

November 4, 1946

RADIO BROADCAST IN SUPPORT OF CHARTER AMENDMENT NO. 11  
W.L.O.L - MAYOR HUBERT H. HUMPHREY

Tomorrow, the voters of Minneapolis will have before them the adoption or the rejection of Amendment No. 11 to the City Charter. It is the express purpose of this amendment to permit the City of Minneapolis to establish a housing authority which would be eligible to receive from the Federal Government financial aid in providing low cost housing for low income families.

It is a further purpose of this amendment to establish the necessary administrative organization to design and plan for the elimination of our blighted and slum areas and the redevelopment of many sections of the City of Minneapolis which are in a state of major disrepair or deterioration.

There is yet a third purpose that is included in this amendment and that is to provide the legal authority for the City of Minneapolis to more extensively aid and assist our veterans in obtaining housing.

These three purposes are clear cut. The economic facts of the past 20 years and, particularly, of these postwar years, indicate the imperative necessity of having a housing authority that can cooperate with private builders in the City of Minneapolis for the purpose of housing and slum clearance.

To pass the amendment, we must obtain at least 60% of the votes cast upon it. Remember, a simple majority is not enough.

To amend our City Charter, we must have 60% in favor of the amendment. The amendment, as presented to you tomorrow, will be one of two printed on separate lavender ballots. I ask you to vote "yes" on this amendment--to vote "yes" for a better Minneapolis, for better homes, and for well-planned reconstruction of many areas in our city.

Now, what are the facts concerning the background of Charter Amendment #11 and the housing picture? In 1937, the Congress of the United States established what is known as the United States Housing Act. This act was supported by approximately \$890,000,000 in federal appropriations. This money has gone to over 150 cities in the United States and to over 43 states who have cooperated with the federal government in a low cost housing program and slum clearance projects.

In other words, we the citizens of Minneapolis, who pay our federal taxes, have not received one cent of federal aid for housing, simply because our State Legislature has not passed an enabling act which would permit us to qualify under the federal program. The City of Minneapolis has been excluded from any of these benefits because of no state legislation and no charter amendment.

This policy has cost the State of Minnesota between fifty and sixty million dollars in the last 10 years, the major portion of which would have gone to Minneapolis to be used for cleaning up our delapidated old homes and cleaning out our run-down areas.

Legislation now pending in Congress will make available to our city ~~many~~ many more million dollars in the state--that is, we will be able to obtain it if we pass this amendment. If, however, this amendment is defeated, our entire program of slum clearance, of redevelopment of run down areas, of low cost housing, will be set back for years, and Minneapolis again will find itself as the only major city in the United States without such a program.

I wish the opponents of this measure could hear what the Mayor of Los Angeles has to say about it. I wish the opponents would be honest about it and tell what the mayors and public officials of every city in the United States say about public housing and redevelopment legislation.

I wish the opponents of this measure would honestly quote representative newspaper editorials. I wish that they would call to your attention that legislation and charter proposals identical to Amendment #11 have been supported by leading financial houses, real estate boards, outstanding newspapers like the New York Times, the Philadelphia Evening Bulletin, the Louisville Courier, and others too numerous to mention. It is about time that there was an open recognition of the fact that this sort of housing and neighborhood redevelopment legislation has the unqualified support of both major political parties and that leadership for it in the United States Senate has been in the hands of senator Taft of Ohio and Senator Wagner of New York.

Public housing and slum clearance legislation is not a partisan issue. Housing legislation has been accepted by all

political parties. It is now in operation in states which compose 96% of the total population of the United States.

Housing legislation, as outlined in Charter Amendment #11, is working and has been working on a sound, efficient, and economical basis for many years in neighboring states. This isn't theory we are talking about. This is practical, economics designed to aid cities and states, conceived to provide shelter and wholesome environment to the citizens of municipalities in all income brackets.

I think it is fair to say that you can judge the merits of the housing amendment to our charter by those who support it. This amendment has been endorsed and is supported by business, labor, churches, and many civic groups. Listen to this listing of endorsements--the Minneapolis Civic and Commerce Association, the Minneapolis Central Labor Union, the Minneapolis Junior Association of Commerce, Hennepin County CIO Council, the Minneapolis League of Women Voters, the Public Affairs Department of the Minneapolis Church Federation, Twin Cities Council of Consumer Cooperatives, the Railroad Brotherhoods. Those agencies of municipal government which have been struggling with the housing crisis for months, likewise have given their unanimous and unqualified support to this housing amendment. For example, the Minneapolis Board of Public Welfare, Minneapolis City Planning Commission, and the Minneapolis City Council.

