

Metropolitan Housing Conferences

Authority

The President's Committee is authorized to "encourage educational programs by civic, educational, religious, industry, labor and other non-governmental groups to eliminate the basic causes of discrimination in housing and related facilities provided with Federal Assistance."

One of the major devices employed in carrying out the mandate is the Metropolitan Conference on E. O. in Housing. Thus far three have been held; in Boston, Cincinnati and Baltimore. Plans are in process for similar conferences in the Mid and Far West. Requests have been received from various other communities and the President's Committee hopes to be able to schedule many more a year.

Objectives

The objectives of these conferences are:

- a) To serve as a vehicle to inform a cross section of the community that a program for equal opportunity in housing is underway, and to explain the why, how, who and when of this program in considerable detail.
- b) To bring into acquaintance, communication and consultation those from civic, religious, and minority groups, the housing industry and government, business and labor who are mutually concerned.
- c) To supply guidance and encouragement to the leadership that will carry on.
- d) To inform the public of the President's Order, of the rights and privileges under the Order and of housing opportunities in general.
- e) To inform the housing industry of requirements of the Order and of the industry's responsibilities to help prepare for the action to follow.
- f) To bring to those present and to the public, recognition and awareness of the President's Committee on Equal Opportunity in Housing and of government's role and responsibility in housing.
- g) To provide the mass media with newsworthy occasions to inform the public.

Sponsorship and Organization

Sponsorship of these one-day conferences is by the President's Committee along with local public officials and local civic groups. In fact, the initiative for the conferences comes from local groups who invite the President's Committee to join with them. Responsibility for planning and mechanics is assumed in each community by a local committee, representative of all interested groups in that metropolitan area, which works closely with members of the President's Committee Staff.

The sponsoring organizations usually come from the following groups: local, state and federal government; minority organizations and fraternal groups; religious, labor, education, business, finance, civic and housing organizations.

At each conference, workshops are utilized to foster participation and open direct communication. The subjects chosen for these workshops and the overall format for each conference depend on the particular housing problems and needs of the area. Also, a working paper is prepared and distributed to provide basic facts and analysis of the local housing situation, as well as to provide some ideas for workshop discussions.

Results

In general, all three conferences held thus far were considered successful by the President's Committee and the local participants for the following reasons, among others:

1. Important and useful information was disseminated on the President's Executive Order on Housing on the psychology and sociology of housing discrimination, as well as on implementation techniques for local housing groups and other interested individuals.

2. White participants gained more awareness of the depth of Negro feeling and the extensive complexity of harms done to the Negro by inequality in housing.

3. Negro participants were encouraged to feel that they were not fighting a lonely battle.

4. Individual civil rights and community relations people and organizations were brought into contact with one another. There was an immediate effect of mutual encouragement.

5. Business people were made more aware of the amount of concern with housing problems among whites, as well as among Negroes.

6. Important lines of communication were opened between all groups and individuals represented with a resultant breakdown in the kind of stereotypes that block cooperation.

7. Overall practical plans were begun for the implementation of suggestions made during the workshops and plenaries.

The President's Committee will be glad to respond to further invitations or requests for more information on these very effective conferences. A guidelines pamphlet to help set up such conferences is available and a more thorough manual is in preparation.

Publications of the Committee

To facilitate its educational objectives, the President's Committee has also prepared several other publications. These, along with the relevant materials created by the other Housing Agencies, are distributed at the Metropolitan Conferences or mailed on request to those who wish more information on the Executive Order, or who wish to become better informed on the general nature of equal opportunity in housing, causes for its denial, and methods for its implementation.

Equal Opportunity in Housing: A Select Bibliography of Materials for Study and Use - An extensive annotated listing, by purpose, of over 200 reports, books, periodicals, articles, pamphlets and movies that deal with equal opportunity in housing.

Rules and Procedures of the President's Committee on Equal Opportunity in Housing.

How the President's Executive Order Can Help You Acquire the House of Your Choice - Information and suggestions regarding the rights of minority home seekers under Executive Order 11063. (In preparation.)

Directory of Fair Housing Committees - A listing, to provide inter-communication, of local community organizations devoted to extension of open occupancy in housing. (In preparation.)

Current Report - A periodic summary of Committee activities and other developments of interest to the public.

The Role Of Fair Housing Groups

Purpose

During the past five years there has been a rapid increase of local fair housing groups seeking to broaden housing opportunities in previously "closed" communities and to stabilize those sections with mixed occupancy. While meeting with varying degrees of success, they have proven to be effective forces for citizens who wish to help establish an atmosphere or a policy of equal housing opportunity in their own community.

Growth and Composition

In 1960 there were 18 independent local groups. By 1964 they had increased to over 500, some working in concert with one another. They have appeared mostly in white middle- and upper-middle class suburbs and are staffed almost completely by volunteers, although some have full or part time staff members.

Objectives

The primary objectives of these groups have been:

1. To make available a listing of housing through the voluntary action of owners and managers which is to be sold or rented on an equal opportunity basis.
2. To encourage prospective minority buyers and renters to seek non-segregated housing.
3. To match the needs and desires of minority families with available housing.
4. To work to achieve a climate of acceptance of minority residents in neighborhoods thus preparing them for desegregation.

Methods

The principal methods employed by local fair housing groups in the pursuit of the above objectives usually are:

- a) orientation of members and studies made by them
- b) speakers bureau
- c) good neighbor pledge campaign
- d) listing services of available housing
- e) testing for discrimination and taking appropriate action according to laws banning discrimination
- f) community meetings
- g) contacting community leaders to encourage fair housing action; enlisting the support of the clergy, housing industry, business groups, civil rights and civic groups, etc.

- h) helping individual minority families to move into previously closed areas
- i) trying to stop panic selling and block busting

Note: Many fair housing groups are given at least some professional help by the American Friends Service Committee or National Committee Against Discrimination in Housing (NCDH). These two organizations recently published a Fair Housing Handbook, which can be obtained for 50 cents from AFSC, 160 North 15th Street, Philadelphia, Pennsylvania, or from NCDH, 323 Lexington Avenue, New York, New York.

Results

An idea of some specific results of local fair housing groups may be obtained from "An Overview of Grassroots Activity in Housing" by Frances Levenson, former director of NCDH. Copies of the speech may be obtained from NCDH. A few examples which he cites are:

"In greater Boston, with the assistance of the network of local groups . . . nonwhite families have moved into every previously all-white suburban community in the metropolitan area. The New Haven (Conn.) group has aided no less than 60 families in similar moves. On the West Coast, proliferating fair housing groups are opening area after area to minority-group residents. During the summer of 1962, some 70 committees operating in the Greater New York City Region . . . were instrumental in the movement of at least 125 nonwhite families into neighborhoods previously closed to them. And, no one can estimate the number of nonwhite families who secured housing covered by New York's anti-bias laws as a result of 'checkers' supplied by volunteer fair housing groups.

"Stabilization efforts have slowed down the rate of racial change, and in some cases have been successful in reintroducing white families into changing neighborhoods.

"In some few areas a fair housing group has even enlisted operation of a broker. Mortgage money, once a problem, no longer seems to be a serious one.

"It would be misleading to suggest that these grassroots committees are a major national force as yet. However, they can surely be called a 'sign of the times' -- a spontaneous demonstration of a changing climate of opinion in the United States. The rapidity with which they are forming, their geographic spread, and their not insignificant record of accomplishment indicate they are destined to play a central role in the drive for a truly democratic society."

**A BACKGROUND PAPER
FOR THE
GREATER BOSTON CONFERENCE
ON EQUAL OPPORTUNITY
IN HOUSING**

May 21, 1964 • Austin Hall • Harvard Law School

FOREWORD

This document, prepared by George Schermer, Consultant to the President's Committee on Equal Opportunity in Housing, is intended to provide certain facts, raise certain questions (some, admittedly, provocative), and to set forth possible courses of action. It is neither a policy statement nor a program outline. Instead, it is a working paper, compiled to stimulate discussion and deliberations at the different forums and to relate each topic to the others.

The President's Committee wishes to acknowledge the considerable assistance of Mrs. Rheable M. Edwards of Action for Boston Community Development in seeking out, compiling and incorporating most of the facts presented herein.

SOURCES OF DATA FOR WORKING PAPER

Housing Research Advisory Committee
Massachusetts Committee on Discrimination in Housing

 Housing Discrimination in Massachusetts
March 1963

 Public Program and the Housing Shortage in Boston
April 1963

United States Civil Rights Commission
Massachusetts Advisory Committee

Report on Massachusetts Housing in Boston
December 1963

Action for Boston Community Development
Rheable M. Edwards and Laura B. Morris

The Negro in Boston 1961

The Boston Housing Authority

Statistical Reports

The Greater Boston Conference

on

Equal Opportunity in Housing

May 21, 1964

PUBLIC POLICY

National public policy, as embodied in the President's Executive Order No. 11063, requires that all housing supplied with Federal assistance after November 20, 1962 be available to all persons according to the same terms regardless of race, color, creed, or national origin. It also provides every effort be made to eliminate discriminatory practices in all other housing which has received Federal assistance.

Public policy in Massachusetts goes considerably farther. Under the Massachusetts Fair Practices Act as amended April 1, 1963, practically all housing offered for rent or purchase, whether or not publicly assisted must be available on equal terms for all. Only the rental of a single apartment or flat in a two-family, owner-occupied dwelling is excluded by the Act.

While only the overt practices of discrimination are explicitly prohibited by law, there is implicit in public policy, the idea that the more subtle practices, economic factors and cultural patterns, which also function to exclude non-whites from the general market and to extend ghetto growth should be countered by positive and affirmative program to foster racially inclusive practices and to disperse the ghetto.

THE PROBLEM

The problem is that the factors which encourage ghetto growth are both subtle and pervasive. Any residue of restrictive practices by the real estate market must be curbed, and patterns of segregated living in public housing must be changed. Prejudices and fears about integrated living must be overcome by both white and non-white people. Equally important is the need to enable Negroes to

achieve more equal economic status as compared to whites. While laws, public policy and governmental action are very important, a total community effort is required to achieve open occupancy living.

THE PURPOSE OF THE CONFERENCE

It is the objective of the President's Committee on Equal Opportunity in Housing and all the persons and organizations participating in this conference to give meaning to public policy by finding and putting into motion -- or accelerating -- the practical measures which would result in a substantial number of non-white families taking advantage of existing public policy and law and so move into widely dispersed, racially inclusive areas. A corollary objective would be to bring about the re-integration of those areas that have become exclusively non-white.

It is the purpose of this working paper to provide a design for the conference workshop discussions. The problem we are struggling with here is a highly complex one. There are many elements and each element must be considered. Since no one forum can possibly consider all the elements, each of the respective forums is being asked to make an intensive examination of one or a few of the elements only. By using the facts cited in this paper as a common point of departure, and proceeding from there to a discussion of the several elements, it is hoped that the conference as a whole can move forward to a comprehensive plan of action.

THE FACTS

The following statement of facts is drawn entirely from the sources listed in the foreword. It is not intended to disclose any new data, but to present in the most condensed form, those facts that are basic to the discussion.

Population and Residential Segregation

In the Boston Standard Metropolitan Statistical Area in 1960 there were 26,386 non-white households. This was only three percent of the total households of greater Boston. About 21,600 or eighty percent of these non-white families lived in Boston where they comprised nine percent of the total households.

Slightly over 21,000 of these households (ninety-five percent of those in Boston and nearly eighty percent of those of

Greater Boston) live in a generally contiguous area lying primarily in Roxbury, having spread from the South End and Back Bay, and now continuing into North-Dorchester. While non-whites constituted less than twenty percent of the total households in those four communities, over seventy percent of Boston's Negro population live in fifteen contiguous census tracts in which the population is fifty percent or more non-white; while another twenty-five percent live in nearby census tracts in which the non-whites are steadily displacing the whites.

The non-white population of the Boston area is growing steadily. While Boston did not experience the great migration of other cities from 1917 through 1949, the rate of growth was greatly accelerated in the 1950s. The growth for the white population of the Boston metropolitan area from 1950 to 1960 was 4.9 percent, while that of the non-white population was 54.5 percent. In Boston city the non-white population increased by sixty percent.

Ninety-two percent of the Negro increase settled in Boston and in the same period Boston lost nearly 130,000, or seventeen percent, of its white population.

Practically all of the Negro increase settled into the expanding crescent-shaped ghetto area of Roxbury and neighboring areas. The trend in the Boston area is strongly in the direction of increased racial segregation.

School Segregation

The greatest significance of this development is to be seen in the schools. Approximately eighty-five percent of all the Negro children of Boston attend the thirty-five schools within the residential section which comprises over ninety-five percent of the total number of Negroes who live in the city. About seventy percent of all Negro children are in those schools that are ninety percent or more Negro. As the Negro population grows and continues to settle into the same area, it will take relatively few years for all thirty-five schools to become ninety percent or more Negro, while more schools drift through the same process. The trend in the Boston area is toward increased de facto segregation in the public schools.

As already evidenced in New York City, as well as in Boston, new schools in the ghetto have not resulted in a higher level of academic performance, social behavior and reflection of self-worth on the part of the students. An integrated housing environment is

fundamental to a break-through in the cycle of poor education, poor economic conditions, poor housing and high rates of social disorganization.

Housing Conditions

About half of the housing occupied by Negroes in Boston in 1960 was substandard by the U. S. Census standards, as compared with twenty-one percent for whites. In actual numbers, of course, a far larger number of substandard houses are occupied by whites. However, the census data are based upon a few broad criteria that do not provide a detailed description of the condition. Within the definition of substandard housing a much larger proportion of the most dilapidated housing is occupied by Negroes. The trend with respect to housing quality for Negroes in Boston appears to be towards some overall improvement. The improvement of the overall quality results from the removal of some of the most dilapidated housing for public housing and urban renewal, an increase in the supply of public housing available to non-whites and the movement of middle income non-white families into less substandard housing. However the pace of improvement is not impressive.

Housing Costs

Boston is a high-cost area as far as housing is concerned. In a study of housing costs in ten cities in 1963, prepared by the Housing and Home Finance Agency, the minimum price for a minimum FHA standard three-bedroom house in the Boston area was \$14,500. Only one of the other ten cities was that high and none was higher. Thus housing costs are high for everyone in Boston. In addition, Negroes pay more in actual dollars for housing of given quality and a much larger share of their income for housing than do whites. In 1960 non-whites were paying a median of \$65.00 per month, including heat and utilities, for substandard housing compared with \$57.00 per month for the same quality housing paid by whites. Non-whites paid fourteen percent more on the average for poorer housing. Forty-six percent of the non-white families living in substandard housing paid in excess of 22.5 percent of their income for rent, while thirty percent of the whites living in substandard housing paid as much.

Few houses of any condition, standard or otherwise, were vacant or otherwise available for sale at \$10,000 or less in 1960. A family seeking a house in Metropolitan Boston outside the city found the median value of all owner-occupied units to be \$13,600 to \$17,000 for purchase, while in Boston it was \$13,500. Median apartment rent in the Boston Metropolitan area ranged from \$78 to \$94 per

month, with the median rent within the city \$78 per month in 1960. The median number of rooms for all rental and owner-occupied housing units in 1960 was 4.6 in Boston and from 4.6 to 5.8 in the suburbs.

Housing Supply

There is an overall shortage of standard quality housing in Boston city and in the metropolitan area. The combined "for sale" and "for rent" vacancy rate in the metropolitan area in 1960 was less than two percent, and less than one percent for Boston city. Forty-six percent of the vacant available supply was substandard.

The need for additional standard housing is clear. It is crucial that low-cost housing be included in a substantial amount. The need for low-cost housing will be further identified as more families are displaced by highway construction, code enforcement and other public programs. There is a particular need for additional standard housing to meet the needs of large low-income families in view of the small unit size of the existing supply.

Home Ownership

The period from 1945 to 1960 was one of great expansion in home ownership for all groups around the country. Home ownership among Negroes in Philadelphia, for instance, increased from ten percent in 1940 to forty-three percent of a greatly expanded population by 1960. The number of homes owned by Negroes in Philadelphia increased nine times during that period. Boston has not kept pace with this national development. Only sixteen percent of the non-white families in Boston owned their homes in 1960. In the metropolitan area the ratio of non-whites owning their homes increased by only one percent from 1950 to 1960.

Income of Negroes

Half of the non-white families in Boston earn less than \$4500 per year; three-fourths earn less than \$6000 per year; less than one-tenth earn \$9000 per year or over. The rule of thumb is that families should pay no more than twenty percent of income for rent, nor more than two and one-half times their annual income for the purchase of a home. Applying these ratios to the metropolitan area population, about 2600 non-white families may be in a class

capable of paying rents of \$180 per month or more, or purchasing homes of \$20,000. About 6500 families may be able to pay from \$120 per month and up for rent or \$15,000 and up for purchase. Another 6500 families fall into the class ranging in capability from \$75 to \$120 per month for rent or from \$10,000 to \$15,000 purchase price. Half of the families are in the ranges of \$75 per month or \$10,000 purchase price downward.

Of the non-white families living in substandard housing, half had incomes under \$3,400 per year, indicating they can pay no more than \$68 per month rent, including heat and utilities, nor more than \$8500 for purchase.

Public Housing

The Boston Housing Authority operates 14,398 publicly assisted housing units, 10,556 of which are federally-aided and 3,841 are state-aided. About 2,425, or a little more than 16 percent of the total number of public housing units, are occupied by non-whites.

It has been characteristic of public housing in Boston that its racial composition conformed to the area in which it was located. Four projects are fairly well integrated. Four others are occupied exclusively or nearly so by Negroes, while the remaining twenty-five are either exclusively or almost all white. The Boston Housing Authority on June 19, 1963 adopted a statement setting forth both policy and detailed procedures designed to assure non-discrimination in the selection of tenants, and the non-racial allocation of dwelling units, on the basis of need and availability. This statement by the Boston Housing Authority was adopted after the NAACP had filed a complaint of discrimination with the Massachusetts Commission Against Discrimination (MCAD). Therefore, the Boston Housing Authority is bound not only by the President's Executive Order to use its good office to desegregate its housing projects, but also is required to do this by virtue of a legally enforceable agreement executed before MCAD.

Urban Renewal

One effect of urban renewal to date has been the relocation of 3,444 families and 1577 individuals from such neighborhoods as the West End, the Castle Square area, Whitney Street, Government Center and Washington Park. Of these, 1378 families and individuals resided in Castle Square and Washington Park.

