housing for the poor, these organizations were not in the position to undertake action that would have truly attacked the root of the problem. Problems with housing for the poor and the tendency towards increased residential segregation were too immense of an issue for the Fund and its CAPs to handle. These organizations essentially had to step back and work in smaller ways and on other issues to provide some improvements for those living in poverty.

During the War on Poverty, a wide array of antipoverty policies and programs were implemented at all levels of government. Most of the housing efforts for the poor, largely due to the high cost of urban renewal and constructing new housing projects, were developed at the federal level. Programs on behalf of state or local organizations were subsequently focused on securing federal funding and adhering to guidelines and regulations the federal government established. Local communities were highly motivated by the prospect of federal dollars for improvement projects and thus the incentives could not be ignored.

By the time the North Carolina Fund was established and operational, the forces of urban redevelopment were well under way. In Charlotte, planning for urban renewal and public housing projects had already started and federal policies implemented in the 1940s and 1950s initiated the “sorting out” trend. The city was already changing and housing programs had developed into a huge force with a lot of momentum perpetuating these changes. The North Carolina Fund came onto the scene too late to become fully involved with housing and combat the negative impact programs were imposing on the city’s poor.

In several proposals and other documents the North Carolina Fund and the Charlotte Area Fund acknowledged the presence and negative consequences of residential segregation. They also included statements that suggested an intention to at least make some effort to reduce these forces. The LIHDC, for example, was to allow for at least the possibility of racial integration and vertical economic mixing in all of its proposed housing projects. These intentions were not realized, however, as the structural limits of federal policies continued to encourage homogeneous living environments. The Fund, as a private state organization, did not have the authority to override the problems with federal programs.

This problem was by no means unique to Charlotte. Cities across the nation were witnessing the increased concentration of blacks into urban ghettos as whites fled to the suburbs. As the conditions of these slums deteriorated, the white power structure justified urban renewal projects to increase the quality of low-income housing, construct new public buildings, and build better highways linking suburbs to the city. Even in cities with more politically mobilized and progressive community action programs, the force of urban renewal could not be swayed. In Durham, for example, Operation Breakthrough, which was perhaps the most successful of all

CAPs developed through the Fund, could not halt the destruction of the Hayti neighborhood for a new highway.