The list of endorsements represents the broadest cross-section of our community. These organizations, and the men and women who compose them, support the housing amendment and ask you to vote "yes" upon it because they know the importance of such legislation and what it can mean to the future development of Minneapolis.

Leaders of Minneapolis veterans organizations have signed a statement supporting the amendment because, as they say and I quote, "under the terms of the amendment, the city will be able to engage in programs especially designed to assist veterans in obtaining living quarters."

The state/<sup>ment</sup>also includes the point and I quote again, "The undertaking of public housing and slum clearance projects will provide many job opportunities and will stimulate construction generally. This means that veterans engaged in/<sup>the</sup>construction field will be assured of continuing demand for their skills."

This statement has been signed by Harry J. Lee, adjutant of the Mill City Post, American Legion; James Langness, commander, Mill City Post; Oliver Anderson, commander, Wold Chamberlain Post, American Legion, Howard Peterson, commander, Metropolitan Post, American Legion; Harold Grossman, chairman of the American Veterans Committee, Chapter No. 1, Stewart McClendon, president, Veterans Housing Association of Minneapolis.

The overwhelming support and endorsement given this amendment by respected and leading citizens and organizations of Minneapolis clearly indicates the soundness of the charter amendment and the desirability of its adoption. As yet, the opposition to the good housing amendment has not revealed its hand other than to indicate that the program of misrepresentation and distortion of fact which they are engaged upon is headed by none other than Edward Settevig, president of the Minneapolis Property Owners Association. Mr. Settevig has been engaged for the past eight years in a one-man unholy crusade against progressive housing legislation. I say that he does not represent the attitude of the realtors and landlords of this community. I say that his attitude is one which is foreign to the development and progress of the City of Minneapolis.

It is this same Mr. Settevig and his association that has seen fit to fight rent control in a period of a dire housing shortage. Despite the fact that an overwhelming proportion of this city and state have indicated their approval of such legislation and have urged their congressmen to maintain the controls until the housing situation eases.

The leadership of the opposition has failed to bring to the attention of our citizens what the true facts of the housing situation are in this city. They have failed to provide a single remedy or suggestion as to how to alleviate this terrifying crisis that has been facing us for months. I say that they have ignored human rights and they are doing so in their opposition to this amendment.

I say that they have ignored the reports of our own Council of Social Agencies as to the deplorable situation that exists in certain sections of our city. I say that they ignore the fact that according to the United States census of 1940 there were over 5,000 homes in the City of Minneapolis which were declared unfit for human habitation.

I say that they have not told you that private construction has been unable to provide low cost housing to our low income groups despite the fact that as early as 1914, the Minneapolis Civic and Commerce Association in their annual report called for such a program.

I charge that the opposition to this amendment has made vast profits from this slum type of housing. As chairman of the Board of Public Welfare, I know that our city has paid approximately \$4,800,000 in public money for housing to provide shelter for persons of low income. These people have been housed in the properties owned by some of the members of the opposition. These low income people have been kept in poor housing, in poor environment, in conditions of poor health which, in the long run, has kept them poor and a public charge to our city.

Could it be that the opposition is so interested in the rental of dilapidated housing properties to the city that this selfish interest drives them to oppose this amendment? Can it be that businessmen who include themselves in the ranks of the opposition are so short-sighted that they cannot see the benefits which ultimately would come with the adoption of this amendment?

I ask the people of Minneapolis and I particularly ask the opponents of this amendment to read today's editorial in the Minneapolis Star. This editorial states the case for the amendment in clear and concise terms. It reminds the business people of Minneapolis of the importance of voting "yes" on the amendment. Permit me to read it.

This editorial should, for once and for all, answer the objections of those who are justly and vitally concerned about the effect of Charter Amendment #11 upon private industry.

In the time that remains, I should like to analyze for you some of the objections to the amendment. The people want fact not fiction. The people want the truth not misrepresentation. The vast majority of the people of Minneapolis are united in their support of this proposal for housing. Opposition to this amendment would tell you that these projects are controlled by bureaucracy in Washington. The fact is the housing projects permitted under this amendment will be planned by the local government agencies, built by private contractors, with local labor which is paid ~~tax~~ at prevailing wage rates. The project will be under supervision of a local housing authority of local citizens, appointed by the mayor and the city council.

The housing projects will give shelter and housing to families of low income with a particular priority to veterans. For each new unit of housing provided in the project, a slum unit or one of the 5,000 homes which have been described as unfit for human habitation in this city must be removed.

In other words, for every new home, a hovel is torn down.

The opposition would lead you to believe that housing under this amendment would be financed out of local taxes thereby greatly increasing your tax bill. The fact is the homes con-

structed under the terms of this amendment will be financed by loans made to the local housing authority by the federal government. Such loans are fully repaid with interest over an extended period of time and are not obligations of the city.