A total of 10,780 units of new housing in all income ranges has been proposed. Under the "221 (d)3" program of the Federal Housing Administration, 2380 units have been proposed of which 400 are now under construction. In the low and moderate income range 1400 units have been proposed. In relation to urban renewal, some 300 units of public housing for the elderly have been proposed. About 1900 units of housing in the moderate and moderate-high range have been proposed, of which 276 have been constructed (Whitney St. project). Luxury units, which the vast number of non-whites cannot afford, account for a proposed number of 4800 units -- just less than half of the proposed total under urban renewal. Of these, 1200 units are in three non-assisted projects; 450 units have been completed, and 470 are under construction.

The net effect of urban renewal, it would appear, tends to decrease the total supply of housing available to Negroes. Those Negroes displaced by urban renewal have tended to follow the already established patterns of segregated living.

THE FORCES FOR SEGREGATION

There are many forces that function to extend and intensify the pattern of segregation. These might be considered centripetal forces. It might be said that the main currents of urban movement and growth are those that are also extending the pattern of segregation. The inertia of both existing patterns and the forces of change perpetuate and extend racial segregation.

The principal factors are these:

1. Economic: Except for publicly-aided housing, new housing is generally priced beyond the reach of most Negroes. The promoters of new housing have no incentive to merchandise their houses to Negroes. Thus each new housing development becomes white-occupied. A racially-exclusive pattern is formed which then possesses enough inertia to inhibit later change.
2. Many older declining neighborhoods where housing may be within the economic reach of the Negro market tend to have an ethnic identity. These too possess an inertia that precludes or inhibits racial change.
3. The Negro ghetto possesses its own dynamic inertia. The presence and expansion of the ghetto produces

uneasiness and instability in the contiguous white areas, inhibits the white market and generates a merchandising process directed toward the Negro market.

4. The status values, drives and incentives, such as social striving, among the many strata and sub-societies that make up white society function against the inclusion of Negroes.

5. Within the Negro sub-societies there are also many incentives and drives, such as social, political and religious ones, which discourage and inhibit Negroes from separating themselves from the shelter and security of the ghetto.

THE FORCES FOR DESEGREGATION

The forces for desegregation are few in number and weak in power. The Executive Order and the Fair Practice laws prohibit and restrain overt acts of discrimination. They have the value of inhibiting some of the more active forces of segregation. They pave the way for the desegregating forces when and if they develop. There is little in the Executive Order or the law as presently constituted to cause or encourage the housing industry to actively merchandise its product to Negroes on a racially decentralized pattern, or to produce new housing within the economic reach of the larger part of the Negro market.

The successful efforts by the Boston Branch NAACP and CORE to bring about effective public housing policy, the outstanding activity by many civil rights groups which achieved meaningful fair housing legislation and the continuing interest in effective implementation in both areas have constituted the most significant aid to open occupancy housing in Boston and the Commonwealth of Massachusetts.

The highly commendable activities of Fair Housing, Inc., the Greater Boston Federation of Fair Housing Committees and the more than sixty suburban fair housing committees constitute a genuine effort toward desegregation in the suburbs. Though limited in scope, this is an attractive force in locating housing in suburban communities and actively seeking out Negro prospects.

Another significant force for desegregation is the rising income and social status level of some of the Negro population. Negro

families that have annual incomes above \$7500 and have achieved professional status are more likely to seek suburban housing and neighborhood living. Except for professional status Negro families who can afford expensive suburban living, there appears to be no strong incentive among middle-income Negroes to exchange the ghetto for the alternatives they can afford.

THE ARITHMETIC OF THE SITUATION

It appears, then, that the only effective forces for desegregation are operative for a very small segment of the non-white population. The data sources consulted for the writing of this paper show income ranges for non-whites in the Metropolitan area, but not separately for Negroes. The non-white population of the area includes approximately ten percent of groups other than Negro. It is possible that a substantial proportion of the non-whites with incomes over \$9000 per year are other than Negro and are not living in the Boston ghetto areas. More information is needed to determine whether or not a significant proportion of those Negro families that can afford suburban housing are already satisfactorily housed outside the ghetto or, for various reasons, are not likely to be in the market for housing.

Thus the demand by Negroes for housing in areas where the fair housing committees are strong enough to be effective is probably limited to less than 200 families per year. It appears that the ghetto area of Roxbury and its environs is growing at about five percent, or 1000 families per year. If the spread of segregation were to be checked and frozen at its present level, at least 1000 Negro families should be accommodated annually on a decentralized basis.

A DESIGN FOR DESEGREGATION

The above suggests that unless very substantial desegregating forces are set in motion, the segregated community will grow steadily and become permanent. Unless the Boston community acts affirmatively, the ghetto of 1960 will have expanded from 21,000 households to about 31,000 by 1970 and will possess even greater dynamic inertia. How to counter this trend is the theme of this conference.

The realistic goal must include the following:

A. The actual settlement of somewhat more than 1000 Negro families annually on a decentralized pattern throughout the metropolitan area of Boston.

B. The attraction into the central Boston area, particularly in those areas that now constitute the ghetto and its environs, a sufficient number of white families to neutralize the tendency of such areas to act as a vacuum that attracts and holds Negroes only.

The decentralization of Negro families requires the following:

1. Raising the general income level of the Negro population to approximate that of whites.

2. The production of lower cost new housing in suburban areas at sale prices ranging from \$12,000 to \$14,000, or rentals of \$100 per month or less. In addition to the production of housing at such price levels, it will be necessary to actively merchandise it to the Negro market.

3. Equally active merchandising of existing houses in a wide range of older, presently exclusively white, Boston and inner suburban communities.

4. A broadly based educational program designed to (a) prepare white people to accept and encourage neighborhood inclusiveness; and (b) cause Negro people to actively search for houses in racially inclusive areas, well removed from the existing ghettos.

5. Development of community support for a widely dispersed, racially inclusive public housing program.

6. Urban renewal programs designed to use relocation as an instrument for desegregation and to attract and encourage white families into those areas which might otherwise become or remain exclusively non-white.

AGENDA FOR DISCUSSION

The following questions are suggested for discussion by the respective forums:

I. Motivation

a. Are there more than a few Negro families who have a sense of personal urgency about leaving the ghetto? How many are motivated to seek housing elsewhere in the face of resistance? How many more would be responsive if they were encouraged?

b. To what extent does the responsibility for paving the way for integration rest upon the white public and the housing industry? To what extent should Negro families exercise initiative and responsibility to seek houses outside the ghetto? Would Negro families be responsive to active merchandising of houses on a decentralized basis?

c. What kind of educational programs are required to motivate Negroes to leave the ghetto? To motivate whites to return?

II. Housing Supply and Demand

a. At what price and rental levels is new private housing being offered in various parts of the Boston metropolitan area? In what respects would this supply be attractive to Negroes assuming no racial restrictions? How many Negro families may be in the market for such new housing?

b. At what price and rental levels is existing used housing being offered in various sections of the metropolitan area? To what extent would such housing be attractive to Negroes, assuming no racial barriers? How many Negro families may be in the market for each of several price levels?

c. Assuming that the racial barriers could be overcome and that Negroes were motivated to move out into the open market, at what rate could the Negro population be decentralized, given present income and price levels?

A. Demand for Lower Priced Housing

(a) Assuming that most Negro families are already paying as much or more for housing than they can properly afford, at what price or rental level would new or existing housing become competitive with the present ghetto area supply for that part of the Negro market with incomes from \$4500 to \$7500 per year?

(b) How many Negro families might be expected annually to take advantage of racially inclusive housing if offered at those price levels?

(c) How feasible is it to contemplate housing production at these price levels? What kinds of public aids are available or would be required?

(d) Other than Federal or state legislation, what is required in the way of local initiative and organization to produce housing at these price levels?

B. Public Housing Need

(a) How many Negro families are there now eligible in terms of income for public housing in Boston? How many are living in public housing now? At what rate are low income Negro families eligible for public housing increasing or decreasing in numbers? Is public housing keeping pace with the growing needs of all families at these income levels?

(b) How can public housing be used as an effective instrument for residential desegregation? Is it functioning in that manner now?

C. Urban Renewal

(a) Has the relocation of residents from clearance areas in Boston tended to reduce, intensify or extend segregation?

(b) How might the relocation program function to implement desegregation?

(c) Are any housing re-use programs resulting in the reintegration of the central areas? Is there hope that such programs might function in this manner?

(d) Are some of the residential re-use programs resulting in improvement and perpetuation of the racial ghetto?

III. Racial Barriers - Changing Community Attitudes

a. Admitting that price is a major factor, to

what extent are racial barriers a restrictive factor? By what mechanisms do the barriers function? Is it mainly a matter of overt refusal by agents or subtler forms of avoidance?

b. To what extent does neutral, non-merchandising behavior of agents toward Negroes constitute a barrier?

c. To what extent has the law resulted in neutralizing the behavior of agents, thus transferring and diffusing the resistive behavior to people in the neighborhood?

d. What kinds of educational and other programs are necessary to create an atmosphere of receptivity in the general housing market? What dimensions should such a program have to be effective? What resources would be required?

IV. Improved Legislative Programs through Social Action

a. What additional legislation is required to implement desegregation?

b. In what ways is there need for improved implementation of existing housing laws and public policy?

c. What action is needed to insure passage of the "Housing and Community Development Act of 1964"? To have included in the Act a larger supply of low-cost housing?

d. What other legislation, not specifically dealing with housing, relates to achieving desegregation?

V. Improving Communications

a. Are communications between all levels of the white and non-white population adequate? If not, what more can be done to develop inter-communication among all of the groups?

VI. Governmental Action

a. Assuming that it is proper for agencies of government to prevent acts of discrimination, how effective are present governmental activities in this

respect? What more should Federal agencies be doing? State and local agencies? What assistance and counsel can private groups provide to take fuller advantage of these programs?

b. How far should governmental agencies go in promoting affirmative programs to implement desegregation? How much of that is being done? How much more should be done?

c. How can government supply incentives to the housing industry to actively merchandise its products to the Negro Market?

d. Is the present organizational and institutional structure of Greater Boston equal to the challenge presented here?

e. If not, what is required? Top level leadership and coordination? More financial resources? More neighborhood level organization? A better program design?

VII. Social and Community Services for Families with Special Problems

a. What programs now operate in the greater Boston area to extend opportunities for the economic advancement of Negroes?

b. What are the principal barriers? Job discrimination? Lack of training? Apathy?

c. What programs are required to bring Negroes into economic parity with whites?

d. What is being done to meet the physical housing needs of large, low-income families? What is needed?

e. What types of programs should be provided families in need of assistance toward improving their house-keeping standards and social behavior? How can these families be reached?

The
GREATER BOSTON
CONFERENCE
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EQUAL OPPORTUNITY
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President's Committee
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in
Housing

Commonwealth of Massachusetts
City of Boston

MAY 21, 1964

AUSTIN HALL, HARVARD LAW SCHOOL
CAMBRIDGE, MASSACHUSETTS

THE DISCUSSION FORUMS

Seven forums for open discussion from the floor will be held in the rooms of Austin Hall. Each will be conducted by a moderator who knows the field of discussion. In addition, a short analysis of the issues and problems related to the subject will be offered by someone having first-hand knowledge of them. Several "resource persons" will be assigned to each forum to provide expert knowledge and opinion in answer to inquiries from the floor.

The purpose of the forums is to determine, to the greatest extent possible, the views and recommendations of the conferees toward working out a course of action to resolve conditions now limiting equal opportunity in housing in the Greater Boston Area.

Forum I - "MOTIVATION TOWARD INTEGRATED NEIGHBORHOODS"

This forum will discuss the development of ways to motivate non-whites to seek better housing outside their segregated neighborhoods and ways to motivate whites to move to integrated areas.

Moderator: Canon James P. Breedon, Co-chairman,
Massachusetts Freedom Movement

Presentor: Mrs. Albert M. Sacks, Director, Fair
Housing, Incorporated

Resource Persons: Royal L. Bolling, State Representative; James Purdy, Executive Secretary, Governor's Council; O. Philip Snowden, Director, Freedom House; John F. Jones, Chairman, Citizens Advisory Committee on Urban Renewal and Redevelopment; William H. Goldsmith, Realtor; Rev. Harvey Cox, Andover Seminary; Rev. Walter C. Davis, Pastor, First Church, A.M.E.; Rev. George Thomas, Pastor, St. Marks Congregational Church.

Forum II - "INCREASING THE HOUSING SUPPLY FOR LOW AND LOW-MIDDLE INCOME FAMILIES"

This forum will discuss the range of existing governmental and private housing programs for low-income families and the means for making better use of them and, through them, to expand the opportunities for freedom of residence.

Moderator: Mrs. Rheable M. Edwards, Housing Specialist, Action for Boston Community Development, Inc.

Presentors: Bertram A. Druker, Director, National Association of Real Estate Boards; Ellis Ash, Executive Director, Boston Housing Authority; L. Robert Rolde, Developer.

Resource Persons: Roger Wilcox, Foundation for Cooperative Housing; James F. Lenahan, Development Corporation of America; Edmond F. Dagnino, President, Boston Federal Savings and Loan; Martin Berman, Realtor; John H. Galusian, Vice President, Home Savings Bank.

Forum III - "CHANGING COMMUNITY ATTITUDES IN BOSTON AND THE SUBURBS"

This forum will discuss a course of action to eliminate the basic causes of discrimination in housing; that is, the myths, fears, and prejudices that perpetuate it in both white and non-white communities inside and outside the city.

Moderator: Dr. Paul K. Deats, Jr., School of Theology, Boston University

Presentors: Thomas Atkins, Executive Secretary, NAACP; Franklin Jackson, Chairman, Burlington Fair Housing Committee

Resource Persons: Rt. Rev. Thomas E. MacLeod, St. Brigid's Church; Robert D. McPeck, Executive Vice President, Home Builders Association of Greater Boston; Jerry Levin, Chairman, Committee on Housing Relations, Home Builders Association of Greater Boston; Bishop Jeremiah Minahan, St. Theresa's Church; Christopher A. Iannella, Councillor, City of Boston; Robert S. Brainerd, Chairman, Natick Fair Housing Committee.

Forum IV - "ACHIEVING IMPROVED LEGISLATIVE PROGRAMS THROUGH SOCIAL ACTION"

This forum will discuss plans to improve coordination among public and private agencies to work for stronger laws dealing with housing, economic opportunity and related matters, at the local, State, and particularly the Federal level.

Moderator: Rev. Robert F. Drinan, S.J., Dean, Boston College Law School

Presenter: John McDowell, Chairman, Social Policy and Action Commission, Eastern Massachusetts Chapter, National Association of Social Workers

Resource Persons: Ellen Finegold, Executive Vice Chairman, ADA; Herbert Hershfang, Chairman, Legislative Committee, NAACP; Howard S. Whiteside, Chairman-elect, Civil Liberties Union of Massachusetts; Richard Banks, Executive Secretary, Governor's Committee on Civil Rights; Mrs. Leslie Dunn, Chairman, Legislative Committee, League of Women Voters of Massachusetts; Julius Bernstein, Executive Secretary, Massachusetts Labor Committee for Human Rights; Milton Semer, General Counsel, HHFA.

Forum V - "IMPROVING COMMUNICATION AMONG RACIAL, ETHNIC, AND RELIGIOUS GROUPS"

This forum will discuss ways to establish more effective understanding of the issues of equal housing opportunity among the various ethnic-dominated neighborhoods and religious denominations.

Moderator: Monsignor George Casey, St. Brigid's Church

Presenter: Robert E. Segal, Executive Director, Jewish Community Council

Resource Persons: Rev. Bartan Hartunian, Pastor, First American Church; Rev. F. Nelsen Schlegel, D.D., Executive Secretary, City Missionary Society; Rev. Virgil Wood, Pastor, Bluehill Protestant Center; James M. Beshears, Joint Center for Urban Studies; Frank Bucci, Boston Traveler; Fr. Ernest T. Serino, Assistant Director, Cardinal Cushing's Center for the Spanish Speaking; Francis E. McElroy, Executive Director, Northeastern Region, National Conference of Christians and Jews.

Forum VI - "GOVERNMENT ORGANIZATIONS: POLICIES AND PRACTICES TO ACHIEVE OPEN OCCUPANCY"

This forum will discuss recommendations for increasing the effectiveness of existing Federal, State, and local agencies in creating broader opportunities for open housing.

Moderator: Edward J. Barshak, Attorney at Law

Presentor: Frank W. Morris, Director, State Housing Board

Resource Persons: Edward P. Lovett, President's Committee on Equal Opportunity in Housing; J. Westbrook McPherson, Executive Director, Urban League of Greater Boston; William F. Connors, Manager, Veterans Administration; Edward C. Mendler, President, Fair Housing, Inc.; Malcolm C. Webber, Massachusetts Commission Against Discrimination; John W. Flynn, Director, Federal Housing Administration; Martin E. Sloane, Attorney Advisor, Housing and Home Finance Agency.

Forum VII - "SOCIAL AND COMMUNITY SERVICES FOR FAMILIES WITH SPECIAL HOUSING PROBLEMS"

This forum will discuss ways of handling the housing needs of families which have serious problems beyond their control: families too large for ordinary accommodation, broken homes, unemployment, insufficient income or inability to acquire housing.

Moderator: Mrs. Ruth M. Batson, Member, Massachusetts Commission Against Discrimination

Presentor: Walter L. Smart, Assistant Project Director, Boston Redevelopment Authority

Resource Persons: Vincent Ciampa, Boston College School of Social Work; Daniel I. Cronin, Deputy Director, Boston Welfare Department; Horace M. Besecker, Jr., Director, Social Service, City Missionary Society; Melvin King, Director of South End House.

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"We call upon all the American people to work, to pray and to act courageously in the course of human equality and dignity while there is still time, to eliminate racism permanently and decisively, to seize this historic opportunity the Lord has given us for healing an ancient rupture in the human family, to do this for the glory of God."

Reverend John E. Barclay
President, Boston Council of Churches

Rabbi Bruce Ehrmann
President, Massachusetts Board of Rabbis

Monsignor Francis J. Lally
Editor, *The Pilot*

DISCUSSION SESSIONS - 1:15 P. M.

