

“Congenial Neighbors”: Restrictive Covenants and Residential Segregation in Portland, Oregon

by Greta Smith

IN THE CITY of Portland, Oregon, as in most other places in our country, African Americans and other minority groups have been treated as second-class citizens and excluded from many of the rights afforded to whites. In 1844, Oregon’s provisional government amended an existing law to prohibit slavery and exclude Blacks from the region — some of the racist language remained in place until 2,002.¹ Not least among the rights denied to people of color have been property ownership and the right to live wherever they choose — residential segregation in housing. Today, I want to talk about one of the early mechanisms of residential segregation in housing: restrictive covenants.

During the early to mid twentieth century, racial restrictive covenants prevented people of color, particularly African Americans, from buying and owning property in Portland and other American cities. These restrictive covenants were written into property title deeds, their use supported by private homeowners, land owners, real estate boards, realtors, banks, and local neighborhood associations. Recent research into the prevalence of restrictive covenants in Portland has unearthed racial restrictions in deeds from Laurelhurst,

Mocks Crest, Sabin, and Kenton, among other neighborhoods.²

Private citizens and real estate developers set up restrictive covenants on the premise of protecting neighborhoods from the encroachment of economically undesirable features. They are lists of constraints that include the kinds of buildings that can be constructed upon a property, the location of a building on the lot, minimum cost of construction, and the use of the buildings. For the first half of the twentieth century, they also frequently included the kinds of people who were permitted to own or inhabit the property. Restrictive covenants commonly forbade multiple-use dwellings such as apartment houses; the manufacture, sale, or use of alcohol; the construction of commercial-use buildings; the raising of chickens and livestock; and property owners or inhabitants who were any other race than Caucasian. These racial restrictive covenants typically read “No person of any race other than those of the Caucasian or White race shall use or occupy any building on any lot. Except that this covenant shall not prevent occupancy by domestic servants.” More specific racial exclusionary restrictions explicitly prohibited occupancy by “Chinese,” “Japanese,”

"That no part of said land shall be used or occupied by any Italians, Greeks, Hindus, Armenians or Indians, except that persons of said races may be employed thereon as servants."

The foregoing covenants, conditions and/or restrictions may be enforced by the same persons and in the same manner in which the covenants, conditions and restrictions endorsed upon said plat may be enforced, and may be similarly extended.

IN WITNESS WHEREOF said J.B.Yeon and Elizabeth M.Yeon have hereunto set their hands.

Executed in the presence of:

P. Boardman
R. B. Pelston

J. B. Yeon
Elizabeth M. Yeon

STATE OF OREGON)
) ss
County of Multnomah)

BE IT REMEMBERED that on this 18th day of August, 1926, before me, the undersigned, a notary public in and for said county and state, personally appeared the within named J.B.Yeon and Elizabeth M. Yeon his wife, who are known to me to be the identical individuals described in and who executed the within instrument, and acknowledged to me that they executed the same freely and voluntarily.

IN TESTIMONY WHEREOF I have hereunto set my hand and notarial seal the day and year last above written.

R. B. Pelston
Notary Public for Oregon
My commission expires Jan. 3. 1928

RESTRICTIVE COVENANTS, such as the one in this deed for a property in the Mocks Crest area in Portland, prevented properties from being occupied by non-white people. In this example, the restrictive covenant states, "no part of this land shall be used or occupied by any Italians, Greeks, Hindus, Armenians or Indians, except that persons of said races may be employed thereon as servants."

“Italians,” “Greeks,” “Hindus,” “Armenians,” “Indians,” “Mexicans,” and, most commonly, “Negros.” Sometimes these applied to individual properties, and other times, they applied to entire neighborhoods or developments. Restrictive covenants were typically intended to be in effect for twenty-five years after they were instituted.³

Enforcing restrictive covenants took the work of private citizens with state support. If a white person who owned property in a restricted area decided to sell to an African American, it was difficult, but not impossible, for neighborhood residents to legally have the new property owner evicted. Enforcing racial restrictions was complicated by the fact that the original owner or developer who had the restrictive covenant placed into the deed — not the neighbors — was, in the law’s eyes, the plaintiff. Cases lodged by neighborhood residents against incoming owners did not always hold up in court, because the original deed holder often no longer had a vested interest in maintaining the restriction once the property was sold. Over time, however, restrictive covenants took the form of a contract agreed on by all the property owners in a neighborhood or subdivision to ensure that the racial restrictions would be maintained throughout entire neighborhoods. By banding together to exclude homeownership or occupancy by people of color, white homeowners could employ the court system to uphold racially restrictive covenants.⁴