In order to permit the housing authority to rent dwellings in the projects to families of low income, the federal government makes an annual subsidy to the local agency. Housing contemplated under this amendment is <sup>a</sup> self-liquidating program. The rents received, plus the grants by the federal government, pay bonds. There is no obligation on the part of the city. All money which may be advanced by the municipality ~~is~~ for planning or for land acquisition will be repaid by the federal government and the housing authority.

The opposition again misrepresents the facts when it leaves the impression that these projects will increase your taxes because of the tax exemption features on the housing units. The fact is, however, that these projects pay on the basis of a contract to the city a sum of money in excess of that which is now being collected from the slum areas which will be rebuilt and redeveloped under the terms of this amendment.

I remind the opposition that the record of housing projects in the nation reveals that the grants of money made by the project to the city is on the average from  $1\frac{1}{2}$  to 2 times as much as was received from taxes from the area before the housing project was constructed. This is a matter of public record and the opposition well knows it. In other words, public housing

projects pay their way to the city. Housing projects are not tax exempt in the sense that they pay nothing to the community. Listen to what the Mayor of Gary, Indiana, says to me in his letter of October 17. I quote from Mayor Joseph E. Finnerty of the city of Gary, Indiana: "During the last two years the housing authority of Gary has paid to the city of Gary an amount equivalent to the total tax yield that they would normally pay on the current valuation and tax rate. In other words, our public housing projects are not tax exempt institutions. They have paid their way. They have paid on the same basis as other real estate developments in Gary." I quote further from the same letter. "It is my conclusion that rather than having additional costs or increases in tax rates due to the assistance of public housing, the contrary has been true. The revenues of our city have been increased because of public housing. My own experience here in Gary with our three housing projects proves to me that public housing, properly administered, for low income families, is the answer to outrageous slum conditions in every major city in America."

This letter is typical of hundreds that other mayors have placed on record.

The Atlanta, Ga., Constitution, the leading newspaper of that city, has this to say: "Public housing not merely reduces cost to city and county in police, fire, and health departments but it pays almost twice as much hard cash into the treasury of the city government as did the miserable, disgraceful slums, so noisily defended on the basis of taxes. We hope this will be an end to the opposition on this basis."

The Louisville, Ky, Courier Journal on March 31, 1945, had this to say: "Opponents of public housing have argued loud and long that from the practical viewpoint, low cost housing was a waste of public money since it deprived the municipalities of tax revenues. Louisville has been fortunate in having four housing projects to serve as guinea pigs for the debaters. Citizens may now consider the argument in favor of slum clearance and public housing settled for once and for all. Not by the sight of green grass and flowers around neat blocks of houses that stand where tenements once sprawled; not by the figure computed by the community first of a saving of approximately \$68,000 in public health and welfare expenditures for the areas. These are but minor good points. The real clincher is that the housing projects now pay to the city \$78,764 per year as against \$40,591 that the property paid in taxes before it was developed into a housing project."

The Newark, New Jersey, News of April 2 had this to say: "Low cost housing projects in Newark have proved a sound social, economic and community investment. It is obvious that <sup>there</sup> ~~it~~ is only one thing wrong with low cost housing projects. There are not enough of them."

The Philadelphia Evening Bulletin of July 10, 1944, reports that the Philadelphia housing program has saved the city thousands of dollars in expenses and has yielded twice the amount in its payments to the city as was collected in taxes before the new housing was constructed.

The record of public support for charter amendment #11 and its provisions is overwhelming. From every section of America, testimonials pour in as to the economic and social benefits to be derived from a well-planned housing and slum clearance program.

Another argument used by the opposition would lead us to believe that housing projects compete with legitimate private enterprises. The fact is, however, that low income housing as contemplated under this amendment, would be made available only to the persons who could not possibly pay enough rent to provide a market for private builders. There must be a 20% rental gap or leeway between the top of the low income group and the lowest rents at which private enterprise is supplying private housing. It should be further noted that these projects will be constructed by our own private contractors. Private business will be doing the job. Free labor will be on the job. Minneapolis investors can invest in the project.

Has this program worked? Cleveland, Ohio, has seen fit to construct nine huge housing projects; Cincinnati, a well governed and conservative city has four of these projects. Toledo has six. Chicago has nine; Philadelphia, fourteen; Detroit, four; Omaha, Nebraska, two; Milwaukee, one; St. Louis, Missouri, four projects of 1300 units. Cities like Kansas City, Dallas, Texas, Denver, Colorado, Seattle, Washington, Los Angeles and San Francisco, California, all of these cities have in operation a housing program which we, the people of Minneapolis, are

contemplating and asking for under the terms of the Charter Amendment #11. The same old opposition was at work in each of the other cities, but these cities saw fit to move ahead and today, according to their own reports, they are immeasurably better off, they are on the highroad of progress and reconstruction.

