debate was whether lower-income individuals in need of housing or upper-income individuals, with more disposable income and access to credit, should benefit from the program. Congress evaded the issue and gave local program implementers the responsibility of choosing homesteaders. The implementers were to consider two factors in the selection process—the need for housing and the capacity to make the necessary repairs and improvements. The tension between the “housing need” criterion, which favored lower-income applicants, and the “capacity to repair” criterion, which favored higher-income applicants, was left unresolved.

In 1983, regulations were changed to exclude owners of other residential properties. In addition, the applicant’s ability to contribute toward repairs was taken into account. Priority consideration was required for those meeting three criteria: (a) rent payments in excess of 30% of adjusted income, (b) residence in substandard housing, and (c) little or no prospect of obtaining housing in the near future. Finally, the Housing and Community Development Act of 1987 replaced the three-part priority requirement with a single mandate to give preference to lower-income households (with incomes below 80% of the area median) before other applicants.

Program Variations
The Housing and Urban-Rural Recovery Act of 1983 authorized HUD to undertake a Local Property Urban Homesteading Demonstration Program under Section 810(i). The purpose of the program was to provide funds to test the feasibility of local properties early in the tax foreclosure process. The premise of the demonstration was that tax-delinquent properties often lose most of their economic value during the lengthy local foreclosure process. The expectation was that timely acquisition would reduce the likelihood of vandalism and neighborhood deterioration and increase the feasibility of rehabilitation.

The 1983 Housing and Urban-Rural Recovery Act also authorized HUD to conduct a Multifamily Urban Homesteading Demonstration Program to determine whether it is both practical and cost-effective for localities to help lower-income tenants acquire and rehabilitate multifamily projects for ownership. The multifamily demonstration would support only the use of HUD-owned properties. The response to the program announcement revealed that potential participants were primarily interested in federal technical assistance and did not intend to use HUD properties. The funds set aside for this demonstration were then reallocated into the regular Section 810 program.

Section 810 was a relatively small initiative compared with other housing and community development programs. It provided funds to secure properties but none for rehabilitation or administration. In effect, localities that chose to participate in it were required to divert some of their Community Development and Section 312 allocations to that program. Section 810 urban homesteading did not fare well in cities where it was in tight competition for rehabilitation and administrative dollars. Some communities used local revenues or Community Development Block Grant funds to operate their own homesteading programs. (SEE ALSO: Urban Homesteading)

—Mittie Olion Chandler

Further Reading


Section 811: Supportive Housing for Persons with Disabilities

The Department of Housing and Urban Development (HUD) provides assistance to expand the supply of housing with supportive services for persons with disabilities. Capital advances are made to eligible nonprofit sponsors to finance the development of rental housing with supportive services for the disabled. The advance is interest free and does not have to be repaid so long as the housing remains available for 40 years to very low income persons with disabilities. Project rental assistance covers the difference between the HUD-approved operating cost per unit and the amount the resident pays.

Legislation establishing this program was enacted in 1990. Nonprofit organizations may qualify for assistance. Occupancy is open to very low income persons with disabilities between the ages of 18 and 62.

—Mara Sidney

Security Deposit

A security deposit is any money, property, or right given by a tenant to a landlord to be held by, or on behalf of, the landlord as security for the performance of an obligation or payment of a liability by the tenant and to be returned to the tenant on the happening of some event (e.g., lease termination). As with any other civil contract, the landlord can sue a tenant for breach of a lease condition and seek a court-imposed settlement. However, some landlords may
Segregation

The higher the index, the greater studies have shown that the degree of residential segregation varies across different regions and time periods. The index ranges from 0 (no segregation) to 100, indicating complete unevenness. The higher the index, the greater the amount of segregation.

Measuring Segregation

The most common measure of segregation is the index of dissimilarity, which assesses the degree to which two groups are unevenly distributed over neighborhoods in metropolitan areas. The basis on which unevenness is determined is the percentage composition of the metropolitan area as a whole. If a metropolitan area is 30% black and 70% white, for example, then the expected criterion for nonsegregation is that every neighborhood would be 30% black and 70% white. As each neighborhood deviates from the percentage racial composition of the metropolitan area as a whole, the segregation index increases. The index ranges from zero, reflecting no segregation (i.e., complete evenness of racial groups over neighborhoods), to 100, indicating complete unevenness. The higher the index, the greater the amount of segregation. Other, complementary indices of segregation exist as well, for example, Lieberson’s Index of Isolation.

Segregation by Race

The most prevalent form of segregation in the United States is segregation by race in general and segregation between blacks and whites in particular. Before 1910, the level of segregation of blacks did not differ significantly from that of European immigrant groups. This period has been described by some authors as the period before the ghetto—that is, a time when most blacks were not severely segregated from whites. Historical investigations of several cities, however, reveal sharp increases in black residential segregation between 1910 and 1930. For most northern cities, this was the first period of large-scale black migration from the South. It resulted in the formation of black ghettos, as blacks were restricted to certain sections of cities and became the majority racial group in those sections. Until the 1970s, southern cities were less segregated than those in the North.

From a historical standpoint, residential segregation between blacks and whites increased to high levels and has remained there. The level of segregation of blacks in the 1990s is higher than the levels for any other group (European ethnic groups, Hispanics, Asians, etc.).

The reason relates to the issue of color and more specifically black color. Unlike Europeans, black migrants to cities in the North faced impenetrable barriers to housing...