SEVEN FORUMS ON THE MAJOR HOUSING ISSUES
OF THE GREATER BOSTON AREA HAVE BEEN
ARRANGED TO PERMIT FREE DISCUSSION AMONG
THE CONFEREES.

CONCLUDING ASSEMBLY -- 3:45 P. M.

REPORT ON DISCUSSIONS --

MR. GEORGE SCHERMER

CONSULTANT TO THE PRESIDENT'S COMMITTEE
ON EQUAL OPPORTUNITY IN HOUSING

ADDRESSES:

THE HONORABLE ENDICOTT PEABODY
GOVERNOR OF THE COMMONWEALTH OF
MASSACHUSETTS

A NATIONALLY PROMINENT OFFICIAL,
ACTIVE IN THE FIELD OF EQUAL
OPPORTUNITY AND HUMAN RIGHTS,
TO BE ANNOUNCED.

**THE
GREATER
BOSTON
CONFERENCE
ON
EQUAL
OPPORTUNITY
IN
HOUSING**



AUSTIN HALL
HARVARD LAW SCHOOL
CAMBRIDGE, MASSACHUSETTS

THE HONORABLE DAVID L. LAWRENCE
SPECIAL ASSISTANT TO THE PRESIDENT
CHAIRMAN, PRESIDENT'S COMMITTEE ON
EQUAL OPPORTUNITY IN HOUSING

THE HONORABLE ENDICOTT PEABODY
GOVERNOR OF THE COMMONWEALTH OF
MASSACHUSETTS

THE HONORABLE JOHN F. COLLINS
MAYOR OF THE CITY OF BOSTON

Cordially invite you to attend

THE GREATER BOSTON CONFERENCE
on
EQUAL OPPORTUNITY IN HOUSING
To be held May 21, 1964
in
AUSTIN HALL
HARVARD LAW SCHOOL
Cambridge, Massachusetts

The theme of the conference is:

**"FREEDOM OF RESIDENCE IN GREATER
BOSTON -- TRANSLATING POLICY INTO
OPEN AND ADEQUATE HOUSING FOR ALL"**

PROGRAM

OPENING ASSEMBLY - 9:15 A. M.

PRESIDING:

LEWIS H. WEINSTEIN, ESQ.
MEMBER, PRESIDENT'S COMMITTEE
ON EQUAL OPPORTUNITY IN HOUSING

GREETINGS:

THE HONORABLE EDWARD A. CRANE
MAYOR OF THE CITY OF CAMBRIDGE

THE HONORABLE JOHN F. COLLINS
MAYOR OF THE CITY OF BOSTON

ADDRESSES:

THE HONORABLE DAVID L. LAWRENCE
SPECIAL ASSISTANT TO THE PRESIDENT
CHAIRMAN, PRESIDENT'S COMMITTEE ON
EQUAL OPPORTUNITY IN HOUSING

THE HONORABLE ROBERT C. WEAVER
ADMINISTRATOR, HOUSING AND HOME
FINANCE AGENCY

MR. MYRON ROBERTS CHAIRMAN,
GREATER BOSTON REAL ESTATE BOARD



88th Congress - Second Session
Report No. 10 - August 7, 1964

Julia
S. 3049
Housing

LEGISLATIVE ANALYSIS

THE HOUSING ACT OF 1964

S. 3049 - Senator Sparkman
And Other Proposals

PUBLISHED AND DISTRIBUTED BY THE
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SUPPLEMENTAL NOTE

Comparison of House and Senate Housing Bills

SUPPLEMENTAL NOTE

Comparison of House and Senate Housing Bills

This note is supplemental to the Legislative Analysis of the Housing Act of 1964 (S.3064) approved by the Senate on July 31, 1964. Since the Analysis was prepared a similar bill (H.R. 12175) has been reported by the House Committee on Banking and Currency. This bill, by Rep. Rains, is scheduled for consideration within the next few days.

The new House bill (H.R. 12175) follows the same general pattern as S. 3049 passed by the Senate, July 31, in that it omits a number of controversial provisions of the original Administration bill, includes amendments relating to the various government assisted programs, and extends by date or addition of funds certain programs which would otherwise expire or become inactive in the near future.

Similar Provisions. House Report (No.1703) on H.R.12175 when compared with Senate Report No. 1265 on S. 3049 reveals a substantial number of similar provisions in the two bills. These include: revised procedures for relocation and payment of persons and businesses displaced from public housing and urban renewal areas; future insistence on an effective local code enforcement program as a prerequisite to Federal financial assistance in urban renewal; limited extension of public housing, urban renewal and related Federal aid programs; more general approval of forbearance for FHA mortgagors in default; eligibility of elderly persons (over 62) for below-market rent FHA housing; new mortgage limits for FHA multi-family housing; limited extension of direct loan programs in rural housing; miscellaneous amendments relative to assistance on planning and community facilities; and new statutory regulations removing or liberalizing certain restrictions on the operations of Federal savings and loan associations. The following table compiled from the Section-by-Section Summaries in the foregoing Committee Reports shows the sections in each which are similar to or identical with one another:

Sections Identical or Similar

H.R. 12175	S. 3049	H.R. 12175	S. 3049	H.R. 12175	S. 3049
102103		302201		405305	
103101		306208		406306	
105506		310209		407307	
112,202 . .507		311210		501,502 . .701	
113508		312214		503702	
114509		313213		701401	
115104		314211		702403	
116510		315212		903802	
117511		401301		904804	
201803		402302		905805	
301203		403304		Title VIII . .807	

Provisions Omitted. H.R. 12175 omits certain features included in S. 3049. Among these are: FHA cash payment of insurance claims and reduction of lenders' element of coinsurance risk; FHA reimbursement of homeowners for faulty construction under insured mortgages; HHFA loans to localities to facilitate purchase of land for future public development; subsidized low-rent housing for domestic farm labor; authorization of the sale of participations in mortgage pools managed by the Federal National Mortgage Association; use of air-rights for certain buildings in urban renewal projects; and increased loan limits and maturities for home loans made by national banks.

Additional Provisions. H.R. 12175 includes certain additional features not included in S. 3049. Two of these were taken from the urban renewal provisions of H.R. 9771 introduced by Rep. Widnall on behalf of the minority members of the Housing Subcommittee. One would require, in the approval of redevelopment projects, that the Administrator of HHFA first determine that the objectives of urban renewal could not be accomplished through rehabilitation. The other would provide a low-interest rate direct loan program to assist in financing rehabilitation in urban renewal areas.

Other additional features in H.R. 12175 and not in S. 3049 include: increased mortgage limits on various FHA home loans; use of FHA home improvement loans to pay municipal assessment; mutual mortgage insurance for FHA cooperative housing; increase in number of housing units insurable by FHA in defense impacted areas; Federal grants for new Federal-State Training Program 1/; removal of \$20,000 limit on mortgage transactions in FNMA secondary market operation 1/; and authorization of 90% (raised from 80%) short-term loans by FNMA on mortgage security. 1/

1/ Provisions included in original Administration bill.

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INTRODUCTION

Last January, President Johnson sent the Congress a Special Message on "Housing and Community Development."^{1/} The Message contained extensive recommendations for the enactment of legislation. Included were proposals relating to housing minorities, low-income families, the elderly, rural families, and military families. Also, legislation was proposed relating to FHA policies, urban renewal, community development, training of State and local housing technicians, and the creation of a cabinet level Department of Housing and Community Development.

Administration bills to carry out most of the recommendations covered in the President's Message were introduced by Senator Sparkman (S. 2468 and S. 2469) and in the House by Representative Rains (H.R. 9751 and H.R. 9769).^{2/} Hearings on these bills have been held before the Housing Subcommittees of the Senate and House Committees on Banking and Currency. An alternative housing bill was introduced by Senator Tower (S. 2566) and Representative Widnall (H.R. 9771).

On July 2 the Senate Subcommittee decided not to recommend consideration of the Administration bills (S. 2468 and S. 2469) this year. Instead, there was reported to the full Committee a revised bill devoid of certain controversial elements and extending basic programs for a 15 month period. This bill was reported to the Senate as S. 3049 and subsequently passed. S. 3049 is referred to below as "the Senate bill."

The House Subcommittee on Housing has followed a similar course of action and is expected to report a bill to the full Committee in the near future. It is expected that the House bill will be comparable to the Senate bill but somewhat more extensive.

This analysis is divided in three parts. Part I relates to the Senate bill (the Housing Act of 1964, S. 3049). Part II covers the original Administration bills and the above mentioned alternative bill. Part III discusses some of the issues raised by the Administration proposals.

^{1/} The full text of the Message is set forth in Appendix A.

^{2/} These bills do not include the proposal to establish a Department of Housing and Community Development. In 1962 the House voted 264-150 to disapprove an Administration plan to create a Department of Urban Affairs and Housing, and the Senate defeated a motion to call up the plan. The motion would have discharged the Committee on Government Operations from further consideration of the proposal.

Inasmuch as the Senate bill (S. 3049) lifts a large part of its detail directly from the original Administration bill (S. 2468) much of the testimony on the original bill is relevant to the Senate bill. Therefore, the section-by-section digest of the Senate-approved bill and other material in Part I makes reference to comparable detail in Parts II and III showing which sections have been revised and which are essentially the same. In this way testimony taken at the Hearings early this year is related to S. 3049.

As an aid to careful evaluation of the various legislative proposals an analysis of our housing inventory and production is included in Appendix B.

PART I

THE BILL APPROVED BY THE SENATE

Summary

On July 31 the Senate approved the "Housing Act of 1964" (S. 3064). The bill would extend and amend laws relating to housing, urban renewal, community facilities, and associated matters. It contains much of the original Administration bill (S. 2468, the "Housing and Community Development Act of 1964"), adds some new provisions, drops a number of controversial sections and amends others. The bill was favorably reported to the Senate by the Senate Committee on Banking and Currency of which Senator Robertson is Chairman. In his statement of individual views in the Committee Report, Senator Robertson opposed additional authorizations for public housing and urban renewal, and Senators Bennett, Tower, Simpson and Dominick had this to say:

During the course of subcommittee and full committee action on the Housing bill of 1964, a little "fat" was accumulated on what was to be a "bare bones" bill extending existing housing programs and authorizations for 15 months.

We felt the extender approach to the housing legislative problems this year would be a wise move so that this complex legislation could be free from political motivations, and in 1965 the committee could proceed to work some common sense into the bill.

The provisions taken from the Administration bill, the "Housing and Community Development Act of 1964," in nearly all instances are intended to liberalize or correct the existing programs of the housing agencies. Among these are: far reaching changes in the FHA (Federal Housing Administration) forbearance and claim procedure under the mortgage insurance contract; eligibility of persons 62 or over for special FHA below market rent housing; and establishment of an improved relocation policy for persons displaced by public housing construction. Some new items of interest are included. One authorizes Federal loans to communities to assist in the "stockpiling" of land to be held for future development. Another would give FHA authority to reimburse owners of FHA financed homes for correction of structural defects when they are unable to obtain satisfaction from the builder. A third would open up a low-rent subsidized housing program for domestic farm laborers.

Authorizations for urban renewal and public housing in the Administration bill (S. 2468) were cut back to amounts intended to carry the programs only into 1965. Ceilings on appropriations and grants, which would have been eliminated under the original bill, were adopted

for Federal loans in construction of senior citizens' housing and also for Federal capital grants in the acquisition of permanent open-space land.

Controversial features in the original bill but dropped from S. 3049 include: FHA land development insurance for "new towns"; FHA low interest non-amortized rehabilitation loans for elderly families in urban renewal areas; FHA authority to transfer surpluses from the Mutual Mortgage Insurance Fund to other insurance funds; creation of a new mortgage insurance program under the Farmers Home Administration; greater use of urban renewal capital grants for non-residential projects; FHA mortgage insurance for vacation homes; and FHA authorization to borrow from the Treasury to make cash payment on insurance claims filed in foreclosure cases.

Provisions in the Senate bill (S. 3049) not in the original Administration bill (S. 2468) include additional amendments relating to existing housing programs. Noteworthy among these is one intended to assure local code enforcement in communities receiving urban renewal assistance. Other amendments relate to Savings and Loan Associations, National Banks and the Federal National Mortgage Association. The sections relating to the latter were taken from S. 2469 previously introduced by Senator Sparkman.

In the section-by-section digest which follows, provisions of the Senate-approved bill (S. 3049) similar to provisions of the original Administration bill (S. 2468) are explained by cross reference to Part II. Issues raised by the proposed legislation are treated in the same way. In this manner the testimony taken at Senate and House hearings on S. 2468 and other bills is related to S. 3049.

Housing Act of 1964, S. 3049

Title I - Mortgage Insurance Programs

Section 101, see Part II, S. 2468, Section 203.

Section 102, see Part II, S. 2468, Section 204.

Section 103, see Part II, S. 2468, Section 205.

Section 104 would give FHA authority to insure mortgages on private nonprofit nursing homes as well as proprietary nursing. Existing legislation precludes this to avoid duplication of the provisions of the Hill-Burton Act.

Title II - Urban Renewal and Growth

Section 201 would require as a condition precedent to Federal assistance in urban renewal and other related Federal aid programs that beginning 3 years after enactment of the Housing Act of 1964 the locality in question must have had in effect for at least 6 months a minimum standards housing code which is being effectively enforced.

Section 202, see Part II, S. 2468, Section 301.

Section 203 would increase the present urban renewal grant authority by \$850 million in order to extend the program until October 1, 1965. See Part II, S. 2468, Section 304 for original proposal.

Section 204, see Part II, S. 2468, Section 305.

Section 205 would permit write-down in value in sale of urban renewal property when such property is used for housing to provide for low or moderate income individuals. This is already permissible in the case of such housing for family occupancy. See Part II, S. 2468, Section 306 for original proposal which included public housing also.

Section 206, see Part II, S. 2468, Section 308.

Section 207 would make possible use of air-rights in urban renewal projects for the construction of low or moderate income housing. Such air-rights would be over areas such as highways or railways, but not over streets or alleys.

Section 208 would liberalize relocation payments to persons and businesses displaced from urban renewal areas. See Part II, S. 2468, Section 101 the provisions of which are the same except supplemental rent payments are limited to 12 months and a more liberal property damage allowance is permitted under S. 3049.

Section 209, see Part II, S. 2468, Section 309.

Section 210, see Part II, S. 2468, Section 310.

Section 211 would provide Federal grants for planning assistance to counties without regard to population rather than only to counties with populations of less than 50 thousand as presently provided.

Section 212 would authorize special planning grants for El Paso, Texas in connection with problems resulting from the Chamizal Treaty.

Section 213, see Part II, S. 2468, Section 313.

Section 214 would increase by \$30 million the authorization of appropriations for urban planning grants. See Part II, S. 2468, Section 311 which removed the ceiling.

Section 215 would provide a special rule to include certain local grants-in-aid to the Peoria "Medical Center" urban renewal project.

Section 216 would amend the District of Columbia Redevelopment Act to make possible the execution of projects other than those predominantly residential in character.

Title III - Housing for Low Income Families

Section 301, see Part II, S. 2468, Section 401.

Section 302, see Part II, S. 2468, Section 402.

Section 303, see Part II, S. 2468, Section 403.

Section 304 would increase by \$36 million the limit on contracts for annual contributions to low-rent public housing in order to authorize approximately 45,000 additional units. See Part II, S. 2468, Section 405 for original proposal.

Section 305, see Part II, S. 2468, Section 406.

Section 306, see Part II, S. 2468, Section 407.

Section 307, see Part II, S. 2468, Section 408.

Title IV - Community Facilities

Section 401, see Part II, S. 2468, Section 601.

Section 402, see Part II, S. 2468, Section 602.

Section 403, see Part II, S. 2468, Section 604.

Title V - Mortgage Insurance Procedural Amendments

Section 501, see Part II, S. 2468, Section 801.

Section 502 would authorize the FHA Commissioner to pay insurance claims in cash when at the time of payment he determines this to be desirable. See Part II, S. 2468, Section 802 for original

proposal which authorized FHA to borrow from the Treasury in paying cash claims.

Section 503 would increase the FHA mortgage limitation on housing for low and moderate income families in outlying areas from \$9,000 per unit to \$11,000. See Part II, S. 2468, Section 206 which in addition to this increased mortgage limits in other programs and provided a new mortgage insurance program for vacation housing.

Section 504, see Part II, S. 2468, Section 803.

Section 505 would eliminate the requirement that the FHA Commissioner acquire or foreclose a multi-family housing project within one year of the default of the mortgage.

Section 506 would provide for amendment of the present FHA multi-family mortgage limitation based on amounts per room. The new method establishes unit allowances for efficiency, and one, two and three bedroom apartments.

Section 507 would make elderly persons (62 and over) eligible for FHA below market rent housing, section 221(d)(3). It would also open up to any mortgagor this program which is now limited to public, nonprofit, limited dividend, or cooperative mortgagors.

Section 508, see Part II, S. 2468, Section 806.

Section 509, see Part II, S. 2468, Section 807.

Section 510 would broaden the FHA experimental housing program to cover urban renewal housing or any of the other FHA Title II insurance programs.

Section 511, see Part II, S. 2468, Section 808.

Title VI - Participation in FNMA Pool of Mortgages

Section 601, see Part II, S. 2469, Special Legislation for FNMA.

Title VII - Rural Housing

Section 701 would extend the rural housing programs provided under Title V of the Housing Act of 1949 from June 30, 1965 to September 30, 1965, and would authorize an additional \$150 million in direct loans.

Section 702, see Part II, S. 2468, Section 505.

Section 703, see Part II, S. 2468, Section 506.

Title VIII - Miscellaneous

Section 801, see Part II, S. 2468, Section 903.

Section 802 would provide a \$25 million increase in the authorization for the open-space grant program. See Part II, S. 2468, Section 904 for original proposal removing ceiling.

Section 803 would provide a \$75 million increase in the authorization for direct loans for housing for the elderly. See Part II, S. 2468, Section 905 for original proposal removing ceiling.

Section 804 would facilitate college housing loans to non-profit corporations in cases where State law prevents the educational institution from acting as cosigner.

Section 805 would permit the Secretary of Defense to acquire FHA rental housing financed under Section 608 near military installations.

Section 806 would authorize the HHF Administrator to provide fellowships for graduate training in city planning and other housing specialties. This program is substituted for the Federal-State Training program originally proposed in S. 2468 (see Section 701).