These cities have learned that unless we are to clean up our slum areas, there will be more and more migration into the country; more and more homes being built outside of the city, thereby taking property off the city tax rolls. These cities now know that housing projects as authorized under Charter Amendment #11 provide great savings in fire, police, health, and welfare services.

The slum areas of any city cost from eight to fifteen times as much as a decent housed area for the above-mentioned municipal services. Run down property, deteriorated houses, blighted and slum areas, are the most expensive waste of public funds suffered by any community.

There is one portion of the housing amendment which the opposition has seen fit to ignore and that portion is, by far, the most important. I refer to the neighborhood redevelopment or urban redevelopment features. It is here where the local city government may aid and assist the private builder and private investor in a big program of private housing construction. Under the features of this portion of the amendment, the city can assist the private builder in cleaning out the slums, preparing the land for re-use, and turning it over to private investors and contractors

for the purposes of private housing construction on a mass scale. This program has worked effectively in the city of New York where the Metropolitan Life Insurance Company has constructed literally thousands of rental units and at the same time cleaned up many acres of slum area, redeveloping it into modern, wholesome, housing projects.

In conclusion, let me review the arguments in favor of Charter Amendment #11.

First of all, Minneapolis will be in a position, when this amendment is adopted, to receive substantial help from the federal and state governments. This financial assistance cannot come to us unless legislation such as this is adopted. Already we have missed out on millions of dollars of assistance because of inadequate legislation.

Second, municipal government costs in the slum and blighted areas will be cut down. Fire, police, health, and welfare services are expensive. Minneapolis, like other cities, pays from eight to fifteen times as much for these services in the blighted and run-down areas as we do in the better housed districts of our city.

The taxpayers of this city pay for this extravagance. The home owners of Minneapolis pay dearly for the property of those who own it in the blighted areas and I say again that the leaders of the opposition to this amendment own far too much of this slum area and compel the citizens of this city to pay far too much to support it.

Third, the record of every housing project in the nation

reveals that these properties are not tax exempt in the sense that they pay little or nothing to the city. Housing projects as planned under Amendment #11 pay from  $1\frac{1}{2}$  to 2 times as much on a national average to the cities in which they are located as was collected from the areas by direct taxes before the housing was constructed.

Fourth, housing constructed under the terms of Charter Amendment #11 will not add to the debt of the city or to its taxes. These projects are not an obligation of the city. They are self-liquidating enterprises. They are constructed with money obtained from the federal government and by specific borrowing for housing purposes.

Fifth, the housing program outlined in the charter amendment is not one controlled by the federal government but is locally owned and managed, locally planned and financed. It is our own program. It is Minneapolis housing assisted by our government to help our people.

Sixth, Charter Amendment #11 has the overwhelming support of every segment and section of our community. Business and labor, churches and citizen groups, veterans organizations, city and county, support it. Only this morning, the Hennepin County Board of Commissioners went on record in support of this amendment.

Seventh, any housing constructed under terms of this amendment will give preference to veterans and their families. This is expressly stated within the terms of the amendment. Veterans housing is emphasized and the city will be further empowered to aid in the solution of this tragic situation.

Eighth, the occupants of the low cost, low income

housing projects will be limited on the basis of the income of the individual applying for a rental unit. Periodically, those who reside in the project will be re-examined on the basis of their income. As soon as they are capable of paying rents for private housing, they must leave. These projects are constructed for those who are in need and who are veterans.

Ninth, Charter Amendment #11 makes possible cooperation between the city and the private investor and builder. The neighborhood redevelopment features of the amendment will provide a great stimulus to extensive construction of housing on a wide scale basis. This will be construction by private enterprise. This will be construction of housing within the city of Minneapolis. This will mean additional property in our city that can pay its way and at the same time aid in the development and progress of Minneapolis.

Finally, if our State Legislature should at long last see fit to pass a state housing law, such a law would supplement and strengthen our housing amendment. The action of our State Legislature in behalf of housing legislation will serve as a means to broaden the scope of this amendment and to strengthen it. Any limitations that may exist under the terms of the amendment can be adequately corrected and fortified by the action of our Legislature.

November 4, 1946

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W.L.O.L - MAYOR HUBERT H. HUMPHREY

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There is yet a third purpose ~~that is~~ included in this amendment and that is to provide the legal authority for the City of Minneapolis to more extensively aid and assist our veterans in obtaining housing.

These three purposes are clear cut. The economic facts of the past 20 years and, particularly, of these postwar years, indicate the imperative necessity of having a housing authority that can cooperate with private builders in the City of Minneapolis for the purpose of housing and slum clearance.