Local realtor Chester A. Moores, a vice president of the Portland real

estate development company Commonwealth, Inc., explained to his audience in a 1932 speech why it was so important to protect one’s property investment: “The great personal fortunes of Portland originated into full stature through profits in real estate.”⁵ Since people of color were actively excluded from homeownership in many of Portland’s neighborhoods, the “great personal fortunes” Moores spoke of must have belonged only to white Portlanders. The idea that the inclusion of people of certain races or nationalities into a neighborhood would hurt property values did not emerge wholesale as a natural outcropping of racism. Rather, real estate agents cultivated this idea in Oregon and across the nation. By focusing on “quality of life” concerns, realtors subtly and not so subtly suggested to prospective homeowners that homogenous neighborhoods would retain their value, while neighborhoods where residents were racially mixed and of various socio-economic status would decline in value. Realtors and real estate developers promoted restrictive covenants as a way to protect against the encroachment of adverse influences and to ensure property values over time. In 1919, the Portland Real Estate Board made segregation mandatory in its bylaws and code of ethics: “A realtor should never be instrumental in introducing into a neighborhood a character of property or occupancy, members of any race or nationality, or any individuals whose presence will clearly be detrimental to property values in that neighborhood.”⁶ A realtor who ignored the code of ethics

and introduced a person of an excluded race into a white neighborhood could lose their license.⁷

Realtors and real estate developers encouraged potential homeowners to consider the “desirable” and “undesirable” features of their prospective properties, home sites, and neighborhoods before making a purchase. In 1944, Moores, who was by then a member of the Portland Housing Authority, wrote a brochure, “Selecting A Homesite,” which was intended to “stimulate thinking on both the desirable and undesirable features of the prospective [home]site.”⁸ Moores listed among the important factors to consider “congenial neighbors,” “general neighborhood atmosphere, accessibility, topography and geographical location, utilities and other public services, taxes and assessments — and perhaps most important of all, restrictions which afford protection against adverse influences and possible threats against the economic stability of your investment.”⁹ A few pages later, Moores specified desirable restrictions in a list, including “limit the use of land to single family houses;” “control the placement of a residence on a lot by proper set-back and side yard regulations, so as to prevent crowding and to provide a proper supply of light and air;” and “prohibit nuisances and undesirable uses, such as stables, pigpens, chicken yards, billboards, temporary dwellings, shacks, high fences, commercial buildings, etc.” The last item was, “prevent the intrusion of inharmonious racial groups into a neighborhood.”¹⁰ The real estate section of local newspapers advertised

the presence of restrictive covenants within a neighborhood, listing them — along with tree-lined streets, white-enamel fixtures, and hardwood floors — as an attractive feature to prospective home buyers.¹¹

While restrictive covenants may have protected the property investments of white middle- and upper-class homeowners in Portland and elsewhere in the nation, their existence served to disinvest African Americans and others excluded from freely purchasing homes from gaining wealth through property ownership. Moreover, federal agencies not only supported residential segregation but actively encouraged it. Neighborhoods and subdivisions that had restrictions in their deeds were racially homogenous — all white — which earned them a higher rating from the Home Owners Loan Corporation (HOLC), which President Franklin Delano Roosevelt established in 1933 to refinance the mortgages of homeowners facing default or foreclosure during the Great Depression. HOLC appraisers sectioned cities into neighborhoods across America and appointed ratings based on their system of classification. They considered the age, construction quality, and type of homes in each neighborhood as well as a neighborhoods’ proximity to positive and adverse influences — the closeness of churches and schools as opposed to factories and vice districts. They also took into account the kinds of people who lived there, surveying residents about their income, occupation, and ethnicity. If a neighborhood was newer,

The Author



CHESTER A MOORES
Vice-President, Commonwealth, Inc.
Member Portland City Planning Commission
Chairman, Housing Authority of Portland
Past President, Portland Realty Board
Past President, Oregon Association of
Real Estate Boards
Former Chairman, Brokers Division
of National Association of Real Estate Boards



Where SHALL WE BUILD OUR NEW HOME?