Conclusion

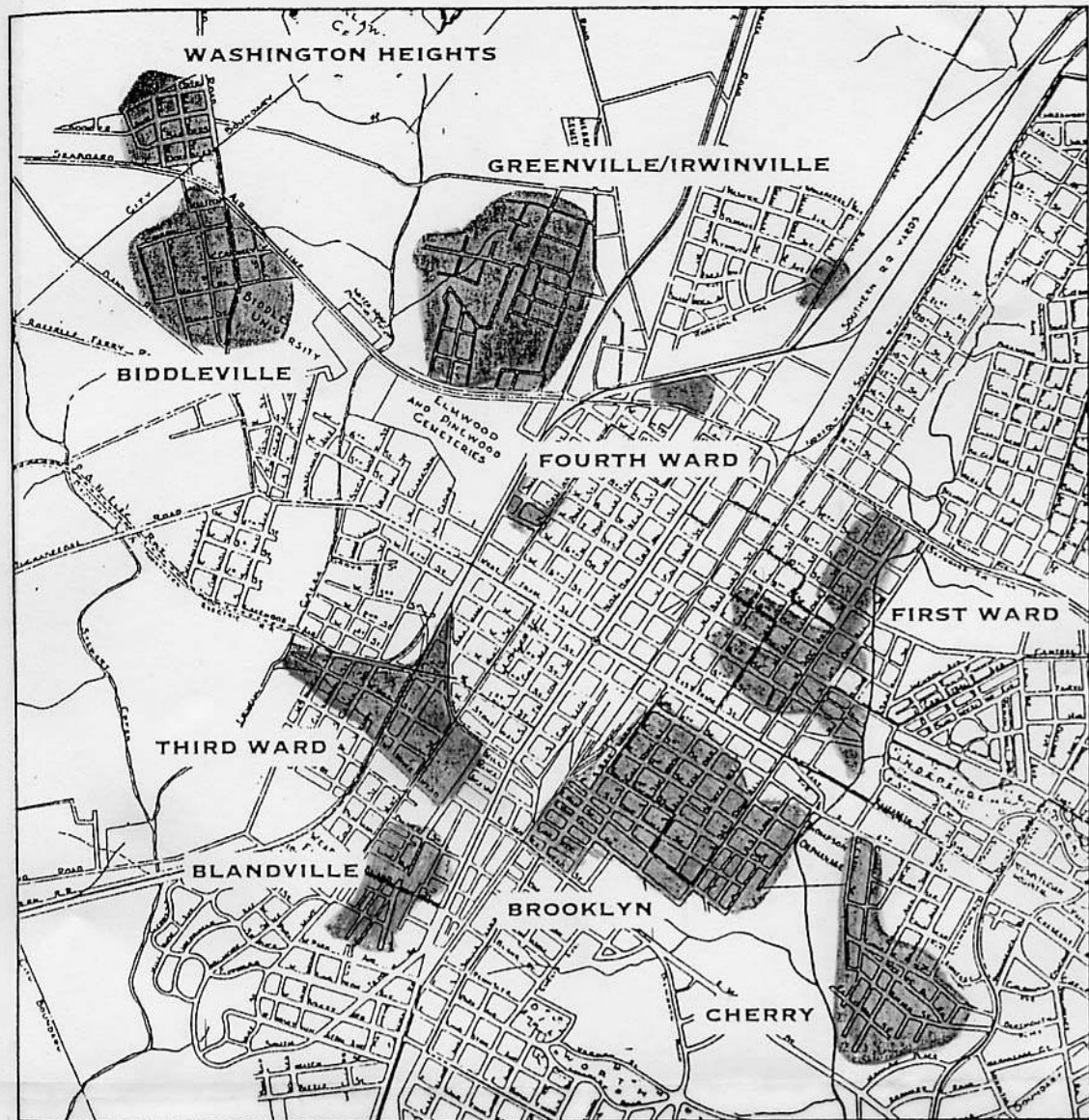
While urban renewal and other housing programs seemed promising for improving the living conditions of the poor in Charlotte, they were ultimately flawed in structure. It was not enough to simply raise the quality of low-income housing. As federal policies and other forces promoted residential segregation, poor blacks suffered a number of negative consequences. Urban renewal projects, rather than truly improving housing and living conditions for the poor, essentially accomplished a white agenda. Black slums were razed and replaced with government buildings and other public facilities, pushing the black population into less central areas of the city. The declaration of “blight” was also very subjective, and while housing in these areas was surely very poor, there may have been other options besides complete destruction. In most cases, rents for new low-income housing were higher than what the poor were paying previously and relocation was also an increased burden on the poor. Relocation assistance through the neighborhood centers and residential organizations was also relatively non-existent.

The North Carolina Fund and the Charlotte Area Fund lacked the necessary authority to combat the negative affects of federal housing programs in Charlotte. Seeing some improvement with federal funding as better than no action, however, these organizations did seek to secure such funding for housing projects. By conforming to federal housing policy requirements that encouraged residential segregation, the Fund failed to fully examine the problems and best solutions for housing in Charlotte. Their contributions to the problem largely lacked the creativity and innovation that the North Carolina Fund strove for as a private organization. The

persistence of poor housing and segregation also undermined the potential of the Fund's other antipoverty efforts as it became increasingly difficult to attack social aspects of poverty while physical barriers still remained.

Appendix

Figure 1: Black Neighborhoods, CA 1917⁶⁵



Charlotte's original four wards in 1917. Neighborhood which were predominantly black were found dispersed throughout the city's central core. These areas were adjacent to white neighborhoods and show that at least some mixing of the races was occurring as they went to the same shopping centers or other public spaces.

Table 1: Charlotte Population Characteristics⁶⁶

1940			1980		
Total Population	Black	Percent Black	Total Population	Black	Percent Black
100,899	31,403	31.1	489,577	98,233	20.1