To pass the amendment, we must obtain at least 60% of the votes cast upon it. Remember, a simple majority is not enough.

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~~Now~~, What are the facts concerning the background of Charter Amendment #11 and the housing picture? In 1937, the Congress of the United States established what is known as the United States Housing Act. This act was supported by approximately \$890,000,000 in federal appropriations. This money has gone to ~~over~~ <sup>over</sup> 150 cities in the United States ~~and to over~~ <sup>in</sup> 43 states ~~which~~ <sup>which</sup> have cooperated with the federal government in a low cost housing program and slum clearance projects.

In other words, we the citizens of Minneapolis, who pay our federal taxes, have not received one cent of federal aid for housing, simply because our State Legislature ~~has~~ <sup>did</sup> not pass an enabling act which would permit us to qualify under the federal program. The City of Minneapolis has been excluded from any of these benefits because of no state legislation and no charter amendment. *We have "missed the boat" for 9 years - costing us millions of dollars -*

This policy has cost the State of Minnesota between fifty and sixty million dollars in the last 10 years, the major portion of which would have gone to Minneapolis to be used for cleaning up our dilapidated old homes and cleaning out our run-down areas.

Legislation now pending in Congress will make available to our city ~~many~~ many more million dollars in the state--that is, we will be able to obtain it if we pass this amendment. If, however, this amendment is defeated, our entire program of slum clearance, of redevelopment of run down areas, <sup>our program</sup> of low cost housing, will be set back for years, and Minneapolis again will find itself as the only major city in the United States without such a program.

I wish the opponents of this measure could hear what the Mayor of Los Angeles has to say about <sup>Low Cost Housing projects.</sup> ~~it~~. I wish the opponents would be honest about it and tell what the mayors and public officials of every city in the United States say about public housing and redevelopment legislation. *These men support it - fight for it!*

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*Yes,* Public housing and slum clearance legislation is not a partisan issue. Housing legislation has been accepted by all

political parties. It is now in operation in states which compose 96% of the total population of the United States.

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*Charter Amendment #11 - means homes for veterans, homes for our needy people - Homes for mpls.*

I think it is fair to say that you can judge the merits of the housing amendment ~~to our charter~~ by those who support it. This amendment has been endorsed and is supported by business, labor, churches, <sup>veterans</sup> <sup>and</sup> many <sup>other</sup> civic groups. Here are the ~~listen to this listing~~ endorsements--the Minneapolis Civic and Commerce Association, the Minneapolis Central Labor Union, the Minneapolis Junior Association of Commerce, Hennepin County CIO Council, the Minneapolis League of Women Voters, the Public Affairs Department of the Minneapolis Church Federation, Twin Cities Council of Consumer Cooperatives, the Railroad Brotherhoods. These agencies of municipal government which have been struggling with the housing crisis for months, likewise have given their unanimous and unqualified support to this housing amendment. For example, the Minneapolis Board of Public Welfare, Minneapolis City Planning Commission, and the Minneapolis City Council, and the Hennepin County Board of County Commissioners.

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The leadership of the opposition has failed to bring to the attention of our citizens what the true facts of the housing situation are in this city. They have failed to provide a single remedy or suggestion as to how to alleviate this terrifying crisis that has been facing us for months. I say that they have ignored human rights and they are doing so in their opposition to this amendment.

*The opposition has*

~~I say that they have~~ ignored the reports of our own Council of Social Agencies as to the deplorable situation that exists in certain sections of our city. ~~I say that~~ They ignore the fact that according to the United States census of 1940 there were over <sup>10</sup>5,000 ~~houses~~ <sup>houses</sup> in the City of Minneapolis which were declared unfit ~~xx~~ for human habitation. *The ignore the fact that today hundreds of people are forced to live in these houses.*

I say that they have not told you that private construction has been unable to provide low cost housing to our low income groups despite the fact that as early as 1914, the Minneapolis Civic and Commerce Association in their annual report called for such a program.

I charge that the opposition to this amendment has made vast profits from this slum ~~type of~~ housing. As chairman of the Board of Public Welfare, I know that our city has paid approximately \$4,800,000 in public money ~~for housing~~ to provide shelter for persons of low income. These people have been housed in the properties owned by some of the members of the opposition. These low income people have been kept in poor housing, in poor environment, in conditions of poor health which, in the long run, has kept them poor and a public charge to our city. *This, I say, is an*

*economic waste and public shame.*  
Could it be that the opposition is so interested in the rental of dilapidated housing properties to the city that this selfish interest drives them to oppose this amendment? Can it be that businessmen who include themselves in the ranks of the opposition are so short-sighted that they cannot see the benefits which ultimately would come with the adoption of this amendment?