TODAY, this question is uppermost in the minds of those millions of Americans who now are planning their long desired new homes.

An outstanding financier with wide experience in home building, once said he would list the three most important considerations for the prospective home builder as follows: first, location; second, location; third, LOCATION. Perhaps he over-emphasized, but there can be no question about the predominant importance of location in planning a new home.

Avoid the Cheapest Lot

One decision can be made before even starting the search for a homesite. That is *not* to take the cheapest lot in the section. Even though a greater expenditure for the land may postpone, or even eliminate, some features or extras you have in mind for your home, it is long-run wisdom to spend whatever is necessary to get a desirable homesite. The house can be added to or changed, but the character of the site on which it stands will seldom, if ever, change.

City or Country Home?

Most people have their minds well set beforehand on the broader aspects of location—that is, whether their home is to be in the city, in the country, or in one of the suburbs in between.

Many of you will want to live in one of the well established residential districts of the city—convenient to schools, stores and diversified shopping centers. A growing number, however will want their new home in one of the beautiful outlying districts which adjoin the city.

Some, particularly those who will build in a close-in suburban area, will want much the same type of house they'd build within the city limits. The builder of this home will want all modern conveniences, and will make sure of adequate protection against the encroachments that often beset areas not governed by zoning ordinance or restrictive covenants to insure refined residential atmosphere.

On the other hand, you may want a place where you can have a stable of horses, a cow or two, and a flock of chickens. Your desire may be for enough livestock and fruits and vegetables to make you more or less independent of the city. In this case, your home will be more than a place to live—it will offer a measure of economic security, a sense of safety from want.

Important Factors

In studying the general problem of selecting a homesite, it will be necessary to give careful consideration to several important factors, including general neighborhood atmosphere, accessibility, topography and geographical location, utilities and other public

IN THIS 1944 BROCHURE, published by local Portland real estate company Commonwealth, Inc., realtors guide prospective buyers to look out for “quality of life concerns” when considering a property. Those concerns were subtle suggestions to homeowners that homogenous neighborhoods would protect property values.

had good construction quality, was close to schools and churches, and had restrictive covenants and all-white residents, HOLC appraisers gave it a high rating, approving the granting of loans for home improvements and new-builds within the area. If the neighborhood was aging; its homes constructed of shoddy materials or falling into disrepair; located close to adverse influences; had expired, close to expiring, or no restrictive covenants at all; or if even a single Black family lived within its boundaries, HOLC appraisers gave it a low rating and no loans would be approved in that area.¹²

From information gleaned through these surveys, HOLC appraisers created Residential Security Maps, which is where the process of redlining originated. Redlining was intended to delineate areas that were too high-risk for real estate investment. They were unfailingly older neighborhoods where non-white residents lived, such as Portland's Albina neighborhood. This influenced how neighborhoods developed over time by affecting the ability of people of color to qualify for home loans. By withdrawing financing and making it impossible for neighborhood residents to qualify for loans, the Federal Housing Administration of 1934 served to economically devastate inner city areas, such as Albina, where a majority of Black residents lived and owned property.¹³ A 1939 real estate textbook quotes Moores: "We were discussing at the Realty Board recently

the advisability of setting up certain districts for Negroes and orientals. We talked about the possibility of creating desirable districts which would actually cater to those groups and make life more pleasant for them. After all, they have to live too, the same as youngsters." The suggested location of the district for African Americans was Albina, where, by 1939 — their options limited by restrictive covenants and redlining — a majority of Portland's Black families already lived.¹⁴

For the residents of Albina, the lack of access to capital made it next to impossible for people to keep up maintenance on their properties. As a result, their neighborhood entered into a period of slow decline. Like other red-lined areas in cities throughout America, Albina was ultimately subjected to slum clearance (the demolition of homes and buildings that city planners perceived as "sub-standard"), freeway building, and urban renewal projects that displaced residents and decentralized communities.¹⁵

Restrictive covenants are an early mechanism in a long line of tools used to impose segregation within the city of Portland as well as other U.S. cities. Although the U.S. Supreme Court declared restrictive covenants unenforceable by federal law in 1948, their residual effects have been long lasting.¹⁶ In Portland, restrictive covenants, along with later tools of residential segregation such as redlining and the cultivation by local realtors of

the idea that the presence of a single Black family within an all-white neighborhood would cause property values to decline, have worked to influence who lives where and who has been able to accumulate wealth through property ownership. This has affected generations of people.