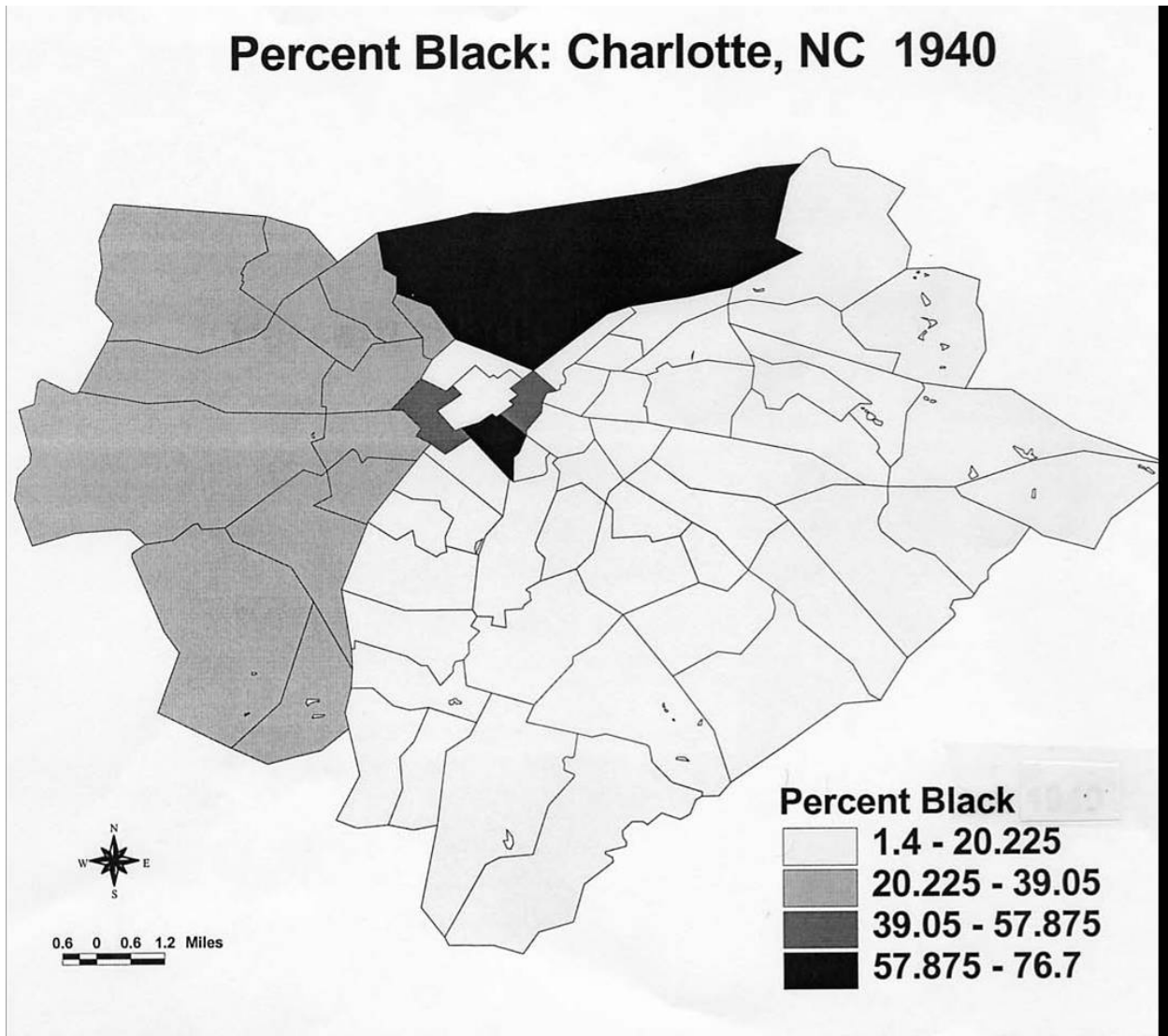
Table 2: Percent Black Population by Ward⁶⁷

Ward	Percent Black - 1940	Percent Black - 1980	Percent Change
1	45.4	96.0	50.6
2	76.7	34.3	-42.4
3	45.7	52.6	6.9
4	6.7	58.1	51.4
5	6.2	33.7	27.5
6	1.4	13.6	12.2
7	15.1	2.8	-12.3
8	3.3	3.4	0.1
9	38.7	59.8	21.1
10	34.7	55.6	20.9
11	73.2	80.6	7.4