Section 807 would amend the Home Owners Loan Act to broaden the investment powers of federally chartered and insured savings and loan associations. Among these amendments are: extension of an association's statutory lending area from 50 miles from the home office to 100 miles; permission to invest 40 percent (now 30 percent) of its assets in participations in mortgages outside its lending area; and permission to invest up to 5 percent of its assets in property in urban renewal areas.

Section 808 would amend the Federal Reserve Act to permit loans to value ratios up to 80 percent and maturities up to 30 years for home loans made by national banks. These limits now stand at 75 percent and 25 years.

Some Issues Raised by S. 3049

The Housing Act of 1964, as pointed out hereinbefore, eliminates much of the controversial material included in the original Administration bill. However, the issues discussed in Part III relative to the latter are still generally pertinent. These relate to:

1. Changing the Character of FHA
2. Public Housing
3. Urban Renewal
4. Cost of Programs
5. Federal National Mortgage Association (FNMA) Mortgage Pools.

The FHA issue has been rendered less acute by the elimination of Sections 102, 201, and 809 and the modification of 802 of the Administration bill. However, there remain questions regarding subsidy type programs and forbearance agreements. The testimony and analysis in Part III relative to these is pertinent to S. 3049.

The need for redirection in public housing and urban renewal, it is argued, has not been touched by S. 3049. However, the Senate bill does grant these programs only a limited extension in order that the problems involved may be considered more fully in 1965. An alternative approach is discussed in Part III of this Analysis.

Although S. 3049 would reduce total authorizations for a number of programs, students of the subject point out that it would not reduce the rate of spending. Therefore, the discussion on cost of the Administration bills, although dealing with larger amounts for longer periods of time, is appropriate in connection with S. 3049.

Finally, there is the issue regarding the Federal National Mortgage Association (FNMA) program for sale of participations in mortgage pools. S. 3049 incorporates the original legislation intact. For discussion of this proposal, see, again, Part III.

PART II

PROPOSED BILLS, 1964, PRIOR TO S. 3049

"Housing and Community Development Act of 1964"

On January 27, companion bills containing the housing proposals of the Administration were introduced by Senator Sparkman and Representative Rains. The Senate bill is S. 2468 and the House bill is H.R. 9751. Hearings before the House and Senate Subcommittees on Housing (of the Committees on Banking and Currency) were held during February.

Title I -- New Aids for Displaced Families and Businesses, and Elderly in Urban Renewal Areas

Section 101 would authorize an initial relocation payment of \$1,000 to small businesses in addition to relocation payments currently provided. The present law provides for the total certified actual moving expense, or up to \$3,000 for reasonable and necessary moving expenses plus actual direct losses of property. In addition, the displaced business would receive a second payment of \$1,500 if unable to relocate within one year and if no payments were received for property losses or moving expenses. A "small business" is defined as one with average net earnings of less than \$10,000 per year.

New relocation assistance in addition to that currently authorized would provide for rent supplements to families of low or moderate income or to elderly individuals (62 or over). The allowable supplement would be the amount necessary when added to 20 percent of the displacees' income to equal the average rent of a decent, safe and sanitary dwelling large enough for the family or individual. These supplements made in monthly payments would be available for up to 24 months.

Section 102 would provide a new type of FHA insured home repair loans and mortgage loans to assist in the rehabilitation of homes owned by elderly persons in urban renewal areas. Below-market interest rates would be provided with repayment of principal deferred until death of the borrower or surviving spouse. Currently, the formula for interest would result in a rate of approximately 3-3/8 percent. The loan limit would be \$10,000. FHA could waive insurance premiums and loans would be eligible for purchase under the FNMA Special Assistance Program.

Title II -- Mortgage Insurance Programs

Section 201 would authorize a new type of FHA mortgage insurance to assist in financing of the acquisition and/or development of raw land into residential building sites. Two classes of projects are included:

one for the development of a complete new independent community, and the other for development of a subdivision within an established community.

No loan could exceed 75 percent of the estimated value of the security upon completion of the land development. Other limitations based on value of raw land and cost of improvements are also specified and in some cases would reduce the loan below the 75 percent ratio. Insurance is also provided for on mortgages which cover only land and utilities such as transmission lines, sewage disposal, and water supply. In these cases the maximum loan is 75 percent of the value of the raw land and 90 percent of the cost of the improvements. Total insurable mortgages in a new community could not exceed \$50 million under the bill. The maximum subdivision loan would be \$2.5 million.

In both subdivision projects and community projects, the bill provides that land development must conform to standards established by HHFA as well as those of FHA and the locality in question. In the case of community projects, the bill would require that each case be approved by the Housing and Home Finance Administrator as providing reasonable assurance that the new community will meet the needs of families of varying income levels including lower income groups, will establish sound land usage, will encourage efficient use of transportation and other facilities and will promote employment and economic growth.

Section 202 would amend existing legislation as required to conform to the provisions of Section 201.

Section 203 would facilitate FHA extension of forbearance agreements on defaulted mortgages and in such cases would eliminate the coinsurance aspect of the FHA mortgage insurance system. Currently the law restrains FHA from extending forbearance unless "it is probable that the mortgage will be restored to good standing within a reasonable period of time." This provision would be deleted, and it then would only be necessary to find that default was for reasons beyond control of the mortgagor.

Coinsurance currently exists in that the lender is not fully covered in the event of foreclosure. Upon conveyance of the mortgaged property to FHA, the lender is repaid in FHA debentures, but the debentures do not include interest due from default until execution of the forbearance agreement. For this and certain other losses not covered in the debentures, the lender is given a certificate of claim which may or may not be of value depending upon whether or not there is a residue after FHA has disposed of the acquired property and satisfied all FHA expenses and liabilities. The proposed change in the law would require FHA to include in the debentures all interest due at the time of foreclosure. Section 803 (explained at page 17) provides for inclusion therein all other losses now included in the certificate of claim.

Thus, coinsurance would be eliminated in forbearance cases.

In addition to forbearance it would be possible, under this bill, to recast the mortgage with a maturity beyond the original maturity thus reducing monthly payments to a level within the financial means of the mortgagor.

Another provision would clarify and liberalize the current procedure whereby FHA under certain circumstances accepts assignment of a mortgage in order to avoid foreclosure and permits the mortgagor more time to recover in a hardship situation.

Section 204 would give FHA new authority to offer relief to homeowners who, having been financed under FHA, suffer structural or other major defects in their properties and are not able to obtain relief from the builder. In such cases FHA could pay for the necessary corrective work or purchase the property from the homeowner.

Section 205 would attempt to stimulate more interest and activity in the FHA insured home improvement loans outside urban renewal areas. This type of loan, originated by the Housing Act of 1961, has not been successful. The new provisions would facilitate processing by eliminating the requirement that the loan be economically sound. FHA would merely be required to find it an acceptable risk thus being in a position to eliminate certain safeguards objectionable to home repair contractors. Also, increased lender interest would be sought by paying insurance claims in cash rather than the traditional FHA debentures.

Section 206 would increase the dollar limits on FHA home mortgage loans under the basic program (Section 203(b)) from \$25,000 to \$30,000 in the case of a one-family home; from \$27,500 to \$32,500 in the case of a two or three-family home; and from \$35,000 to \$37,500 in the case of a four-family home.

The dollar limit for low-cost housing in outlying areas (under Section 203(i)) would be increased from \$9,000 to \$11,000. In addition, the proposed legislation would extend the insurance provisions of Section 203(i) to include "a mortgage on a dwelling to be used by the mortgagor for vacation purposes."

Title III -- Urban Renewal and Growth

Section 301 would permit the Administrator of HHFA to enter into a single contract with a local public agency to provide temporary financing to carry out two or more urban renewal projects being undertaken at any one time. This permits excess funds obtained for one project to be used on another project.

Section 302 would permit planning advances to be made on General Neighborhood Renewal Plans (GNRP) embracing not only urban renewal areas but also adjoining un-blighted non-slum areas having specially related problems. Presently, an area cannot be included unless a finding of slum or blight can be made. Another current restriction is the requirement that the local public agency must have the capacity to carry out the individual urban renewal projects under the GNRP over a period of not more than ten years. The proposed legislation would merely require that the individual projects be initiated during this time. The effect of these changes is to permit the influence and force of urban renewal planning to be extended to areas many times larger than now possible.

Section 303 would extend more liberal capital grants for urban renewal to certain cities with populations between 50,000 and 150,000 not now eligible. At present the Federal Government provides 3/4 the cost of urban renewal projects to any community with populations of 50,000 or less and to certain communities subject to the Area Redevelopment Act and having a population of 150,000 or less. The proposed amendment would make all of the latter type eligible for the 3/4 capital grant. Grants for all other communities would remain at 2/3 of cost.

Section 304 would increase the obligational authority for urban renewal grants by \$1.4 billion which is the estimated requirement for the next two years.

Section 305 would require that in planning urban renewal projects a finding of available adequate housing be made for displaced individuals in addition to that required for displaced families.

Section 306 would permit single persons of moderate income, as well as families of moderate income, to be eligible for housing constructed in urban renewal areas specially for moderate income occupants. In addition, it would be permissible to further subsidize public housing by selling urban renewal land for such housing at written down prices below those which would be obtained if the land were sold for private housing of similar physical characteristics. At present this is specifically precluded and as a consequence not much public housing has been built in urban renewal areas.

Section 307 would permit 35 percent, instead of 30 percent, of urban renewal grant authority to be used for urban renewal projects which when completed will be predominantly commercial or industrial instead of residential in character. This exception was first introduced in 1954 at 10 percent, was subsequently raised to 20 percent, and later to the present 30 percent.

Section 308 would provide for establishment of a single interest rate on loans to be made from time to time under an urban renewal contract

thereby simplifying the present arrangement under which loans made at different times are at a fluctuating "going Federal rate."

Section 309 would increase from \$5 million to \$10 million the funds available for the urban renewal demonstration grant program.

Section 310 would liberalize eligibility requirements and terms for grants available to communities, groups of communities, municipalities and counties for urban and regional planning thus expanding the scope of the planning grant program.

Section 311 would remove the present \$75 million limitation on total appropriations for urban planning grants. This amount has already been appropriated and will soon be exhausted.

Section 312 would authorize planning grants for preparation of plans for new communities to be created under the proposed FHA land development mortgage insurance program.

Section 313 would authorize planning grants to State planning agencies for provision of planning assistance to Indian reservations. Where no State agency is so empowered, the grants could be made to a qualified tribal body.

Title IV -- Housing for Low-Income Families

Section 401 would eliminate disability and elderliness as prerequisites to eligibility for admission to public housing in the case of single low-income persons displaced from their homes by some form of governmental action.

Section 402 would provide rent subsidies up to \$120 per dwelling per year to low-income displaced families seeking admission to public housing but not being able to afford the minimum available rent established for the project. Displacement creating eligibility would be limited to that caused by urban renewal or construction of other public housing.

Section 403 would permit acceptance of certifications by local governing bodies regarding compliance with their agreements to eliminate substandard dwelling units equivalent in number to the number of public housing units being built. This would eliminate certain Federal supervision now required.

Section 404 would make possible the acquisition or leasing of existing private housing for use as public housing. This would be accomplished by amending the formula for establishing maximum annual contributions which the Public Housing Authority (PHA) makes to local housing authorities to defray the expense of debt service on individual

projects. The present formula is geared to financing new construction with long remaining economic life and is not workable on existing properties with shorter remaining economic life. The new formula is intended to promote economies in the use of existing housing.

Section 405 would increase the dollar limitation on annual contribution contracts by \$46 million on the date of enactment of the proposed legislation and by further amounts of \$46 million per year on July 1 in each of the years 1965, 1966, and 1967. For the purposes of starting new projects the current authorization is practically exhausted. It is estimated the proposed authorization will provide for 60,000 units of housing in each of the next four fiscal years, 35,000 in new construction and 25,000 under the newly proposed uses of existing housing.

Section 406 would establish for the public housing program the same basic requirements for relocating displaced families and individuals as those which are applicable under the urban renewal program. Currently there are no such requirements for public housing unless it is located in an urban renewal area.

Section 407 would establish for the public housing program the same basic system of relocation payments as currently used in the urban renewal program in the case of displaced families, individuals, businesses and non-profit organizations displaced from project sites. Currently there are no such requirements for public housing unless it is located in an urban renewal area.

Section 408 would increase from \$5 million to \$10 million the amount authorized for grants by the Administrator of HHFA to assist in developing and demonstrating new and improved means of providing housing for low-income families.

Title V -- Rural Housing Loans and Grants

Section 501 would extend through fiscal 1968 the present authorization, which expires June 30, 1964, for the Secretary of Agriculture to insure market rate loans to provide rental housing for the elderly in rural areas.

Section 502 would create a Rural Housing Insurance Fund to be used in lieu of the Agricultural Credit Insurance Fund by the Secretary of Agriculture in carrying out the currently authorized insured loan programs for domestic farm labor housing and housing for the elderly in rural areas. The new Fund would also be used in connection with proposed loan insurance for the current program which now provides direct loans to farm owners and owners of rural non farm tracts for construction or improvement of housing and other buildings. This latter provision makes possible under the Farmers Home Administration an insured loan program equivalent to the Section 203(i) under the Federal Housing Administration.

The Secretary would be empowered to make loans from the Fund and insure and sell such loans. Losses from discount sale of loans could be charged to the Fund as well as losses incurred in the insurance of loans made by private lenders. The Secretary could issue notes to the Secretary of Treasury to obtain funds to meet the obligations of loan insurance contracts but not to obtain additional capital for making loans out of the Fund or to restore net losses out of discount sale of loans.

In addition to the insurance provision the maximum interest rate in the direct loan program would be increased from 4 percent to 5 percent.

Section 503 would authorize the Federal National Mortgage Association to extend its secondary market operations to include loans insured by the Secretary of Agriculture.

Section 504 would include domestic farm laborers as eligible recipients of loans and grants for repairs and improvements to rural dwellings now available to owners thereof.

Section 505 would provide that housing for domestic farm labor financed under the rural housing program could be occupied by non-citizen farm laborers who legally entered for the purpose of establishing permanent residence.

Section 506 would authorize grant assistance to nonprofit organizations or associations constructing low-rent housing for domestic farm labor. Grants would be limited to 2/3 of the total development cost. Rents would be subject to control by the Secretary.

Section 507 would provide conforming amendments made necessary by the new provisions proposed for rural housing.

Title VI -- Community Facilities

Section 601 would remove several restrictions based on population and thus extend the public facility loan program to larger communities.

Section 602 would authorize the Administrator of HHFA to make loans to communities to finance the acquisition of open or predominantly undeveloped land for future planned construction of public works and facilities. The maximum term of loans would be 15 years and interest would be at the rate now indicated by the formula for public facility loans (currently 4 percent). Payments to principal and interest could be postponed provided the entire amount due would be paid within the 15 year period.

Section 603 would authorize the Administrator of HHFA to defer payment of principal and interest and extend the maximum term on public facility loans where the area in question is expected to experience substantial population growth. Deferments can be for 10 years and the maximum maturity is 50 years.

Section 604 would expand the authority of the Administrator to cancel part of the outstanding balance due on public works planning loans where only a portion of the work planned is constructed. This is currently possible under the most recent planning program but not possible for planning loans under the earlier programs. The amendment would make such cancellation possible in all cases.

Title VII -- Federal-State Training Programs

Section 701 would create a new program of federal assistance to (1) support state and local training of personnel specializing in technical and professional phases of community development and (2) support state and local research on housing programs and needs including code problems, land uses, transportation and other related matters.

Assistance would be in the form of matching grants and technical assistance from the HHFA Administrator. Five million dollars would be authorized for fiscal 1965, \$15 million for each of the next two years, and \$25 million for each fiscal year thereafter.

Each plan for training or research would be subject to review and approval of the Administrator, and the grant would be subject to cancellation if it were subsequently found that the plan was not being administered as originally intended.

Title VIII -- Mortgage Insurance Procedural Amendments

Section 801 would uniformly place a two year statutory limitation on all FHA demands for return by lenders of insurance payments they have received on Title I defaulted home improvement loans. Under existing law the statutory limitation only applies on claims certified for payment after December 31, 1957.

Section 802 would authorize the FHA Commissioner in his discretion to pay insurance benefits in cash on any insurance claim filed on or after the date of enactment of the proposed legislation. Cash payments under the Section 220, 221 and 233 were previously authorized to stimulate lender interest in these programs. In all other programs claims must be paid in debentures. Under the new proposal FHA, in order to always be in a position to meet its claim obligations, would be authorized to borrow from the Treasury whatever amounts might be necessary from time to time.

Section 803 would simplify FHA administrative procedures for payment of home mortgage insurance claims but as a quid pro quo would significantly reduce insured lenders' coinsurance risk. Under existing law in cases of uncured default, properties are conveyed to FHA and FHA gives the lender debentures having a face value equal to the value

of the mortgage" as defined under the National Housing Act. This, however, does not cover all of the lenders' expenses. For these he is given a certificate of claim on any excess funds available at the time FHA finally disposes of the property. The face amount of the claim is the difference between the face amount of debentures issued and the amount the lender would have received if at the time the property was conveyed to FHA it had instead been redeemed and the lender had been made whole. The lender is in addition entitled to interest on the face amount of the certificate of claim at 3 percent. When there are no excess funds available to satisfy the certificate of claim, the face amount of the certificate becomes the lenders' element of coinsurance risk. The mechanics controlling determination of the face amount of the certificate are such that the longer the period the loan is in default the greater the amount covered by the certificate and consequently the greater the coinsurance.

The principal elements of expense which the face amount of the certificate of claim represents are certain mortgage insurance premiums paid FHA by the lender, part of the interest due, and a portion of the actual foreclosure costs. Mortgage insurance premiums included are those paid by the lender and not collected from mortgage prior to the date of institution of foreclosure or acquisition of the property by the lender. Interest is that which accrues during the same period plus a reduced amount accruing between the above date and the date of conveyance of the mortgaged property to FHA. Debentures issued at the later date are dated from the earlier date, therefore, interest therefrom payable to the lender partially offsets interest otherwise due on the mortgage loan (mortgage interest is currently about $\frac{1}{4}$ percent more than debenture interest). Debentures cover $\frac{2}{3}$ of foreclosure cost or \$75 whichever is the greater. If actual cost exceeds this amount, the difference is in the certificate of claim.