THIS PROJECT to research racial restrictive covenants in Portland began as an internship for the City of Portland’s Bureau of Planning and Sustainability through Portland State University. Now, the Portland Housing Bureau has taken over the city side of this project and is planning to use research findings to do an analysis of how restrictive covenants have served to present an impediment to housing for people of color over the long term.

Because these restrictions are buried within the title deeds of privately owned properties, they have been difficult to find. Many of the ones we have collected were sent to us by private citizens who became aware of this project through crowdsourcing and media outreach efforts, one of which was a partnership between PSU and the Vanport Mosaic entitled “Invisible Walls: A Public Crowdsourcing Effort to Document Restrictive Covenants & Residential Segregation in Portland,” which you can read about in the Local History Spotlight section of this issue. Before the Invisible Walls events, we had around twenty restrictive covenants. After those events and the outreach we did, that number has doubled. Through crowdsourcing efforts, we have thus far collected

around forty restrictive covenants within the Portland area, and for the public’s cooperation and willingness to share, we are grateful.

This research is ongoing, and questions remain that necessitate further research. These include:

- How has the existence of restrictive covenants reverberated into the present conditions of different neighborhoods in Portland?
- How do racial restrictive covenants factor into our local city zoning and land use laws — i.e., after the Supreme Court declared these covenants illegal, what other tools and methods, such as language (multi-vs single-family use), were used to uphold the color line and maintain racial hierarchy within Portland?
- How have we perpetuated and upheld these processes into the present?

As is the case with other American cities, these racial restrictions may have preceded local land-use laws and zoning regulations. This means that when those laws and regulations were adopted, they may have codified acts of racial and ethnic segregation, embedding them into Portland’s landscape and solidifying color lines — disinvesting some groups of people while privileging others. Unless we continue to study this history, we risk the danger of further replicating these encoded racist policies and practices.

1990 Most homes in the area sell for less than \$25,000. The banks almost always refuse to make loans under \$30,000, and if they do, they charge higher interest rates for them, even though a national mortgage industry–sponsored study showed that small mortgages are very low risk. Without easy access to lending, nearly half of all real estate transactions in inner North and Northeast Portland are done in cash or arranged by private sellers on contract.

In the void left by the banks, Dominion Capital purchased more than 350 homes in inner North and Northeast Portland, both on its own and through straw buyers, such as the Brighams. The company markets these homes to inner Northeast residents with deals that involve low move-in costs and monthly payments. The homes are sold on contract, with the full amount of the loan due in five years. Dominion retains the title until the contract is paid off. The purchase price is highly inflated, because it includes the outstanding loan amounts from the straw buyers. Buyers end up owing far more than the home is really worth. Already under scrutiny from the state, Dominion files for bankruptcy after Attorney Dave General Frohnmayer files suit against the company, leaving buyers at risk of losing their homes.

NOTES

Carmen P. Thompson

1. This was said as part of conversation between Morrison and Dr. David Roediger at the University of Minnesota; he is not sure of the date but would often mention these comments in classes I took with him while in my doctoral program at the University of Illinois.

2. August 3, 1857, Frederick Douglass “West India Emancipation” speech at Canandaigua, New York.

3. Since 2014 PAALF has partnered with organizations such as PCRI. PAALF’s initiative “Your Right to Return Home” under its Peoples Plan links it with organizations such as PCRI. Comments by PCRI director and PAALF member, Maxine Fitzpatrick, in a February 4, 2014 article in *The Skanner* says a goal of the two organizations is to have housing

in Northeast Portland made available to displaced former residents. Specifically, PCRI with the support of PAALF is developing a plan to build 1,000 new affordable homes in North and Northeast.

Greta Smith

1. Greg Nokes, “Black Exclusion Laws in Oregon,” *The Oregon Encyclopedia*, https://oregonencyclopedia.org/articles/exclusion_laws/#.W32Pqc4zrmE (accessed August 22, 2018).