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MONDAY, NOVEMBER 4, 1946

*Star*  
**Minneapolis Needs No. 11**

CHIEF OPPOSITION to the proposed city charter amendment No. 11 seems to come from various property owners' and taxpayers' associations. Their position is that the amendment, providing for a housing authority to undertake rehabilitation of the city, would result chiefly in public housing which would compete with their rental property.

The Star has pointed out how the pending Wagner-Ellender-Taft bill protects adequate private rental units from the competition of any possible public housing. A gap of 20 per cent between the lowest private rentals and public rentals must exist or federal funds will not be made available.

But the amendment does make possible municipal initiative to clear away blighted areas and make them available at reasonable cost for private development, if investors are interested.

The opposition of property owner and taxpayer groups is unfortunate, for they are the very ones which should promote the rebuilding of Minneapolis. When modern dwellings replace antiquated homes and tenements the whole city will be a better place in which to live. All property will be benefitted.

Now more money is being spent for housing in the suburbs than inside the city limits. Only when hundreds of new dwelling units are put up within the city will the tax base be broadened so that a reduction in the tax rate is possible.

Scidom has a proposed amendment been endorsed by so representative a group of organizations as are backing No. 11. The city council, planning commission, board of public welfare, Civic & Commerce association board of directors, Junior Association of Commerce, Central Labor Union (AFL), Hennepin county CIO council, the railroad brotherhoods, Twin City Council of Consumer Cooperatives, the League of Women Voters and many more are behind it.

Amendment No. 11 will give Minneapolis the machinery to undertake its own rehabilitation. All citizens interested in a vital future for their city should vote for the amendment and then see that the housing authority becomes a sound, progressive institution around which the redevelopment of the whole community centers.

This editorial should, for once and for all, answer the objections of those who are justly and vitaly concerned about the effect of Charter Amendment #11 upon private industry.

In the time that remains, I should like to analyze for you some of the objections to the amendment. The people want fact not fiction. The people want the truth not misrepresentation. ~~The vast majority of the people of Minneapolis are united in their support of this proposal for housing.~~ <sup>The</sup> Opposition to this amendment would tell you that these projects are controlled by bureaucracy in Washington. The fact is the housing projects permitted under this amendment will be planned by the local government agencies, built by private contractors, with local labor which is paid ~~the~~ at prevailing wage rates. The projects will be under supervision of a local housing authority of local citizens, ~~appointed by the mayor and the city council.~~

The housing projects will give shelter and housing to families of low income with a particular priority to veterans. For each new unit of housing provided in the project, a slum unit or one of the 5,000 homes which have been described as "unfit for human habitation" ~~in this city~~ must be removed.

In other words, for every new home, a hovel is torn down. *That is progress - both economic + social.* X

The opposition would lead you to believe that housing under this amendment would be financed out of local taxes thereby greatly increasing your tax bill. The fact is the homes con-

structed under the terms of this amendment will be financed by loans made to the local housing authority by the federal government. Such loans are fully repaid with interest over an extended period of time and are not obligations of the city.

~~In order to permit the housing authority to rent dwellings in the projects to families of low income, the federal government makes an annual subsidy to the local agency.~~ Housing

contemplated under this amendment is <sup>a</sup> self-liquidating program.

The rents received, plus the grants by the federal government, <sup>the</sup> pay <sup>financial</sup> bonds. There is no <sup>a</sup> obligation on the part of the city..

All money which may be advanced by the municipality ~~ix~~ for planning or for land acquisition will be repaid by the federal government and the housing authority. *This is the record in 43 states.*

The opposition again misrepresents the facts when it ~~leaves the impression~~ <sup>asserts</sup> that these ~~projects~~ <sup>homes</sup> will increase your taxes because of the tax exemption features on the housing units.

The fact is, however, that these <sup>housing</sup> projects pay on the basis of a contract to the city a sum of money in excess of that which is now being collected from the slum areas which will be rebuilt and redeveloped under the terms of this amendment.

I remind the opposition that the record of housing projects in the nation reveals that the grants of money made by the project to the city is on the average from 1½ to 2 times as much as was received from taxes from the area before the housing project was constructed. This is a matter of public record and the opposition well knows it. In other words, public housing

projects pay their way to the city— Housing projects are not tax exempt in the sense that they pay nothing to the community. X

Listen to what the Mayor of Gary, Indiana, says ~~to me~~ in his letter of October 17. I quote from Mayor Joseph E. Finnerty of the city of Gary, Indiana: "During the last two years the housing authority of Gary has paid to the city of Gary an amount equivalent to the total tax yield that they would normally pay on the current valuation and tax rate. In other words, our public housing projects are not tax exempt institutions. They have paid their way. They have paid on the same basis as other real estate developments in Gary." I quote further from the same letter. "It is my conclusion that rather than having additional costs or increases in tax rates due to the assistance of public housing, the contrary has been true. The revenues of our city have been increased because of public housing. My own experience here in Gary with our three housing projects proves to me that public housing, properly administered, for low income families, is the answer to outrageous slum conditions in every major city in America."