Under the proposed amendment, issuance of debentures in connection with future mortgage insurance contracts would constitute final settlement thus eliminating the certificate of claim. The face amount of the debentures would cover a substantial portion of the items now covered by the certificate. The debentures could be dated at or nearer the date of default thus offsetting more of the interest loss. All insurance premiums not paid by the mortgagor and paid by the lender to FHA would be included in the face amount of the debentures. Likewise the full amount of foreclosure costs could be included in the debentures. The remaining coinsurance risk could thus be reduced to loss of a small amount of interest due at the time of settlement.

Coincidental to elimination of the certificate of claim would be elimination of payments to mortgagors out of excess proceeds available after final disposition of an FHA acquired property. Such excess, if any, would be credited to the appropriate mortgage insurance fund.

Where insurance settlement is made in cash in lieu of debentures as hereinbefore provided the cash payment would include an amount which would be equal to interest due on debentures up to the time of settlement if payment had been made in debentures.

With respect to certificates of claim outstanding at the time of enactment of the bill or later issued pursuant to contracts, or commitments prior to enactment of the proposed change, the Commissioner of FHA would be authorized, with the consent of the lender, to make final settlement prior to liquidation of his interest in the acquired property. In so doing payment in cash could be made up to and not exceeding the face amount of the certificate of claim including accrued interest thereon.

With respect to claims filed after enactment of the proposed change, but pursuant to prior contracts or commitments, the lender would still be entitled to a certificate of claim and in addition would enjoy reduced coinsurance risk by reason of application of the new provision for earlier dating of debentures and inclusion therein of all mortgage insurance premiums as explained above.

Section 804 would increase the mortgage limitations in urban renewal projects for non-occupant owners of small multi-family structures bringing the loans more in line with those available for large multi-family structures. Small multi-family structures are currently defined by FHA as those designated for 1-11 family occupancy.

This section would also liberalize the mortgage limitation on 1-11 family structures to be rehabilitated in urban renewal areas.

Section 805 would make any person 62 years of age or over eligible to purchase or occupy housing specially provided under existing legislation for low or moderate income families or families displaced by urban renewal or other governmental action. This program presently features 100 percent loans, extended mortgage maturities, and below market rents.

Section 806 would extend mortgage insurance for servicemen to cover 1-4 family housing for low and moderate income families.

Section 807 would make possible disposal of FHA acquired property under terms much more favorable to lenders financing such sales. Heretofore, when FHA has insured such loans, insurance contracts have been subject to the legal requirements binding on the regular mortgage insurance programs. The proposed amendment would leave the FHA Commissioner free to negotiate whatever terms are acceptable to him and the lender.

Section 808 would authorize FHA insurance of blanket mortgages under the condominium program to finance the construction or rehabilitation of multi-family structures to be sold as condominiums. Presently

such initial financing must be under one of the other FHA multi-family programs. In addition, the amendment would provide for increased mortgage amounts in the purchase of the individual condominium units in line with limits now applicable in the regular home mortgage program. Another change would permit conversion of a cooperative project to a condominium.

Section 809 would amend the national Housing Act to permit moneys in the General Surplus Account of the Mutual Mortgage Insurance Fund to be transferred among the various other insurance Funds. Under the existing law any such excess in the account over and above insurance requirements against possible losses is retained in the same Fund and credited to the Participating Reserve Account from which it is required that shares be distributed as available to mortgagors upon payment of their mortgages. The Mutual Mortgage Insurance Fund is maintained exclusively for the regular home mortgage program (Section 203 of the Housing Act). There is no mutual feature under the various other FHA programs.

Title IX -- Miscellaneous

Section 901 would dispense with the statutory \$20,000 per family residence or dwelling unit ceiling on mortgages purchased by FNMA under its Secondary Market Operations.

Section 902 would authorize FNMA to make 90 percent short term loans on the security of insured or guaranteed mortgages. Existing law authorizes 80 percent short term loans.

Section 903 would authorize FNMA under its Secondary Market Operations to purchase, sell, and deal otherwise in participations (fractional interests) in insured and guaranteed mortgages. Existing law expressly prohibits such transactions.

Section 904 would authorize appropriations for additional grants under the urban open-space program without dollar limit. Existing law places a \$50 million limit on the program.

Section 905 would eliminate the present \$275 million limitation on the size of the revolving fund out of which direct federal loans are made for housing for the elderly projects. It would authorize unlimited appropriations to be made to the fund.

OTHER BILLS

Prior to S. 3049 numerous other housing bills were introduced in the Senate and House. While these bills proposed important amendments or changes in the Housing Act, proposals which appear to be most representative of the primary issues follow.

Special Legislation for FNMA - S. 2469, H.R. 9769

On January 27 companion bills were introduced by Senator Sparkman and Representative Rains implementing a special Administration proposal for the Federal National Mortgage Association. This proposal would vest FNMA with fiduciary powers under which it could create mortgage pools against which it could sell guaranteed participation certificates.

Mortgage pools could be established for the FHA insured or VA guaranteed mortgages owned by FNMA in its Secondary Market Operation. Funds derived from sale of the participation certificates could be used to purchase more mortgages in the Secondary Market Operation. Under existing law the principal source of funds for this purpose are the public sale of debenture and short term notes and interim borrowing from the U.S. Treasury. This is limited to 10 times the Association's capitalization and surplus in the Secondary Market Operations. Thus, the sale of participations would afford a supplementary source of money. However, it appears that for some time past, the above limitation has not been a problem, and that ample funds have been available through regular sale of debentures and short term notes.

Mortgage pools could also be established for mortgages held by HHFA, VA and the Farmers Home Administration under various direct loan programs wherein money for the loans is obtained directly from the Treasury and for budget purposes is carried as a federal expenditure. The proposed law would permit FNMA, acting as trustee, to sell participation certificates against such mortgages and pay the proceeds to the agency holding the mortgages which in turn would reimburse the Treasury thus reducing the federal budget. The same procedure could also be followed with respect to mortgages held by FNMA under its Special Assistance Programs. Here, too, the original funds are obtained from the Treasury and would be paid back out of proceeds from the sale of the participation certificates again reducing the budget expenditure.

Housing and Neighborhood Rehabilitation Act of 1964 - H.R. 9771, S. 2566

On January 28 Representative Widnall introduced H.R. 9771 on behalf of the minority members of the House Special Housing Subcommittee. On February 27 Senator Tower introduced a companion bill S. 2566. The bill was described by Mr. Widnall as "a new private enterprise approach to housing for low-income families, needed assistance and protection to individuals and small businesses displaced by urban renewal, and a return to the original concept of urban renewal as a means of eliminating and preventing slums."

Title I Low Rent Housing in Private Accommodations

Section 101 would amend the United States Housing Act of 1937 to provide a supplementary form of low rent housing and promote efficiency

and economy in the program by taking advantage of vacancies existing in private housing. Local public housing agencies would conduct continuing surveys of existing housing suitable and available for this purpose and invite owners to participate in the new program. The agency and owners would jointly select tenants and negotiate rents. Occupancy would be under leases for not less than 12 months nor more than 35 months. Except under special conditions not more than 10 percent of the units in a single structure would be made available for low-rent tenants. Rents would be paid to the owners by the agency which would in turn collect a lesser payment from the tenant as determined in accordance with standards under the present program. The difference between the tenants payments and rents paid to owners would be reimbursed to the agency by the Public Housing Administration under annual contribution contracts as currently provided for in the existing program.

Section 102 would increase the contractual authorization under present law to provide for thirty thousand additional units of privately owned low-rent housing as described in Section 101, but would provide no additional contractual authorization for new construction under the old program. This would not terminate the old program under which there is a large backlog of units under commitment or contract but not yet constructed. At the present rate of construction it would take several years to finish the work under the old program.

Title II Compensation of Condemnees

Section 201 would declare that Congress finds that owners and tenants on property condemned in furtherance of certain federally assisted programs have suffered financial losses for which they have no legal recourse. It would express a federal policy of just and full compensation in these cases.

Section 202 would enumerate various urban renewal and public housing programs to which the new compensation policy would apply.

Section 203 would require in connection with any redevelopment plan submission of a plan, or certification to the HHFA Administrator assuring owners of condemned property full compensation as provided under this Title.

Section 204 would define full compensation as being equal to actual value of the property being taken or its replacement cost in a new location if such cost should exceed the actual value of the interest being taken.

Section 205 would provide for advance 90 percent payments of the estimated compensation on property to be taken or damaged under the redevelopment plan at a later date.

Section 206 would define "actual value" as being the greatest amount a prospective purchaser would have offered for the property at the time of taking and excluding any change in value resulting from the imminence of taking.

Section 207 would define "replacement cost" as the entire cost of acquiring or reproducing a substantially similar property. Such cost would include land, improvements, equipment, lost profits and overhead during interruption of business, installation of equipment, incidental advertising, attorneys' fees, and duplication of taxes.

Section 208 would define "taking" and "damage."

Section 209 would provide for enforcement of compensation payments and require termination of further federal financial assistance in case of noncompliance.

Section 210 would require a study and special report to the House on certain inequities which may arise from taxation on gains derived from condemnation awards. The report would also include a recommended standard for fixing date of valuation for a condemned property.

Section 211 would establish that these provisions regarding compensation payments are not applicable to a public housing or urban renewal project for which a preliminary plan was submitted prior to enactment of this Act.

Title III Urban Renewal and Related Provisions

Section 301 would amend the Housing Act of 1949 to require that no urban renewal plan, including demolition and removal of buildings, be approved by the HHF Administrator unless he finds that the objectives of the plan could not be achieved by rehabilitation. A new \$100 million revolving fund would be authorized to be appropriated for rehabilitation loans in urban renewal project areas. Loans up to \$10,000 and at 3 percent interest with maturities up to 15 years or 3/4 of the remaining economic life would be available to homeowners who were unable to obtain loans from private lenders. Loans on business properties would be limited to \$50,000. The revolving fund would be established by the Administrator who in turn would advance sums to local public agencies administering urban renewal projects.

Section 302 would require a more thorough-going procedure by local public agencies in the relocation of displaced persons and businesses including provision of information and assistance and action necessary to assure that relocation will be carried out with a minimum of hardship and without regard to the race, color, creed or national origin of the displaced. In addition, it would be required that the Administrator physically verify the availability of decent, safe and sanitary housing and suitable business accommodations immediately prior to the start of condemnation proceedings and at intervals thereafter.

Section 303 would strengthen the commitments and objectives of Workable Programs and require that if the Administrator's annual review thereof indicates the locality has not fulfilled its commitments, no further assistance under Title I of the Housing Act of 1949 could be provided until the situation was corrected.

It would also require as a condition precedent to obtaining a loan or capital grant for any urban renewal project, the project must be approved by a majority vote in a referendum of the residents of the community in which the project would be located.

A further provision of this Section would be the granting of priority to projects in which increased tax revenues to be realized from the improvements would be pledged for the payment of principal and interest charges on obligations issued for the financing of the project.

Section 304 would provide a new authority for the Administrator to make loans to finance the redevelopment of urban renewal projects which are predominantly nonresidential in character. The maturity of such loans would be up to 10 years and the minimum interest rate would be not less than the going Federal rate plus one-half of one percent. In conjunction with this provision the amendment would also limit the existing authority to make capital grants in these cases by requiring that as a condition precedent to such grants, the local public agency must certify that all necessary residential redevelopment in the community had been completed and that the proposed nonresidential redevelopment was necessary to the community.

Section 305 would require that disposition of redevelopment land to the maximum extent possible be pursuant to competitive bidding, and sale or lease of such land be to local redevelopers.

Section 306 would refine the method of computing local grants-in-aid to urban renewal projects and would provide technical correction of an existing restriction which works a special hardship against the District of Columbia.

Section 307 would require that after July 1, 1965, or such later date as the Administrator may prescribe in hardship cases, local public agencies eligible to enter into Federal contracts for assistance in the execution of urban renewal projects must be agents of the local government and responsible to elected city officials.

Title IV -- Miscellaneous

Section 401 would require that public housing projects be approved by the local governing body in order to become eligible for Federal annual contributions or capital grants.

Section 402 would restrict charges to the cost of Federally aided urban renewal and public housing projects on account of dues, fees, travel expenses and subsistence incurred in respect to meetings, conventions, or conferences attended by local personnel executing such projects.

Section 403 would amend the National Housing Act to permit the Federal National Mortgage Association to deal in conventional mortgages in addition to those insured by FHA or guaranteed by VA.

PART III

SOME ISSUES RAISED BY THE ADMINISTRATION PROPOSALS

The Changing Character of FHA

Appearing before the House Subcommittee on Housing in February of this year, Mr. E. A. Camp, Jr. testifying in behalf of the American Life Convention and Life Insurance Association of America said in part:

. . . Through the principle of government insurance of the risks inherent in home mortgages, and by means of careful standards of eligibility for mortgage insurance, the FHA system has made possible a standard mortgage instrument which can be sold in a nationwide market

Inherent in the FHA system was the expectation that private investors would make FHA loans at market interest rates. But more and more in recent years there has been a departure from the basic FHA concept into the insurance of special purpose loans including those to aid low-income families, to aid the elderly, to stimulate cooperative housing, and to facilitate urban renewal.

These special purposes, in themselves, are on the whole understandable from a social viewpoint, but they depart from the basic objective of FHA which is, by means of government insurance, to encourage private lenders to make carefully underwritten and economically sound home mortgage loans. The usual pattern in the special purpose programs has been to provide FHA insurance for loans at interest rates well below the going market rate, with FNMA being empowered to purchase such mortgages if private investors are unwilling to make the loans at submarket interest rates.

Clearly an element of subsidy is involved in such programs. We have serious reservations about the desirability of these subsidies, but in any event we believe FHA should be kept a market-oriented program. If public policy should determine that subsidies are to be provided to some groups in the housing field, we

believe it preferable that such subsidies be given directly or through some other mechanism without involving the FHA insurance system. ^{1/}

The foregoing views which are shared by many leaders in the housing industry, were prompted by Section 102 of the Administration bill. As explained above, this would add still another subsidy program designed to provide a submarket type of financing for the repair and rehabilitation of homes owned by elderly persons (62 and over) in urban renewal areas. Mr. Camp concluded his remarks on this phase of the proposed legislation with the following:

The enactment of Section 102 would be one more instance of a series of programs in recent years which have moved FHA away from its original sound conception. Encumbering FHA with these special subsidized programs tends to hamper the effectiveness of FHA in carrying out the core of its activity -- the soundly conceived Section 203 loan. ^{2/}

The contrary viewpoint justifying Section 102 is expressed in the President's Housing Message. Therein the importance of rehabilitation of existing housing and the difficulties of elderly homeowners are stressed. (See last paragraph of Section II of President's Housing Message.)

Among the series of programs referred to in Mr. Camp's testimony is the program under Section 221(d)(3) enacted in 1961. This is rental housing for low-income families. Low rents result from waiver of mortgage insurance premiums, and submarket interest rates with mortgage money being made available through the FNMA Special Assistance Program. Thus, 221(d)(3) is directly supported by the Treasury and is unrelated to the FHA system both in objective and operation. Also, occupancy is restricted to those families who are found to be in the low or moderate income group as defined by the Commissioner of FHA. In these respects the program parallels the public housing program, but at the same time is free of certain stigmas which have attached themselves to the latter. In consequence, 221(d)(3) is very popular with those local interests who heretofore have relied on public housing

^{1/} Hearings before the Subcommittee on Housing of the Committee on Banking and Currency, House of Representatives, Eighty-eighth Congress, Second Session, on H.R. 9751, pp. 579-80.

^{2/} Ibid., p. 581.

for low-income families. It has now grown in the short space of three years to the leading FHA multi-family housing program and at its present pace it may well grow to equal or exceed the Section 608 program of the post World War II era. The proposed Administration bill (Section 805) gives 221(d)(3) housing a further boost by making eligible for occupancy any person 62 years of age or over.

The contrary viewpoint supporting Section 805 is expressed in the President's Housing Message wherein the necessity for special attention to the needs of the elderly are stressed. (See Section I, C. of the President's Housing Message.)

In addition to changing the character of FHA through encouragement of and addition to the subsidy programs, the proposed legislation includes a number of amendments which directly affect the basic FHA mortgage insurance system. One group of these would liberalize the mortgage insurance contract and another would affect the handling of the mortgage insurance funds maintained by FHA.

Perhaps the most controversial proposal with respect to the mortgage insurance contract is that which would authorize the Commissioner to pay any claim in cash in lieu of debentures. Since the inception of FHA the National Housing Act has required that losses sustained by lenders in foreclosure proceedings be paid by FHA in long-term debentures. The theory behind this requirement is that in the event of a depression and related wave of foreclosures the FHA cash reserves would not be jeopardized. Section 802 of the proposed legislation would authorize the Commissioner to pay any claim in cash and borrow from the Treasury to whatever extent would be necessary to pay such claims. In his testimony before the House Subcommittee on Housing, Administrator Robert C. Weaver of HHFA supported the proposal with the statement that it would "effect a large savings in administrative costs." 1/

Testimony at the same hearings given by the Mortgage Bankers Association and the National Association of Home Builders was sharply critical of the proposal pointing out that it would jeopardize the self-sufficiency of the FHA insurance operation, a feature which they feel has been a principal factor in the success of the agency. 2/

Section 203 provides another alteration of the FHA mortgage insurance contract deserving notice. This change, as discussed hereinbefore in the section-by-section summary of the bill, has the effect of

greatly facilitating use of forbearance arrangements in cases where mortgage loans are in default due to "circumstances beyond the control of the mortgagor." Section 203 has been proposed as a remedy for the recent increase in FHA foreclosures. It follows a recommendation in the President's Housing Message (see Section I F.(2)) and has been generally endorsed by the lending industry. On the surface Section 203 appears to be meritorious. However, there are two questions which seem to have been passed over in public testimony. These are: (1) what evidence is there to support the need for the change?, and (2) how much additional risk would FHA incur?

As explained before, the mortgage insurance contract is such that in foreclosure cases the mortgagee is not fully reimbursed for foreclosure costs and losses on account of mortgage insurance premiums and interest after default. For these losses he is given a certificate of claim payable only in the event subsequent disposition of the property by FHA leaves a remainder after all FHA expenses and liabilities have been satisfied, a situation which rarely occurs in present-day transactions. Since the certificate covers unpaid interest and insurance premiums, its face amount is greater, the greater the period of delinquency happens to have been. This arrangement is founded on the theory that it will encourage the lender to work harder to make collections and keep the loan current. Proponents of the proposed change claim the reverse effect, namely that it is making lenders foreclose hastily in order to keep the face amount of the certificate of claim at a minimum.