Figure 2: Map of Charlotte by Wards, 1940⁶⁸

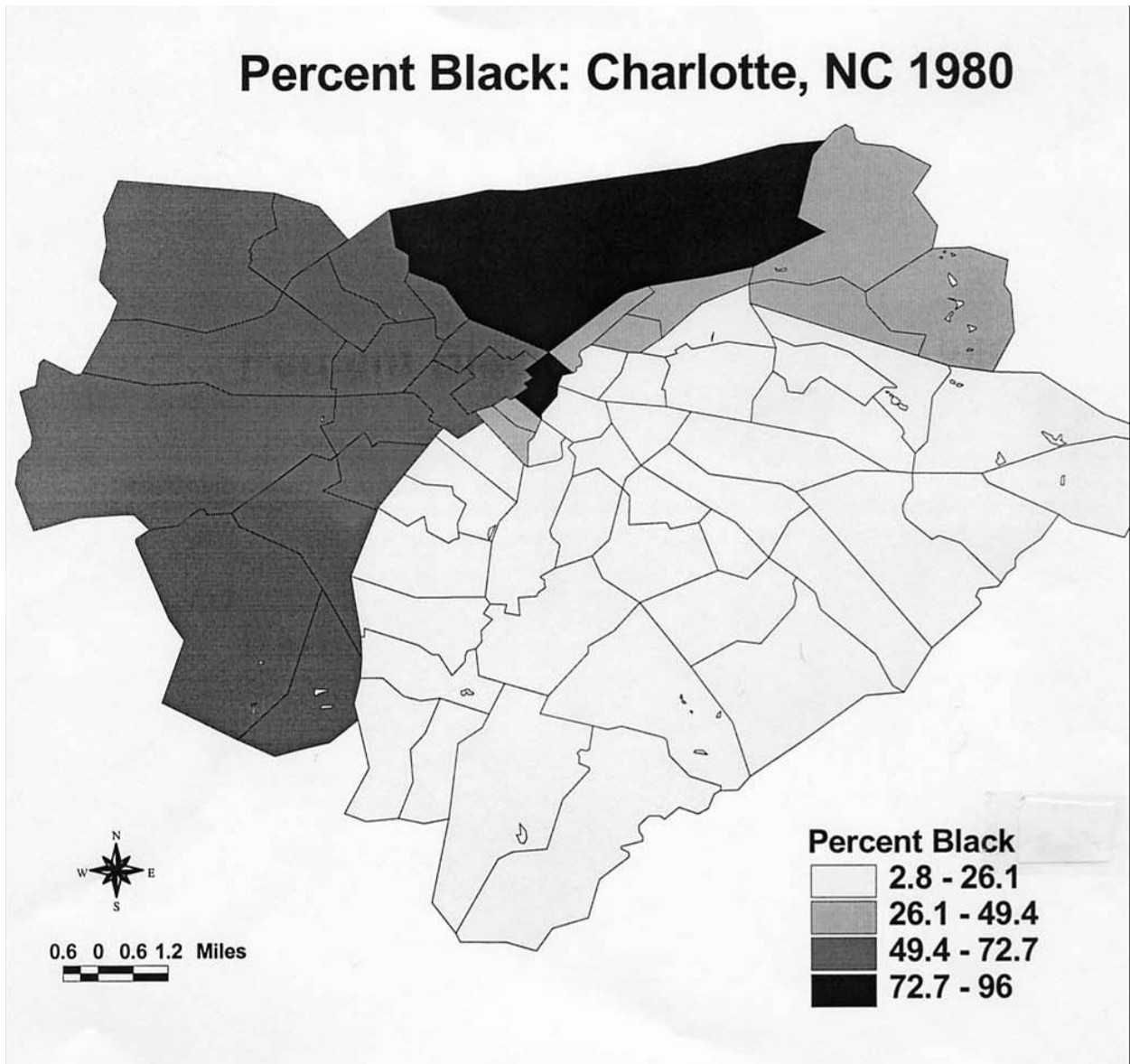


Figure 3: Percent Black Population in Charlotte, NC 1940⁶⁹



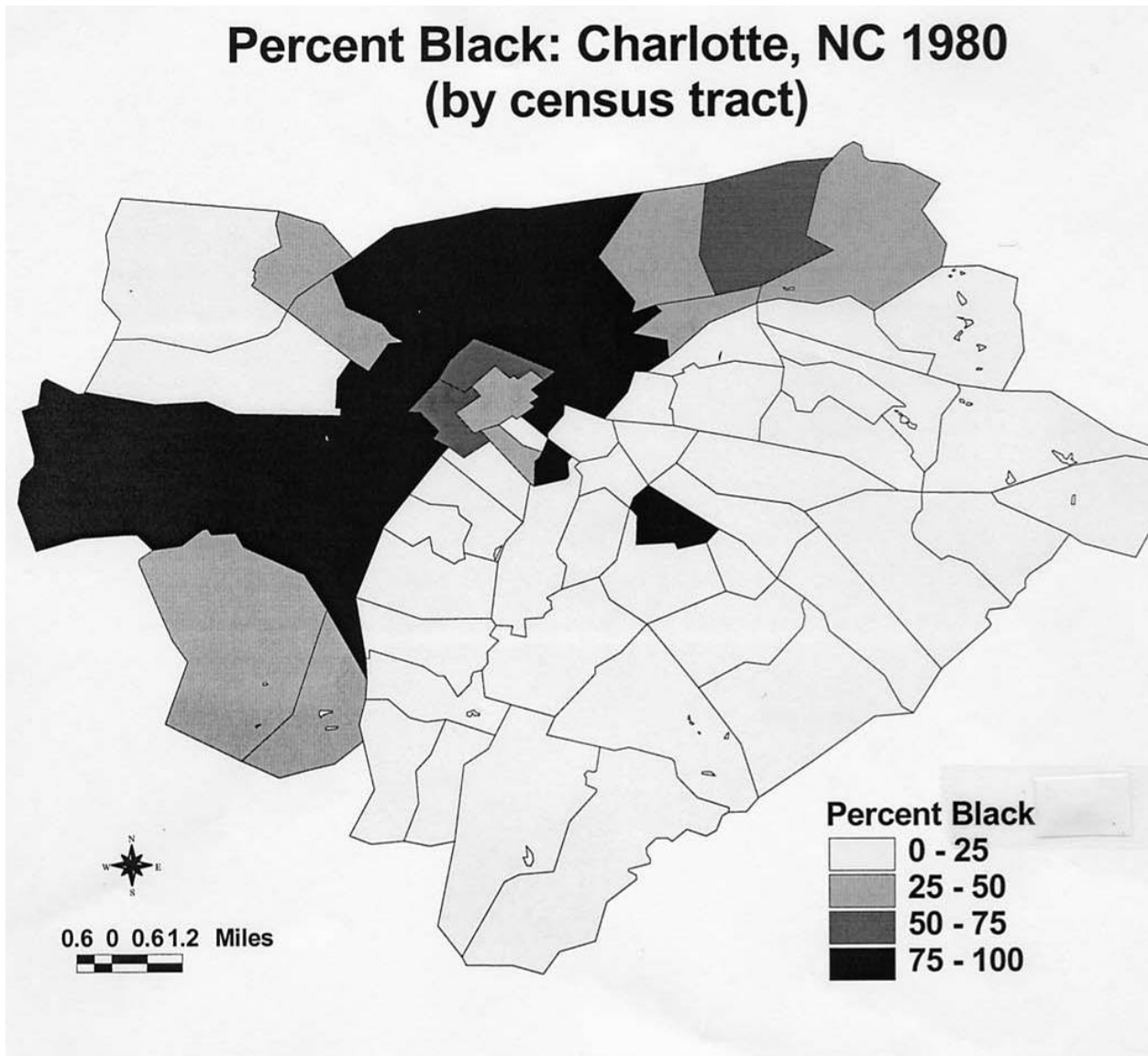
In 1940, while Charlotte's black population was beginning to concentrate to the northwest of the city's central core, this was not as severe as in later years. Note the percentages that correspond to the shade of each ward as compared to the following map in 1980.

Figure 4: Percent Black Population in Charlotte, NC 1980⁷⁰



By 1980, residential shifts in Charlotte were far more noticeable as the northwest was becoming heavily concentrated with the city's black population. Again, note the percentages that correspond to each ward.

Figure 5: Percent Black Population in Charlotte, N.C. 1980 by Census Tracts⁷¹



Same map as above, but the data is aggregated by census tract rather than ward. No comparable grouping for 1940 is available.