This letter is typical of hundreds that other mayors have placed on record.

The Atlanta, Ga., Constitution, the leading newspaper of that city, has this to say: "Public housing not merely reduces cost to city and county in police, fire, and health departments but it pays almost twice as much hard cash into the treasury of the city, <sup>County</sup> government, as did the miserable, disgraceful slums, so noisily defended on the basis of taxes. We hope this ~~will be~~ <sup>put</sup> an end to the opposition on this basis."

The Louisville, Ky, Courier-Journal on March 31, 1945, had this to say: "Opponents of public housing have argued loud and long that from the 'practical' viewpoint, low cost housing was a waste of public money since it deprived the municipalities of tax revenues. Louisville has been fortunate in having four housing projects to serve as guinea pigs for the debaters. Citizens may now consider the argument in favor of slum clearance and public housing settled for once and for all. Not by the sight of green grass and flowers around neat blocks of houses that stand where tenements once sprawled; not by the figure computed by the community ~~first~~ <sup>chest</sup> of a saving of approximately \$68,000 in public health and welfare expenditures for the areas. These are but minor good points. The real clincher is that the housing projects now pay to the city \$78,764 per year as against \$40,591 that the property paid in taxes before it was developed into a housing project."

The Newark, New Jersey, News of April 2 had this to say: "Low cost housing projects in Newark have proved a sound social, economic and community investment. It is obvious that ~~it~~ <sup>there</sup> is only one thing wrong with low cost housing projects. There are not enough of them."

The Philadelphia Evening Bulletin of July 10, 1944, reports that the Philadelphia housing program has saved the city thousands of dollars in expenses and has yielded twice the amount in its payments to the city as was collected in taxes before the new housing was constructed."

*These, friends & neighbors, are the facts where housing projects are in operation!*

The record of public support for charter amendment #11 and its provisions is overwhelming. From every section of America, testimonials pour in as to the economic and social benefits to be derived from a well-planned housing and slum clearance program.

~~Another argument usually~~ <sup>the</sup> the opposition would lead us to believe that housing projects compete with legitimate private enterprises. The fact is, however, that low income housing as contemplated under this amendment, would be made available only to the persons who could not possibly pay <sup>sufficient</sup> ~~enough~~ rent to provide a market for private builders. ~~There must be a 20% rental gap or lacuna between the top of the low income group and the lowest rents at which private enterprise is supplying private housing. It should be further noted that~~ these projects will be constructed by our own private contractors. Private business will be doing the job. Free labor will be on the job. Minneapolis investors can invest in the project.

Has this program worked? Cleveland, Ohio, has seen fit to construct nine huge housing projects; Cincinnati, a well governed and conservative city has four of these projects. Toledo has six. Chicago has nine; Philadelphia, fourteen; Detroit, four; Omaha, Nebraska, two; Milwaukee, one; St. Louis, Missouri, four projects of 1300 units. Cities like Kansas City, Dallas, Texas, Denver, Colorado, Seattle, Washington, Los Angeles and San Francisco, California, all of these cities have in operation a housing program which we, the people of Minneapolis, are

contemplating and asking for under the terms of the Charter Amendment #11. The same old opposition was at work in each of the other cities, but these cities saw fit to move ahead and today, according to their own reports, they are immeasurably better off, they are on the highroad of progress and reconstruction.

These cities have learned that unless we are to clean up our slum areas, there will be more and more migration into the country; more and more homes being built outside of the city, thereby taking property off the city tax rolls. These cities now know that housing projects as authorized under Charter Amendment #11 provide great savings in fire, police, health, and welfare service *costs.*

The slum areas of any city cost from eight to fifteen times as much as a decent housed area for the above-mentioned municipal services. Run down property, deteriorated houses, blighted and slum areas, are the most expensive waste of public funds suffered by any community. X

There is one portion of the housing amendment which the opposition has seen fit to ignore and that portion is, by far, the most important. I refer to the neighborhood redevelopment or urban redevelopment features. It is here where the local/city government may aid and assist the private builder and private investor in *an expensive* ~~a big~~ program of private housing construction. Under the features of this portion of the amendment, the city can assist the private builder in cleaning out the slums, preparing the land for re-use, and turning it over to private investors and ~~contractors~~

*builders*

for the purposes of private housing construction on a mass scale. This program has worked effectively in the city of New York where the Metropolitan Life Insurance Company has constructed literally thousands of rental units and at the same time cleaned up many acres of slum area, redeveloping it into modern, wholesome, housing projects.