Unfortunately there are no foreclosure statistics available to show whether lenders are foreclosing more hastily than heretofore and are thus working a hardship on mortgagors. The only available date has been a recent informal FHA survey of 100 cases. These showed an average of 6.3 months between the date of default and the date upon which foreclosure was instituted. This would probably be interpreted by some to indicate that the basic principle referred to above is working and that the fear of the proponents of the change is unfounded.

In regard to increased FHA risk it is reported by the agency that the face amount of a certificate of claim is now typically around \$375. It is further reported that for the last 5 or 6 years sales of acquired properties have seldom brought enough to permit payments on certificates of claim. Therefore, lenders have had to absorb the loss as an element of coinsurance. Under the proposed change in Section 203 and the provisions of Section 803 eliminating the certificate of claim, FHA would at the initial settlement reimburse the lender for the entire amount of this loss. Thus, what is now a coinsurance loss to the lender would be shifted to FHA as an operating loss. Furthermore, it must be anticipated that the loss in forbearance cases ultimately going to foreclosure may be considerably greater than the above amount reported in typical cases. This will result from lost interest during the extended forbearance period.

1/ Ibid., p. 31.

2/ Ibid. Statement of Carey Winston, President of MBA, Title VIII, Section 802, p. 696.

Proponents of these changes argue that forbearance cures default and that therefore neither the lender nor FHA would suffer loss. This probably tends to be true under existing law which requires as a condition precedent to forbearance that the FHA Commissioner find that "it is probable the mortgage will be restored to good standing within a reasonable period of time." On this account forbearance is now only used in exceptional cases. The proposed change removes the requirement of this finding thus opening up forbearance to widespread use. For example, it might be applicable in all "depressed areas." Such application could significantly increase FHA losses.

Another claimed departure from the basic FHA system would be the proposal in Section 809 authorizing the Commissioner to transfer funds from the General Surplus Account of the Mutual Mortgage Insurance Fund to any other insurance fund. This, too, has been criticized by MBA and NAHB. The former testified as follows:

This is the fund which provides the underlying strength and confidence in FHA. It is a fund that has been created by home borrowers for the sole purpose of paying losses on a mutual insurance operation. Any surplus not needed for this purpose both morally and legally should accrue to their benefit and to theirs alone. ^{1/}

No explanation in support of Section 809 is given by the HHF Administrator. Presumably it is his desire to use surpluses in the MMI Fund to support the more risky subsidy programs rather than as a means of reducing insurance premiums and increasing participation payments in the mutual mortgage insurance system for the benefit of homeowners who have financed through FHA.

The foregoing discussion reviews issues raised in connection with proposals regarding FHA subsidy programs and changes in the mortgage insurance system. A third area of controversy into which the Administration bill injects itself is expansion of government control over the home building industry. This centers around the proposed land development mortgage insurance program in Section 201, particularly as it relates to creation of new communities. Although the program would be administered by FHA it would be required that the character of each new community be developed in accordance with explicit HHFA planning concepts and that final approval must be given by the HHF Administrator.

The Mortgage Bankers Association and the National Association of Real Estate Boards have testified against this proposal. Others have withheld comment for the time being. NAREB had this to say:

^{1/} Ibid., p. 696.

... we note that the Administrator of the Housing and Home Finance Agency must approve the complete plan for the new town and that his approval must involve his satisfaction that the new town will meet the housing needs of various kinds of families. Does this mean that the Administrator will insist on pre-determination as to how many low-income families, how many upper income families, individuals, pre-school children, elderly persons, etc? This, we respectfully submit, is too great a power to vest in any one public official much less a Federal official regardless of his ability and experience in the area of community planning and human relations.

... the Housing and Home Finance Administrator would have the power to force his standard of every aspect of community life onto the plan for the new community. . . . The proposal is not only unnecessary, but in our considered opinion, represents a giant step toward the federalization of our communities of tomorrow. ^{1/}

The contrary viewpoint was expressed by the President in his message to Congress, January, 1964 (see Section III, President's Housing Message). Therein he points to "sprawling, space consuming, unplanned and uneconomic" community development and outlines a comprehensive program of assistance to be supplied by the Federal Government. Land development mortgage insurance is an important part of this total program.

Public Housing

Critics of the public housing program assert that although the ills of public housing have been extensively publicized, there is little in the Administration bill to improve this program other than continuation of current methods. Representative Widnall, in a release early this year, introducing an alternative housing proposal (H.R. 9771), cited the need for a new approach. His remarks pertaining to public housing included the following:

The elderly and families who cannot pay economic rents still need decent, safe and sanitary housing. The massive, stereotyped housing project of the past quarter century is not coping with the problems it set out to cure. It has

^{1/} Ibid., Statement of Lyn E. Davis, representing NAREB, pp. 358-59.

merely, and expensively, concentrated them. Economic ghettos have been created which threaten to become new slums. We need these people back in the mainstream of their community life. They need incentives. They are not helped by having their problems mirrored by the family next door.

The new approach we suggest has been advocated for some time by technicians in the housing field. It combines a maximum reliance on private ownership, management and initiative with a sympathetic handling of a difficult social problem. The program on a limited basis has been successful in Toronto, Canada 1/

In describing the alternative program, Representative Widnall in a later release stated:

The Administration takes a short step in the direction of using existing private housing for low-income families, but our rent certificate program would be a major step of 30,000 units. This would cut down the waiting lines and lists now prevalent in too many cities, and would tend to eliminate economic and social ghettos. 2/

Urban Renewal

H.R. 9771 likewise would redirect the Federal urban renewal program. In explaining the need for this part of the bill, Representative Widnall said that the minority members of the House Subcommittee on Housing had been greatly disappointed with the President's housing message and legislative proposals. In explaining his point of view, he said:

No one contests the problems inherent in the sprawling growth of metropolitan areas of population. It is our opinion, however, that the economic and social costs to those very people that

our housing and renewal programs are allegedly designed to aid have been ignored. In addition, the role of self help and private enterprise has been inhibited and restrained by legislation and administration favoring government action alone. Grandiose schemes on planners' drawing boards and large budget figures promoted by liberal spenders may appear impressive, but they do little to help the homeowner who would prefer to upgrade his neighborhood rather than be evicted from his home, or the small businessman who is forced to close his doors, both as a result of urban renewal. No problem has ever been solved merely by throwing money at it. 1/

Representative Widnall further stated in a later release that the proposed bill would provide:

. . . a new loan program to encourage rehabilitation instead of the bulldozer for neighborhoods, a complete overhaul of compensation payments to tenants and property owners, priority requirements for slum clearance over redevelopment of downtown commercial areas, and needed assistance for individuals and small businesses too long ignored. 2/

Much has been written regarding the "failure" of urban renewal and the need for a new approach. In summarizing a critical evaluation of the program the July 27, 1964 issue of Barrons in an article entitled Arrogant Domain had this to say:

In view of its flawed design it could hardly do otherwise. For to cure what is purely a local ill, urban renewal prescribes a federal remedy. Far from reducing the number of slum dwellers, it has swelled their number. Far from correcting social evils, it has spawned fresh abuses. Most notably it has sought to challenge the wise opinion of Federal Judge E. Barrett Prettyman, that "government has not an unrestricted power to seize one man's property and sell it to another." Urban renewal is eminent domain -- and bureaucratic arrogance -- run wild. It's high time Congress called a halt.

1/ Release, January 24, 1964, Rep. William B. Widnall (R., N.J.) on behalf of the Minority Members of the House Special Housing Subcommittee.

2/ Release, January 28, 1964, Rep. William B. Widnall (R., N.J.) on behalf of the Minority Members of the House Special Housing Subcommittee.

1/ Release, January 24, 1964, loc. cit.

2/ Release, January 28, 1964, loc. cit.

In the Widnall bill and the Administration bill we have two alternatives clearly presented. On the one hand, adherence to the Administration proposals (see President's Housing Message, Section II) would assure continuance of a program largely concerned with relocation of people, demolition of buildings, and rebuilding for occupancy of a more affluent class with land clearance and assembly being financed with the assistance of Federal capital grants. On the other hand, the Widnall bill would be largely concerned with preservation of existing neighborhoods through rehabilitation financed with loans on easy terms made by local agencies from advances by the Federal government out of a special revolving fund.

Cost of the Administration Programs

In his testimony before the House Subcommittee on Housing, the HHH Administrator placed the program authorizations at \$1.649 billion for four years. 1/ Congressman James Harvey requested that this be extended to cover the 40 year period over which authorized annual contribution contracts under the public housing program would run. The Administrator agreed, but later submitted a breakdown still showing the original total amount explaining that it had not been possible to make the requested computations. 2/

Congressman Harvey thereupon introduced for comparison with the Administrator's table, a table compiled by the National Association of Real Estate Boards purporting to show the financial impact of the proposed Administration bill. 3/ This places the total authorized loans and grants at \$8,967 billion.

The principal difference in these two estimates is in the handling of the authorization for \$184 million in new annual contribution contracts for public housing. Although each such contract will run for extended periods up to a maximum of 40 years, HHFA persisted in refusing to estimate on this basis. The NAREB estimate attempts to show the total cost of all programs at the termination of each authorized contract. This same issue was raised in connection with the Housing Act of 1961.

It is claimed by its sponsors that the Widnall bill (H.R. 9771) is much more economical than the Administration bill. However, no overall estimates are available.

1/ Ibid., Statement of Robert C. Weaver, p. 110.

2/ Ibid., p. 113-17.

3/ Ibid., p. 118.

FNMA Mortgage Pools - S. 2469, H.R. 9769

The provisions of this bill are pursuant to a recommendation in the President's Housing Message intended to facilitate substitution of private credit for Federal loans (see Section I, F(3)). That the bill will actually accomplish this worthy objective is an assumption which has been subject to question. Mr. Harry P. Bergmann testifying on behalf of the American Bankers Association before the Senate Subcommittee on Housing had this to say:

S. 2469 provides for the pooling of mortgages in which the government or a government agency or instrumentality has an interest and sale by FNMA of participations in the pool.

Although we are sympathetic with the idea of reducing the outstanding obligations of the Federal National Mortgage Association, we believe that this can be accomplished more effectively and in a manner more consistent with objectives of private enterprise if, instead of selling participations, FNMA sold the mortgages directly to private investors.

Under the proposed bill, FNMA would substitute a short term debt for a long term obligation. We believe that this would not be desirable because it would not constitute a genuine reduction in the public debt. This can but be accomplished in this instance by a sale of these mortgages directly to investors. 1/

1/ Hearings before a Subcommittee of the Committee on Banking and Currency, United States Senate, Eighty-Eighth Congress, Second Session, on S. 2468 and Other Pending Bills to amend the Federal Housing Laws, p. 923.

APPENDIX A

PRESIDENT'S HOUSING MESSAGE

THE WHITE HOUSE

HOUSING AND COMMUNITY DEVELOPMENT

TO THE CONGRESS OF THE UNITED STATES:

Our nation stands today at the threshold of the greatest period of growth in its history.

By 1970, we shall have to build at least two million new homes a year to keep up with the growth of our population. We will need many new classrooms, uncounted miles of new streets and utility lines, and an unprecedented volume of water and sewerage facilities. We will need stores and churches and libraries, distribution systems for goods, transportation systems for people and communication systems for ideas.

Above all, we will need more land, new housing and orderly community development. For most of this population growth will be concentrated in the fringe areas around existing metropolitan communities.

I. Housing

Fortunately, the old pressures on our housing supply arising from depression and war-caused shortages have largely been overcome. But new pressures will develop as the number of new families rises rapidly in the late sixties. And great numbers of our families have yet to secure the true goal of every parent: not merely housing but adequate housing.

Now is the time to direct the productive capacity of our home-building industry to the great needs of the neglected segments of our population--this is necessary in its own right and vital to the continued strength of the industry.

Satisfaction with the 1,600,000 new housing starts in 1963 cannot obscure the fact that too many minorities, too many families of low income, too many elderly, too many rural families, and too many military families have not shared in the housing improvement which those units represent.

Unless we act and act now, the promises of the National Housing Policy will remain empty slogans to large numbers in these groups.

A. Housing for minorities

Over a year ago, President Kennedy issued an Executive Order designed to assure opportunities for equal access to Federally assisted housing. Already a half million dwelling units are -- or soon will be -- subject to that order. This Administration will continue and strengthen its efforts to translate the pledge of that order into meaningful practice. The program proposed in this message will broaden the range of housing choices open and realistically available to those whom discrimination has too long restricted.

B. Housing for low-income families

For over a quarter of a century, the low-rent public housing program has been the primary source of additional decent housing for families of low income. Over 1500 communities -- 350 of them since 1961 -- have recognized the need for supplementing private efforts by creating housing authorities to build and operate public housing with Federal assistance.

The 100,000 units of Federally-aided public housing authorized by the Housing Act of 1961 are now all committed. But still more communities and more families need such housing.

To continue this program for those who have no other effective opportunity for better housing, I recommend the authorization of 50,000 additional public housing units for each of the next four years.

Most of these units should continue to be new construction to provide a net expansion in the volume of housing available to low-income families. However, we have at this time a real opportunity to make low-rent housing available more quickly and at lower cost in many cities by acquiring units from the existing stock of private housing and rehabilitating them, where necessary, for the use of low-income families. I recommend amendments to the Public Housing Act to facilitate acquisition of existing housing units within the proposed 50,000 units per year.

In other cases, leasing of standard units by local public housing authorities for use in the low-rent program is a feasible and economic approach. I recommend, in addition, that the authority for expanding low-rent housing include authorization for local housing authorities to lease 40,000 housing units over the next four years.

We have much more to learn before the housing needs of our low-income population can be adequately met. The small demonstration program provided for this purpose in the Housing Act of 1961 has permitted a number of promising experiments to get underway. I recommend an additional \$5 million be authorized to continue this program for at least one more year. During this period, attention can be given to special housing needs, such as those of our physically handicapped, as well as to means of helping low-income persons obtain adequate housing.

C. Housing for the elderly

I believe it especially unfortunate that many of those who do not have or cannot secure decent housing are elderly. Special attention to the needs of this group at all income levels should continue.

The expansion and improvement of public housing programs that I am recommending will be used extensively for lower-income elderly. Federal insurance of loans will continue to encourage the construction of specially designed housing for elderly with adequate incomes. However, the existing authority for funds to finance the program of low-interest direct Federal loans which serves the moderate-income elderly will soon be exhausted. I recommend that the low-interest direct Federal loan program for the elderly be extended and additional funds appropriated to permit loans of \$100 million during the coming fiscal year.

At present, the successful program of moderate-income housing provided through loan insurance at below-market interest rates enacted in 1961 is limited to family tenants. In many cases, admission of single elderly persons to such housing would be highly desirable. I recommend that single elderly persons be made eligible for housing financed by Federally insured below-market interest loans.

D. Rural Housing

The living conditions of our rural families -- including the nearly one-third of our elderly who live on farms or in small towns -- likewise deserve and need special consideration.

--more than a million rural families still live in homes of such poor condition that they actually endanger the health and safety of the occupants.

--three million rural families live in homes that need major repairs.

-- a third of our rural homes do not have complete sanitary facilities.

-- nearly two-thirds of rural homes are without adequate heating.

The rural housing programs of the Department of Agriculture, initiated in 1949 and strengthened in 1961 and 1962, have made a good start on meeting the problems represented by these statistics, but the 20,000 rural families helped last year represent only a small fraction of the job to be done. Primary reliance on direct Federal loans for this purpose is, however, neither necessary nor -- in the volume required -- realistic.

I recommend extension of the expiring authorization in Title V of the Housing Act of 1949 to insure loans on rental housing for the rural elderly. Further, in order to accelerate the basic rural housing loan program, I urge that the Congress enact an insured rural housing loan program along the lines of that proposed by the Administration in the first session of this Congress.

I further recommend early action on legislation along the lines of S.981 to assist with the housing problems of domestic farm laborers -- problems which are particularly acute for our 350,000 migrant farm workers.

E. Military Family Housing

The military man, in keeping with his profession, expects to endure -- and frequently does endure -- personal hardships during his career. We do not have the right to expect the same from his family. While the Defense Department properly relies primarily upon the private community to supply the major portion of its needs for decent and economical housing, an annual construction program to house the families of military personnel is required in those communities where the severest chronic shortages exist. Accordingly, I have recommended in the Military Construction program authorizations and appropriations for 12,500 additional units for fiscal 1965 to meet the most critical needs.

F. Improvements in other housing programs

Apart from the housing needs of the special groups already discussed, the partnership between private industry and Government -- exemplified by Federal guarantees and insurance of private housing credit -- has made possible good housing and widespread home ownership for millions of our citizens.

I intend to encourage -- through legislative proposals, where necessary -- even more effective cooperation between government and industry for the joint benefit of homeowners, tenants and the industry itself. To this end, I am proposing a number of modifications in the statutes governing our self-supporting mortgage insurance and marketing programs which will improve their efficiency and usefulness. Among these will be the following proposals:

(1) -- To provide relief in those isolated cases in which, despite the care exercised by builders and the Federal Housing Administration and the Veterans Administration, substantial defects develop in new construction they have approved. I recommend that authority be provided for the FHA and the VA to finance the correction of substantial deficiencies.

(2) -- To make certain that no legislative barriers exist to discourage or prevent mortgage lenders and the Federal Housing Administration from cooperating to help delinquent mortgagors in deserving cases, I recommend that FHA's claim and forbearance authorities be amended to encourage the temporary withholding of foreclosures against homeowners who default on their mortgages due to circumstances beyond their control.

(3) -- To expand our concerted effort to substitute private credit for Federal loans, I recommend provision of legislative authority for the pooling of mortgages held by the Federal National Mortgage Association and the Administrator of Veterans Affairs, and the sale of participation in such pools.

II. Urban Renewal

The Federal program of urban renewal is today our principal instrument for restoring the hope and renewing the vitality of older cities and worn-out neighborhoods.

The Federal assistance which provides local leaders and governments with incentives and the tools for revitalizing their communities has proven its worth --

-- in eliminating housing blight;

-- in contributing to restoration of the economic base of our communities; and

-- in helping reshape our central areas into effective nerve centers for our cities.