2. Richard Rothstein, *The Color of Law: A Forgotten History of How Our Government Segregated America* (New York, London: Liveright Publishing Corporation, 2017), 77, 78.

3. *Ibid.*

4. *Ibid.*, 78–80.

5. E. Kimbark MacColl, *The Growth of a City: Power and Politics in Portland, Oregon, 1915 to 1950* (Georgian Press Company, 1979), 1.

6. Portland Realty Board, Constitution and By-Laws, Code of Ethics, Schedules of Commissions, 1934, MSS 1511 Associations, Institution, Etc. – Misc., Portland Realty Board, 1932-1940, Folder 6, Oregon Historical Society Research Library [hereafter OHS Research Library].

7. MacColl, *The Growth of a City*, p. 539

8. Chester A. Moores, "Selecting a Homesite," foreword, in Chester A. Moores papers, circa 1919-1974, MSS 2599, box 1, Personal ephemera, OHS.

9. *Ibid.*, 5–6.

10. *Ibid.*, 13.

11. "\$900 – Irvington Home – \$900," *Sunday Oregonian*, October 24, 1909.

12. See Rothstein, *The Color of Law*; Kevin Fox Gotham, "Urban Space, Restrictive Covenants and the Origins of Racial Residential Segregation in a US City, 1900–50," *International Journal of Urban and Regional Research*, 24:3 (September 2000); Mindy Thompson Fullilove and Rodrick Wallace, "Serial Forced Displacement in American Cities, 1916–2010," *Journal of Urban Health: Bulletin of the New York Academy of Medicine*, 88:3 (2011); Douglas Massey and Nancy Denton, *American Apartheid: Segregation and the Making of the Underclass* (Boston: Harvard University Press, 1993); Roger Biles, *From Tenements to the Taylor Homes: In Search of an Urban Housing Policy in Twentieth-Century America* (University Park: Penn State University Press, 2010); and Kenneth T. Jackson, *Crabgrass Frontier: The Suburbanization of the United States* (Oxford University Press, 1987).

13. *Ibid.*

14. Chester A. Moores, "Real Estate Appraisals, A Transcription of Lectures and Discussions Given at the Real Estate Classes of the General Education Division, Oregon State System of Higher Education, in Cooperation with the Portland Realty Board," (Portland, 1939), 144, Moores Papers, OHS, as quoted in MacColl, *Growth of a City*, 540.

15. J.C. Teaford, "Urban Renewal and Its Aftermath," *Housing Policy Debate* 11:2 (March

2010): 443.; MacColl, *The Growth of a City*, 534.

16. Rothstein, *The Color of Law*, 77.

Melissa Cornelius Lang

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1. Quintard Taylor, "Slaves and Free Men: Blacks in the Oregon Country, 1840–1860," *Oregon Historical Quarterly* 83:2 (Summer 1982): 155.

2. Marie Rose Wong, *Sweet Cakes, Long Journey: The Chinatowns of Portland Oregon* (Seattle: University of Washington Press, 2004), 207.

3. Letter from John Lee Strandli to Portland City Council, September 30, 1942, City Council Minutes, Microfilm, A2018-011, City of Portland Archives, Portland, Oregon [hereafter PARC].

4. "West of Portland Are Homes Closed," *Oregon Advance Times*, March 28, 1968, p. 1.

5. Oznathylee Alverdo Hopkins, "Black Life in Oregon, 1899–1907: A Study of the Portland New Age" (B.A. thesis, Reed College, 1974), 20.

6. *The Advocate*, December 20, 1913 (all pages) held in the Historic Black Newspapers of Portland, Verdell Burdine and Otto G Rutherford Family Collection [hereafter Rutherford Collection], Portland State University Special Collections & University Archives, Portland, Oregon [hereafter PSU Special Collections], available online at <https://pdxscholar.library.pdx.edu/advocate/10/> (accessed July 25, 2018); *Portland Times Annual*, August 2, 1919, p. 3, available online at <https://pdxscholar.library.pdx.edu/portlandtimes/2/> (accessed July 25, 2018); *Portland Times*, no date, 1920, p. 11-13, available online at <https://pdxscholar.library.pdx.edu/portlandtimes/1/> (accessed July 25, 2018).