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- ¹ Hanchett, Thomas W. *Sorting Out the New South City: Race, Class, and Urban Development in Charlotte, 1875-1975*. Chapel Hill: The University of North Carolina Press, 1998, 3.
- ² U.S. Bureau of the Census, *Sixteenth Census*, “Population,” 1:772. and “Folder 3978.
- ³ “Background Paper on the Charlotte Area Fund.” 1 April 1967. Folder 3978. North Carolina Fund Papers.
- ⁴ “Model Neighborhood Proposal (I-II).” Folder 4090-4092. North Carolina Fund Papers.
- ⁵ “Charlotte Area Fund Historical Paper.” 20 October 1966. Folder 3978. North Carolina Fund Papers.
- ⁶ “Charlotte Area Fund, Inc.” (proposal). 30 January 1964. Folder 3982. North Carolina Fund Papers.
- ⁷ U.S. Bureau of the Census, *Sixteenth Census*, “Population,” 1:772 and Folder 3978.
- ⁸ “Charlotte Area Fund, Inc.” (proposal). 30 January 1964. Folder 3982. North Carolina Fund Papers.
- ⁹ Ibid.
- ¹⁰ Ibid.
- ¹¹ Barnes, Billy E. *The North Carolina Fund: A Progress Report*. “Popular Government.” June 1964, 2.
- ¹² “Charlotte Area Fund, Inc.” (proposal). 30 January 1964. Folder 3982. North Carolina Fund Papers.
- ¹³ Ibid.
- ¹⁴ Hanchett, 260.
- ¹⁵ Abbott, Carl. *The New Urban America: Growth and Politics in Sunbelt Cities*. Rev. ed. Chapel Hill: University of North Carolina Press, 1987, 83.
- ¹⁶ Hanchett, 224.
- ¹⁷ Ibid.
- ¹⁸ Ibid, 229. From Kenneth T. Jackson, *Crabgrass Frontier: The Suburbanization of the United States*. New York: Oxford University Press, 1985, 95-203.
- ¹⁹ Ibid, 230. From “Explanation: Charlotte, North Carolina,” in “Charlotte, N.C. – Security Map and Area Description #1, folder, box 12, Home Owner’s Loan Corporation Survey Files.
- ²⁰ Ibid.
- ²¹ Hanchett, 232.
- ²² Hanchett, 233. From *FHA Underwriters Manual*, quoted in Kenneth T. Jackson, *Crabgrass Frontier: The Suburbanization of the United States*. New York: Oxford University Press, 1985, 208.
- ²³ Hanchett 246
- ²⁴ Hanchett 246

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- 25 “Urban Renewal for Charlotte. Report of the Urban Renewal Committee of the Charlotte-Mecklenburg Inter-governmental Task Force.” 28 June 1966. Folder 4016. North Carolina Fund Papers.
- 26 Ibid.
- 27 Hanchett 249.
- 28 “A Better Charlotte Through Urban Renewal – Urban Development Commission.” Folder 4017. North Carolina Fund Papers.
- 29 Hanchett, 249.
- 30 “A Better Charlotte Through Urban Renewal – Urban Development Commission.” Folder 4017. North Carolina Fund Papers.
- 31 Hanchett, 250.
- 32 “Urban Renewal for Charlotte. Report of the Urban Renewal Committee of the Charlotte-Mecklenburg Inter-governmental Task Force.” 28 June 1966. Folder 4016. North Carolina Fund Papers.
- 33 Ibid.
- 34 Ibid.
- 35 Ibid.
- 36 Hanchett 237.
- 37 Ibid.
- 38 “Urban Renewal for Charlotte. Report of the Urban Renewal Committee of the Charlotte-Mecklenburg Inter-governmental Task Force.” 28 June 1966. Folder 4016. North Carolina Fund Papers.
- 39 Abbot. 216.
- 40 Hanchett, 262. from Sorensen, Taeuber, and Hollingsworth, *Index of Racial Segregation for 109 Cities*, table 1.
- 41 *Swann v. Charlotte-Mecklenburg Board of Education. Supreme Court of the United States.* 402 U.S. 1; 91 S.Ct. 1267; 28 L. Ed. 2d 554 (1971).
- 42 Hanchett, 224. From *Swann v. Charlotte-Mecklenburg Board of Education*, 1969.
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- 44 Ibid.
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55 Ibid.

56 Fox, Kenneth. *Metropolitan America: Urban Life and Urban Policy in the United States 1940-1980.*, 195.

57 Ibid, 199.

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59 Ibid.

60 “Charlotte Area Fund, Inc.” (proposal). 30 January 1964. Folder 3982. North Carolina Fund Papers.

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66 Sources: U.S. Census: Detailed Population Characteristics, Charlotte. 1940, 1980.

67 Ibid. 1980 wards calculated by aggregating census tracts into groups that closely resemble the city’s ward as they were bounded in 1940.

68 Source: U.S. Census: Detailed Population Characteristics, Charlotte. 1940.

69 Ibid. Map constructed by aggregating census tracts into groups that closely resemble the city’s ward as they were bounded in 1940.

70 Source: U.S. Census Data CD-Rom. 1980.

71 Ibid.