The Housing Act of 1961 doubled the previous urban renewal authorization to a total of \$4 billion. By the middle of this year, all of that increase will have been committed. I recommend that an additional \$1.4 billion of urban renewal funds be approved for a two-year period.

Despite existing programs assisting families and persons displaced by urban renewal projects, the human cost of relocation remains a serious and difficult problem.

The vast majority of those displaced by urban renewal and public housing have relocated in better and standard housing, but some have not. For most, the cost of improved housing has been an unsought burden. For some, the inconvenience of displacement has meant only another slum dwelling and the likelihood of repeating this experience.

To assist further those families and persons least able to bear the burden of displacement, I recommend

- A. That an additional annual subsidy of up to \$120 per unit be available for local public housing authorities, where needed to provide access to such housing for displacees with extremely low incomes.
- B. That low - and moderate - income families displaced by urban renewal receive two-year supplemental relocation payments equal to the difference between rentals on standard housing in their communities and 20 percent of their gross incomes.
- C. That low-income single persons displaced by urban renewal or other public action be made eligible for public housing.

Similarly, small businessmen -- especially those in leased premises -- often incur economic loss and hardship as a result of displacement by urban renewal or public housing which is not offset by current compensation practices and moving expense reimbursements. To provide more adequately for these firms, I recommend authority for a separation payment of up to \$2,500 for small establishments.

At the time of the 1960 census, 7 million nonfarm dwellings were found to be deteriorating, including 2-1/2 million occupied by their owners. Rehabilitation and preservation of existing housing wherever possible is a key element in the urban renewal process today. Elderly homeowners in urban renewal areas with low, fixed incomes are at a particular disadvantage in trying to meet the increased housing payments required by rehabilitation. To assist them, I recommend a program of Federal insurance and purchase of low-interest loans, with a deferral of amortization of principal, for home rehabilitation by elderly homeowners in urban renewal programs.

III. Community Development

The great expansion of our urban areas over the last two decades has too frequently been carried out in a sprawling, space-consuming, unplanned and uneconomic way. All levels of government are spending vast sums to accommodate this tremendous urban growth with highways, sewer and water facilities, schools, hospitals and other community facilities. Rural communities and small towns face similar pressures. If the taxpayer's dollar is to be wisely used and our communities are to be desirable places in which to live, we must assure ourselves that future growth takes place in a more orderly fashion.

I recommend that the urban planning assistance program and the open space program administered by the Housing and Home Finance Agency be extended.

Although the planning requirements of these and various other Federal programs -- such as the Federal-aid highway program -- also emphasize orderly growth and development, much more can and should be done.

The pioneering efforts of progressive and imaginative private developers in planning totally new and complete communities indicate some of the exciting possibilities for orderly growth. In the tradition of the long-established partnership between private industry and Government in housing and community development, the Federal Government should encourage and facilitate these new and desirable approaches.

Such a partnership can help achieve the orderly accommodation of a significant part of our forthcoming urban growth by means of entirely new communities, complete with all public services, all the industry and commerce needed to provide jobs, and sufficient housing and cultural and recreational facilities for moderate - and low-income families as well as for the well-to-do. To realize such new community development, and to encourage the participation of private initiative on the greatest possible scale, I propose a program of grants and loans to States and local governments for the planning and provision of necessary public facilities and of loan insurance for private developers constructing such facilities.

Many existing communities face problems of expansion as well. Even though they may foresee enormous development ahead, they often lack the resources to build sewer and water systems and other facilities with adequate growth capacity. Building in such capacity in advance could result in tremendous savings and prevent costly duplication or premature replacement of inadequate facilities. I, therefore, recommend a program of public facility loans with deferred amortization to enable communities to plan and build ahead of growth.

Early acquisition of land for right-of-way and other public improvements is frequently sound public business. Many communities which are prepared to exercise foresight in acquiring land -- and to save private owners from uncertainty and hardship -- lack the financial capacity to do so. Such advance acquisition -- which would assure location of such facilities in accordance with planned development -- could also result in substantial savings, inasmuch as the increases in land prices that occur as development proceeds would be avoided. I, therefore, recommend that public facility loans, with deferral of amortization as required, be made available for advance land purchase or option by States and local governmental jurisdictions.

To encourage better-planned new development on a neighborhood scale, and to preserve and increase the supply of improved land for homebuilding, I recommend Federal insurance of loans to private developers for acquisition and improvement of land for planned subdivisions.

It is essential that all of these programs be based on the existence of effective planning arrangements in the community or region. For planned subdivisions, there should be, in addition, assurance that the neighborhood itself is carefully conceived to maintain its residential integrity and will result in efficient land use.

In our great metropolitan areas, and in our rural communities as well, the difficult problems of growth and development require understanding and cooperation at all governmental levels. The Federal Government can assist and encourage, but, in the last analysis, the success or failure of programs of community development depends on those most directly involved.

IV. Urban Mass Transportation

Efficient transportation systems are essential to our urban communities. Each local system should be tailored to its particular needs -- existing and prospective -- and the proper mixture of good highways and mass transit facilities should be developed to permit safe, efficient movement of people and goods in our metropolitan centers.

A matching grant mass transit program along the lines proposed by the Administration was approved by the Senate last year (S. 6) and reported favorably to the House by its Committee on Banking and Currency (H.R. 3881). I urge early enactment of the Mass Transit program as basic to the development and redevelopment of our Nation's cities.

V. Training Needs

The sound administration of local governments and the success of our Federally supported programs of community development depend heavily on the competence of State and local public service staffs -- on their ability, their imagination, and, especially, their training. Throughout the range of local functions -- from traffic control to tax administration, from recreation to renewal -- their efforts will influence greatly the quality of community living.

The substantial Federal investment in local community efforts justifies a deep Federal interest in the quality of local government employees and the expenditure of funds to help attract able people to local public service and help them develop the skills and perspective they need.

To this end, I recommend a program of up to \$25 million a year in matching grants to States for the establishment of urban public service training and research programs.

VI. Department of Housing and Community Development

If we are to deal successfully with the complex problems of our urban and suburban communities, we need governmental machinery designed for the 1960's, not the 1940's. The Housing and Home Finance Agency, established seventeen years ago primarily to administer housing programs, has seen its responsibilities enlarged progressively by the Congress during the intervening years to include the broader aspects of community development as well. The Agency now administers such major community development programs as urban renewal, urban planning, public facilities planning and loans, open space, and mass transit. These basic changes in the Agency's role and mission are not adequately reflected in the Agency's current organization and status which remain much the same as they were in 1947. Action to convert the Housing and Home Finance Agency into an executive department is long overdue.

The size and breadth of the Federal programs now administered by the Housing and Home Finance Agency and the significance of those programs clearly merit departmental status. A new Secretary of Housing and Community Development would be in a position both to present effectively the Nation's housing and community development needs in the highest councils of government and to direct, organize, and manage more efficiently the important and closely interrelated housing and community development programs now administered or proposed for the Housing and Home Finance Agency.

I recommend that the Congress establish a Department of Housing and Community Development.

Conclusion

The dramatic increase in our Nation's population projected for the coming decades -- over 300 million by the year 2000 -- and the increasing concentration of our population around urban centers will create increased housing needs and intensified problems of community development which must be anticipated and acted upon immediately.

How we respond to these challenges will have a lasting impact on the character of our cities and rural communities. Whether we achieve our goal of a decent home in a decent neighborhood for every American family rests, in large measure, on the actions we take now.

The substantive programs I have proposed in this Special Message will speed our solutions to today's problems and the predictable needs of tomorrow. I earnestly urge the Congress to give the attached draft bills the attention they merit.

LYNDON B. JOHNSON

THE WHITE HOUSE

January 27, 1964

APPENDIX B

OUR HOUSING INVENTORY AND PRODUCTION

The Housing Supply

Housing and Population. "Population explosion" is a term much used in support of housing legislation. Therefore, it may be surprising to many to learn that our supply of housing has grown more rapidly than population. The following tabulation relating to total occupied housing units in the United States illustrates this fact in detail.

Year	Total occupied units	Percent Increase		Persons per unit
		Units	Population	
1890	12,690,000	- - -	- - -	5.0
1900	15,964,000	+25.8%	+20.7%	4.8
1910	20,256,000	+26.9	+21.0	4.5
1920	24,352,000	+20.2	+14.9	4.3
1930	29,905,000	+22.8	+16.1	4.1
1940	34,855,000	+16.6	+ 7.2	3.8
1950	42,826,000	+22.9	+14.5	3.5
1960	52,814,000	+23.3	+18.4	3.4

Source: Statistical Abstract of the United States 1963, Bureau of the Census, Table No. 1072.

Housing Quality. The typical American city has its slums and areas where deterioration and blight have set in. These conditions arise from complex causes and correction presents a difficult problem. It is, therefore, not surprising that they have received unusual publicity. However, students of the problem point out that this publicity seems to have left an erroneous impression of trends in the quality of our total housing supply.

Housing census statistics for 1960 show the improvement in the quality of housing as compared with similar figures for 1956 and 1950. In the following table "standard" units and "dilapidated" units are compared with total units for these years.

	1950	1956	1960
Total units	45,983,000	55,342,000	58,324,000
Standard units	28,102,000	40,753,000	47,372,000
Dilapidated units	4,339,100	4,055,000	3,025,000

Sources: Census of Housing 1950 and 1960, National Housing Inventory 1956, both by U.S. Bureau of the Census.

The term "standard unit" as defined by the government housing agencies means a unit not dilapidated and containing private toilet and bath and running hot water. For the years '50, '56, and '60 "standard units" were 61 percent, 74 percent, and 81 percent respectively of all housing units. During the same time the total supply increased by more than 12 million units and the number of dilapidated units decreased by more than 1 million units.

Various tabulations relating to the Federal Urban Renewal Program are cited by critics of the program to support their contention that its contribution to these achievements was minute. (See discussion of Urban Renewal). The improvement has come about, they assert, as a result of normal building and repair activities coupled with demolition of units no longer having economic value as housing.

Owner Occupied Housing. The U.S. Census of Housing 1960 shows 61.9 percent of all occupied units as being owner-occupied, up from 43.6 percent in 1940. When the 1960 census was taken 12.2 percent of all owners reported values less than \$5,000; 12.2 percent from \$5,000 to \$7,499; 13.5 percent from \$7,500 to \$9,999; 15.6 percent from \$10,000 to \$12,499; 13.5 percent from \$12,500 to \$14,999; 10.9 percent from \$15,000 to \$17,499; 19.2 percent from \$17,500 to \$34,999; and 2.9 percent over \$35,000.

New Construction. The following table shows annual housing construction in terms of units started under private and public ownership. The total for private ownership is broken down as to type of financing, i.e., conventional, FHA, or VA. The total for public ownership is broken down to show units financed under the Public Housing Administration as compared with the total of all other publicly owned housing. The category "Other Public Housing" includes such programs as military housing, state college housing, and Atomic Energy Commission units.

TOTAL NON-FARM CONSTRUCTION STARTS
(Thousands of Units)

	Privately Owned				Publicly Owned		
	Total	Conventional	FHA	VA	Total	PHA	Other
1950	1,352	674	487	191	44	27	17
1951	1,020	608	264	149	71	65	6
1952	1,069	647	280	141	59	53	6
1953	1,068	660	252	157	35	31	4
1954	1,202	613	276	307	18	14	4
1955	1,310	640	277	393	20	9	11
1956	1,094	634	189	271	24	5	19
1957	993	696	168	128	49	17	32
1958	1,142	744	295	102	68	20	48
1959	1,343	901	332	109	37	14	23
1960	1,230	894	261	75	44	26	18
1961	1,285	957	244	83	52	28	24
1962	1,429	1,090	261	78	30	20	10
1963	1,559	1,267	221	71			

Sources: Annual Report Housing and Home Finance Agency 1962, Statistical Supplement. 1963 figures from Economic Indicators, February, 1964 published by the Joint Economic Committee of the U.S. Congress.

It is immediately apparent that the dominant single source of housing supply is constructed under conventional financing. This, however, was not true in 1950 when construction under FHA and VA financing accounted for just over 50 percent of the starts in private housing. Since then this relationship has steadily changed until at the end of 1963 conventionally financed housing had risen to 81 percent. This results both from an increase in the total for conventional and a decrease in the total for FHA and VA.

Except during the year 1950 when FHA established an all time high of 487 thousand starts, the total has ranged between 168 and 332 thousand without establishing any definite trend. On the other hand, the VA program reached its peak in 1955 with 393 thousand starts, and has steadily declined to its 1963 level of 71 thousand.

Public housing appears to be a relatively minor source of our housing supply. The largest element of public housing is that financed under the Public Housing Administration. In recent years starts have ranged from 20 to 28 thousand without establishing any trend. The totals for all public housing include programs such as state college housing, Atomic Energy Commission housing and military housing. The latter was a significant program from 1955 through 1961.

Conventionally Financed Housing

Sources of Funds. Funds for conventional loans (not insured or guaranteed by a government agency) are provided by savings and loan associations, life insurance companies, mutual savings banks, commercial banks, individuals and others. Reference to statistics showing outstanding mortgage debt reveals that savings and loan associations have done a larger volume of business in this field than all others combined.

Savings and Loan Associations. The phenomenal growth of conventional finance has been largely attributable to the efforts and growth of the savings and loan industry. The industry has developed effective lending techniques intended to fulfill the needs of builders and individuals constructing residential housing. The services include land development loans, construction loans, and permanent loans. Spokesmen for the industry state that loan officers are well informed in the details of land planning and subdivision design, and that construction is inspected by experienced personnel to assure compliance with all requirements. As a guide in this respect, the U.S. Savings and Loan League points out that it now provides detailed minimum construction standards in a publication available to all members.

Loan Terms. Terms are controlled by federal law and the rules and regulations of the Federal Home Loan Bank (FHLB) Board in the case of the federally chartered associations and by state law in the case of state chartered associations. A recent change in FHLB rules and regulations makes possible more liberal land development loans up to 70 percent of the value of the real estate security as of completion of the finished lots. Maximum loan maturity is 3 years.

In cases where there is secondary financing a federal savings and loan association must limit its permanent loans to 80 percent of value. If there is no secondary financing, the limit may be 90 percent. As a practical matter state chartered institutions generally follow the same pattern. Interest rates except as limited by state law are variable and range between $5\frac{1}{4}$ to $6\frac{1}{2}$ percent. Maximum maturities are generally from 25 to 30 years.

Mortgage Insurance. Insurance on conventional mortgage loans is provided by private agencies such as the Mortgage Guaranty Insurance Corporation (MGIC) of Milwaukee. MGIC, the largest in this field, offers a plan under which the top 20 percent of the loan is insured against loss in the event of foreclosure. The premium is a 2 percent initial charge for 10 year coverage or $\frac{1}{2}$ percent for the first year renewable each succeeding year at $\frac{1}{4}$ percent.

Federal Housing Administration Programs

Volume of Business. Since its inception FHA has insured loans and mortgages the aggregate value of which was \$88.3 billion at the end of 1963. Of this amount \$72.5 billion was in home and project mortgages and \$15.8 billion in home improvement loans. The home mortgage program represented insurance for over seven million dwelling units while that for project mortgages covered a little more than one million units. 1/

Fiscal Status. FHA sources of income are insurance premiums on loans and mortgages, fees for processing applications, fees for inspection of construction, and interest on invested reserves. These funds have been sufficient to meet all operating expenses and losses and in addition to set aside reserve funds considered nearly adequate to carry the agency through a major depression in which unusual losses might be encountered. 2/ An original loan from the Federal Government has been repaid.

Mutual Mortgage Insurance. This is the largest single FHA program. It concerns loans for the purchase of existing housing and the construction of new housing. In general the structures are for single family occupancy, but two, three, and four family properties are acceptable. Interest rates are currently $5\frac{1}{4}$ percent with an additional $\frac{1}{2}$ of one percent payable as an insurance premium to FHA through the insured lender. The owner is therefore paying $5\frac{3}{4}$ percent. In some cases the loan maturity may be as much as thirty-five years. The loan must be amortized and no other liens such as second trusts are permitted. Down payments may be as low as 3 percent on a \$15,000 property. This, however, increases on the more expensive homes.

1/ FHA Monthly Report of Operations, December, 1963, page 1.

2/ HHFA Annual Report, 1962, Part III, Sec. 4 Analysis of Reserves of Insurance Funds, pp. 142-47.

In the event of foreclosure, FHA pursuant to its insurance contract, takes title to the property and pays the lender off in 20 year debentures. Interest on current issues is $4\frac{1}{8}$ percent. Debentures cover the outstanding balance due on the mortgage, as of the date of institution of foreclosure proceedings. Certain of the miscellaneous expenses incurred by the lender are also included. The balance of these miscellaneous expenses are covered by a certificate of claim payable by FHA out of proceeds which may be available upon final disposition of the property.

Mutuality of this program lies in the return to the homeowner of all or a portion of the aggregate of premium payments made during the life of the mortgage. If the duration of the mortgage is 15 years or more and certain other conditions pertain, the mortgagor may get back nearly all of his previous premium payments when the mortgage is paid off. In the case of mortgages of shorter duration none, or only a portion of the payments may be returned. 1/

Each case is processed by FHA in order to determine whether or not FHA standards are met with respect to the credit rating of the purchaser, the location of the property and the quality of the physical improvements. An FHA appraisal is made for the purpose of establishing a basis for computation of the maximum loan amount and minimum down payment.

In the case of proposed construction, FHA requires compliance with its Minimum Property Standards which cover plot planning, building planning, and the work, materials and equipment in the home. The published MPS cover all standard materials, equipment and work. Non-standard items necessitate special approval evidenced by Materials Releases or Engineering Bulletins. Compliance with FHA standards is ascertained by inspection of construction by FHA personnel.

Insurance of Financial Institutions. This is the next largest FHA program. Here the law authorizes FHA to insure a lender's entire portfolio of short-term loans to homeowners for the modernization and renovation of their properties. All processing of cases is done by the lender who merely reports his loans to FHA. Losses experienced by the lender are covered by FHA up to 90 percent of the loss on any individual loan, and coverage is further limited to 10 percent of all outstanding loans made by the insured institution.