In conclusion, let me review the arguments in favor of Charter Amendment #11.

First of all, Minneapolis will be in a position, when this amendment is adopted, to receive substantial help from the federal and state governments. This financial assistance cannot come to us unless legislation such as this is adopted. Already we have missed out on millions of dollars of assistance because of inadequate legislation.

Second, municipal government costs in the slum and blighted areas will be cut down. Fire, police, health, and welfare services are expensive. Minneapolis, like other cities, pays from eight to fifteen times as much for these services in the blighted and run-down areas as we do in the better housed districts of our city.

The taxpayers of this city pay for this extravagance. The home owners of Minneapolis pay dearly for the property of those who own it in the blighted areas and I say again that the leaders of the opposition to this amendment own far too much of this slum area and compell the citizens of this city to pay far too much to support it.

Third, the record of every housing project in the nation

reveals that these properties are not tax exempt in the sense that they pay little or nothing to the city. Housing projects as planned under Amendment #11 pay from  $1\frac{1}{2}$  to 2 times as much on a national average to the cities in which they are located as was collected from the areas by direct taxes before the housing was constructed.

Fourth, housing constructed under the terms of Charter Amendment #11 will not add to the debt of the city or to its taxes. These projects are not <sup>a financial</sup> obligation of the city. They are self-liquidating enterprises. They are constructed with money obtained from the federal government and by specific borrowing for housing purposes *by the Housing Authority.*

Fifth, the housing program outlined in the charter amendment is not one controlled by the federal government but is locally owned and managed, locally planned and financed. It is our own program. It is Minneapolis housing assisted by our government to help our people.

Sixth, Charter Amendment #11 has the overwhelming support of every segment and section of our community. Business and labor, churches and citizen groups, veterans organizations, city and county, support it. ~~Only this morning, the Hennepin County Board of Commissioners went on record in support of this amendment.~~

Seventh, any housing constructed under terms of this amendment will give preference to veterans and their families. This is expressly stated within the terms of the amendment. Veterans housing is emphasized and the city will be further empowered to aid in the solution of this tragic situation.

Eighth, the occupants of the low cost, low income

housing projects will be limited on the basis of the income of the individual applying for a rental unit. Periodically, those who reside in the project will be re-examined on the basis of their income. As soon as they are capable of paying rents for private housing, they must leave. These projects are constructed for those who are in need and who are veterans.

Ninth, Charter Amendment #11 makes possible cooperation between the city and the private investor and builder. The neighborhood redevelopment features of the amendment will provide a great stimulus to extensive construction of housing on a wide scale basis. This will be construction by private enterprise. This will be construction of housing within the city of Minneapolis. This will mean additional property in our city that can pay its way and at the same time aid in the development and progress of Minneapolis.

Finally, if our State Legislature should at long last see fit to pass a state housing law, such a law would supplement and strengthen our housing amendment. The action of our State Legislature in behalf of housing legislation will serve as a means to broaden the scope of this amendment and to strengthen it. Any limitations that may exist under the terms of the amendment can be adequately corrected and fortified by the action of our Legislature.

Vote yes on amend 11 -  
Vote for a finer, better mpls.

The opposition to this amendment continues to talk about Sumner Field homes, <sup>in Minneapolis</sup> as an example of mismanagement in public housing. Now let's set the record straight — Sumner Field homes were constructed under the terms of a work relief program. Sumner Field homes were one of the first public works projects in this part of the country. These housing units, however, took the place of miserable, rotten slums, and have provided wholesome housing for hundreds of our citizens.

Sumner Field homes were limited in the days before the war to persons of low income. The majority of its occupants were persons who were receiving work on W.P.A. projects. It is true that during and since the war, because of a dire housing shortage, the Sumner Field project has permitted families of higher income to remain as occupants. I ask you, where else could they go? There isn't a house to be found in the community. However, the rents have been elevated, and the people are paying rents equal to those found in private dwellings.

Let's get this straight, however — this project is not under the control of a municipal housing authority. It will be, however, if this amendment passes. It will then be under the supervision of local authorities.

This project does pay money to the city for municipal services, and it pays as much as, or more, than was collected from the miserable houses that were located <sup>in the area</sup> ~~at~~ before these fine brick fireproof units were constructed. The opponents to this amendment know full well that they are distorting facts and grossly misrepresenting the Sumner Field project when they talk about persons of high income being located within it.

*The opponents to this amendment also know that this project pays approximately \$11,000 per year to the city — more than was*

*collected from the area, when it was a public slum section of 70th delinquent property.*



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