Several types of loans are provided, but the most widely used is that to an owner occupant. These loans can be up to \$3,500 with maturities as long as five years. Pursuant to discount rates established by law equivalent rates of interest vary from 9.58 percent to 8.54 percent.

1/ Ibid., Mutual Mortgage Participation Payments, pp. 150- 52.

Rental Housing Insurance. This is the third and last of the basic FHA programs authorized under the original Act. Here mortgages are insured on individual rental housing projects. In the case of a private mortgagor the maximum amount of the insurable loan for one project is \$20 million, and for a public mortgagor \$50 million. The loan is further limited to 90 percent of appraised value and it is required that private mortgagors be regulated by FHA as to rents, capital structure, rate of return, and method of operation so as to provide reasonable rentals to tenants and a reasonable return on the mortgagor's investment.

FHA processes each case to assure compliance with the MPS and other requirements in much the same way as described above in connection with the Mutual Mortgage Insurance program. However, much of the processing is done in the special Multi-family Insuring Office for the zone having jurisdiction.

Insurance is likewise similar except there is no mutuality and FHA insures advances of mortgage proceeds during construction, a service not available for the construction of homes. In cases of default, the lender may assign the mortgage to the FHA or foreclose and assign the property. Debentures and certificates of claim are issued as in the home mortgage cases.

New Programs. The three basic programs described above account for 82 percent of the entire volume of FHA business transacted since 1934. ^{1/} However, starting at the beginning of World War II new programs have from time to time been added. The first of these were Defense Housing in 1941 and War Housing in 1942. These programs introduced the idea of high risk loan insurance for special purpose housing.

After the War other special programs followed such as Veterans Housing, Cooperative Housing, Military Housing, Servicemen's Housing, Urban Renewal, Relocation Housing, Nursing Homes, Housing for the Elderly, Experimental Housing, and Housing for Moderate Income Families.

Special Assistance Financing. Because of the high risk low return on investment aspect of some of the new programs, lenders are reluctant to participate even with FHA insurance. This has led to a device pursuant to collateral legislation whereby the Federal National Mortgage Association will make advance commitments to purchase certain unmarketable mortgages. Since funds for such purchases are directly available from the Treasury this amounts to a form of direct Government lending. This has been extensively used in Urban Renewal and Housing for Moderate Income Families.

Sociological Objectives. As suggested by the names of some of the new programs, FHA has been used from time to time to further certain sociological objectives. A recent example is Housing for Moderate Income Families. In order to provide more and better housing for families who cannot afford rents in housing financed under terms dictated in the current money market, Special Assistance Loans at a below market interest

rate close to 3 percent are made available. Below market rents are established and occupancy is limited to tenants whose incomes fall below established maximums. Actually this amounts to a form of public housing since the low interest is in effect a government subsidy.

Legislation. The Federal Housing Administration was created by the National Housing Act of June, 1934. It has from time to time been amended to add new programs and extend the various insurance authorizations. At present the Act provides for termination of all programs October 1, 1965 except Housing for Moderate Income and Displaced Families under Section 221 which terminates July 1, 1965.

The VA Loan Guaranty Service

The Loan Guaranty Service was established in the Veterans Administration pursuant to the Serviceman's Readjustment Act of 1944. It operates independent of HHFA but coordinates many of its operations with those of FHA. Its principal functions are guaranty of private loans and the making of direct loans from federal funds to assist veterans in the purchase and construction of homes.

Like FHA the Loan Guaranty Service maintains field offices on a nation-wide basis and operates pursuant to similar standards and techniques. Unlike FHA it is not self-supporting since the veteran pays no premium for loan guaranty. As in FHA the loan to value ratio is liberal and downpayments are small or in many cases non-existent.

The dollar amount of all home loans guaranteed by VA approximates the total for all home loans insured by FHA. However, the annual volume of business is now far less than that of FHA and the program is scheduled to expire in 1975.

Public Housing

Size of the Public Housing Program. According to the latest annual report of the Housing and Home Finance Administration covering the calendar year 1962 the Public Housing Program included 646,600 dwelling units. There were 523,758 units occupied and under management, 42,507 were under construction, and 78,414 were in pre-construction planning. ^{1/} More than 2 million persons were housed at rents reduced by federal and local subsidy.

The construction and operation of public housing projects is almost entirely by Local Housing Authorities established by state or territorial law. A small number are owned and operated by PHA. The Local Authority finances construction through issuance of short term notes and tax exempt bonds backed by the Public Housing Administration in Washington. In some cases direct loans are made by PHA to the local

^{1/} HHFA Annual Report, 1962, Table IV--2, page 220.

^{1/} FHA Monthly Report of Operations, December, 1963, percentage derived from dollar amounts on page 1.

authority. The PHA statement of maximum development cost ascribed to all "locally owned" projects including those in preliminary planning and construction as well as those under management was \$6,275,586,619 at the end of 1962. At that time outstanding indebtedness was \$4,252,177,988. 1/

Definition of Public Housing. Public housing is legally termed "low-rent housing" and is defined as "decent, safe and sanitary housing within the financial reach of families of low income." The law further defines such families as those "who are in the lowest income group and cannot afford to pay enough to cause private enterprise in their locality or metropolitan area to build an adequate supply of decent, safe and sanitary housing for their use." In recent years special provisions have been made for inclusion of elderly persons and displacees. 2/

Setting Rent Schedules. Rents are fixed by the Local Authority giving consideration to the paying ability of the family, the solvency of the project, and the lowest rents in suitable private accommodations. It is required by law in most cases that such rents be 20 percent below the lowest rents in private accommodations. Higher rents may be charged in the case of the elderly and families displaced by various governmental actions. The HHFA Annual Report for 1962 shows the average rent at \$42.35 per unit. 3/

Subsidies. Reduction of rents is accomplished through three types of subsidy. These are relief from local property taxes, lowered interest payments on Housing Authority bonds resulting from tax exemption, and annual contributions from the Federal Government defraying all or part of the debt service on public housing development cost. In connection with the first two there are no statistics available showing the cost to local, state, and Federal Government in lost revenue. Annual contributions for 1962 paid by the Federal Government to the Local Housing Authorities were \$156.9 million under contracts obligating the government up to a total of \$177.7 million. An additional \$2.4 million was provided as subsidy for housing for the elderly under a special provision of the law. These contributions related to 482,714 units out of the 644,679 total for the entire program including those in planning and under construction. For the entire program the Federal Government stood committed for annual contributions totalling \$287.5 million. 4/

Eligibility for Admission. Admission to public housing is controlled by the Local Housing Authority which fixes income limits that applicant cannot exceed after giving consideration to exemption allowances for minors and other dependents. Income limits vary according to family

1/ Ibid., Table IV--10, page 226.

2/ United States Housing Act of 1937 as amended, Sec. 2 (1), (2).

3/ Rent Collection, page 211.

4/ HHFA Annual Report, 1962, Tables IV--2, 9, and 14.

size and local economic conditions. A finding of need is also required in establishing eligibility. This may be based on a determination that the family is living under substandard conditions or is about to be without housing through no fault of its own. The HHFA Annual Report for 1961 shows that the median income limit for admission was \$3,200 for an average size family consisting of a man and wife and two children. However, a survey of occupants during the same year placed the actual median income at \$2,020 after exemptions and at \$2,373 before exemptions. 1/

Legislation. The current public housing program had its inception in the United States Housing Act of 1937. This provided for a program supported by annual federal contributions not exceeding \$7.5 million. The following year this was increased to \$28 million. The Housing Act of 1949 provided for building at the rate of 135 thousand units a year for 6 years. In 1951 Congress cut this to 50 thousand. Thereafter, up until the Housing Act of 1961 Congress changed this figure from time to time, setting annual limits ranging from 20 thousand to 45 thousand. The Housing Act of 1961 discarded the unit limitation and once again put a ceiling on annual federal contributions setting this figure at \$336 million. It is reported that the PHA is presently committed for this entire amount but of this total commitment approximately 180 thousand units have not yet been built.

Growth of Public Housing. In recent years it appears that proponents of public housing have not been satisfied with the rate of growth. For example the 1957 Annual Report of HHFA lists a number of reasons for "slow progress" in receiving new applications from Local Housing Authorities and in executing annual contribution contracts. Among these is the following: "In general, site selection for low-rent housing projects has become increasingly difficult due to high land costs and local concern about changing neighborhood racial patterns." In view of this the question arises as to whether the program has kept pace with authorizations. The following table developed from HHFA annual reports traces growth in terms of "locally-owned" units as compared with statutory authorizations.

	Units under manage- ment	Units under manage- ment and devel- opment	Annual Contri- bution Contract Commit- ment	Annual Contri- bution Contract Authori- zation
1955	392,635	470,946	\$161,509,532	45,000 units 8/11/55-7/31/56 <u>a/</u>
1956	405,873	515,799	164,276,513	35,000 units 7/31/56-7/31/58
1957	429,500	534,598	197,060,384	35,000 units 7/ 1/57-7/ 1/59
1958	440,835	553,891	215,937,611	previous authorization unexpended
1959	462,879	583,176	248,585,638	37,000 units 9/23/59 <u>b/</u>
1960	478,153	593,286	250,275,978	previous authorization unexpended
1961	496,393	622,120	279,371,955	\$336 million A.C.C. 6/27/61 <u>b/</u>
1962	523,758	644,679	287,492,358	previous authorization unexpended
<u>a/</u>	termination date extended indefinitely by Housing Act of 1956			
<u>b/</u>	no termination date			

1/ Ibid., Part IV, Sec. 5 Income for Eligibility.

It will be observed that from August 11, 1955 through June 27, 1961 a total of 152,000 units were authorized, approximating a rate of 25,000 per annum. With reference to units under management a rate of increase of about 17,000 is shown over the same period. The rate for total units including those in development as well as under management is at the faster rate of approximately 25,000 a year. This is because the backlog of unfinished projects increases each year. A.C.C.'s are observed to increase at the rate of about \$21 million per annum. This would indicate that the \$336 million limit currently pertaining would be reached by mid '64. It is now reported that this is exactly the case. It seems clear the program has not been held back by insufficient authorization.

Quality of Public Housing. As stated previously, the average rent in public housing in 1962 was \$42.35 per unit per month. A question often asked is what does the tenant get for his money over and above what he could afford without assistance? A look at construction costs shows that units now under construction average about \$15,771. 1/ In 1953 the average ranged from \$9,500 to \$12,000 for various sections of the country. 2/ At the beginning of the program figures are not available. However, cost indexes would indicate the same accommodations would have cost about one half as much as the 1953 units. Previously it was noted that the development cost for "locally owned" units was \$6,275,586,619 at the end of 1962 and the number of "locally owned" units at the time was 644,679. This results in an average cost of \$9,734 per unit for all projects from the beginning of the program. In order to accurately measure the benefits accruing to the PHA tenant the following table is provided to show what he would have been paying if the same average unit had been financed conventionally.

Comparison of Identical Units Under Private and Public Management

	Monthly rates for \$9,734 unit	
	Private	Public
Debt service	\$45.60 (by owner <u>a/</u>)	\$29.62 (by PHA <u>d/</u>)
Debt service		2.60 (by LHA <u>e/</u>)
Operating expense	36.46 (by owner <u>b/</u>)	36.46 (by LHA <u>f/</u>)
Property taxes	8.11 (by owner <u>c/</u>)	2.99 (by LHA <u>g/</u>)
Total expenses	90.17	71.67
Income	114.35 (7% vacancy <u>h/</u>)	42.05 <u>i/</u>
Profit or loss	24.18 (profit <u>i/</u>)	29.62 (loss)
Gross rent	122.96 (Income ÷ 93%)	42.35 <u>k/</u>

a/ Conventional financing at average interest for period in question, 25 year \$7,800 loan at 5 percent. b/ Assumed to be same for both public and private. c/ Estimated average rate at 1 percent of project cost. d/ Derived from Table IV-14 of HHFA 1962 Annual Report. e/ and f/ Table IV-13, ibid. g/ Table IV-13, ibid., "payments in lieu of taxes." h/ Vacancy from Table No. 1068 Statistical Abstract of United States, 1963. i/ 15 percent return on \$1,934 cash equity investment. j/ Table IV-13 HHFA Annual Report. k/ Average rent reported for public housing, page 211 HHFA 1962 Annual Report.

1/ Ibid., Derived from statistics in Table IV--2 and 9.

2/ The President's Advisory Committee on Government Housing Policies and Programs, Report, December, 1953, Appendix III, Exhibit 18.

Here it is shown that the typical public housing family is enjoying accommodations which would cost \$122.96 per month if privately financed but for which only \$42.35 is paid thereby affording a subsidy of \$80.61. Conservatively estimating that a non-public housing family spending \$122.96 a month for housing will have an income at least four times that much, an annual income of \$6,000 is indicated. Census figures for 1961 show that 53 percent of all families had less than \$6,000 thus indicating that typical public housing families live in accommodations which when judged by the yard stick of conventional financing would be beyond the means of more than 50 percent of all the families in the United States.

Achievements. The HHFA Annual Report of 1962 cited a quarter of a century of substantial achievement in public housing and stated that "it had eliminated many disease breeding, crime producing slums, removed fire hazards and unsanitary living conditions and in many communities served as a nucleus around which improved social and physical neighborhoods were built."

Problems. Paradoxically the same source reported that HEW and HHFA had joined together to create a Joint Task Force to attack problems of social maladjustment in public housing. The report stated "The Task Force hopes to stimulate better family adjustment, less vandalism and delinquency, increased tenant participation and more productive living." In recent years much publicity has been given to these unfavorable conditions in public housing and creation of the Task Force is cited to support charges that they are prevalent.

Racial Composition. In 1952, 59.3 percent of public housing families were white and 40.7 percent were negro and other. 1/ In 1961 negro occupancy was reported at 47.3 percent. 2/ Unofficial reports from PHA today put this percentage at approximately 51 percent.

Urban Renewal

The Urban Renewal Program. Urban renewal is a comprehensive term applying specifically to federally assisted projects for the rebuilding or rehabilitation of slum or blighted urban areas. The projects are planned and executed by local public agencies receiving financial aid and technical guidance from the Urban Renewal Administration. The local public agency in some instances is the Public Housing Authority, in others it is a separate body created especially for carrying out urban renewal projects.

1/ Ibid., Appendix III, Exhibit 14.

2/ HHFA Annual Report, 1961, Part IV, Sec. 5, State Laws and Inter-group Relations.

Cities which have developed a federally accepted "Workable Program" are eligible for urban renewal aid. The Workable Program is a plan of action for urban improvement and a showing of the ability and intention of carrying it out. Project planning is financed with temporary federal loans to the local public agency. After planning comes the "execution stage" during which the LPA condemns and acquires properties, demolishes slum buildings, and sells the cleared land to redevelopers who as private entrepreneurs will erect new buildings. The project area may also include existing properties to be rehabilitated in which case ownership may remain unchanged. The assembly, clearance and sale of land usually results in a net loss to the LPA. Two-thirds of this and in some cases as much as three-fourths is covered by federal capital grant from the Urban Renewal Administration. Special FHA mortgage insurance on a high risk basis is available to assist in financing the new construction or rehabilitation.

Current Status of the Program. Capital grant authority is presently limited by law to \$4 billion. Progress under this authorization in recent years is reported as follows:

	Projects approved	Grants reserved	Projects in execution	Projects Completed
12/31/59	699	\$1,388,647,765	437	26
11/30/63	1,378	3,612,357,000	778	115

Source: HHFA-URA Reports of Urban Renewal Operations.

Need for Urban Renewal. In its report of 1953 the President's Advisory Committee on Government Housing Policies and Programs ^{1/} estimated that approximately 6.8 million dwelling units were in the substandard category. Recognizing that many of these could be successfully rehabilitated the Committee after considering a number of factors concluded that about 5 million would have to be demolished to make way for uncongested new housing and public open spaces.

Urban Renewal Progress. One very interesting analysis of the rate of progress of the urban renewal program appears in the book "Renewing America's Cities." ^{2/} Therein the rate of elimination of substandard dwellings under the Federal Program has been extracted from the statistical reports of the Urban Renewal Administration. This was based on figures available December 31, 1959 covering the first ten years of the Federal Program. The authors then undertook to estimate the time that would be required to reach the goal set by the President's Advisory Committee. In doing so they recognized the inherent slowness of new programs and optimistically estimated that the rate of progress might thenceforth be accelerated fourfold. However, at this accelerated rate it was determined that at least 90 years would be required to eliminate 6.8 million substandard units.

^{1/} HHFA Annual Report, 1961, Appendix II, The Size of the Slum Elimination Problem, page 111.

^{2/} Thomas F. Johnson, James R. Morris, Joseph G. Butts, (Washington, D.C.: The Institute for Social Science Research).

This raises the question as to whether acceleration of the rate of progress since December 31, 1959 has been better or worse than the foregoing assumption. As noted above, 437 projects were brought into the execution stage during the first ten years of the program, an average of 43.7 per year. Since then and through November of 1963 there have been added 341 new projects, an average of 87 per year. Thus, it is shown that the rate of acceleration is only half that required to achieve the obviously disappointing result indicated in the preceding paragraph.

Another measure of progress is the FHA mortgage insurance program under Section 220 of the National Housing Act. This comes into play when an urban renewal project reaches the "execution stage" and construction of new units and rehabilitation of existing units commences. Financing of such work has been almost entirely under FHA. Therefore, the following statistics on loans insured under Section 220 is a significant measure and is even less impressive than the foregoing figures on projects in execution.

<u>Single Family</u>	<u>12/31/61</u>	<u>12/31/63</u>
New Housing <u>a/</u>	1,724	2,583
Existing Housing <u>a/</u>	147	475
Improvement Loans <u>b/</u>	---	5
<u>Multi-family</u>		
New Housing <u>a/</u>	26,277	38,566
Existing Housing <u>a/</u>	52	470
Improvement Loans <u>b/</u>	---	---

a/ Introduced by Housing Act of 1954. b/ Introduced by Housing Act of 1961.

Source: FHA Monthly Report of Operations.

Legislation. Federally assisted urban renewal had its beginning in the Housing Act of 1949, Title I of which created a program of Slum Clearance and Community Development and Redevelopment. The Housing Act of 1954 changed this to Slum Clearance and Urban Renewal, the term "Urban Renewal" being a broader concept which embraced rehabilitation of existing structures as well as demolition and rebuilding. The Housing Act of 1954 also introduced special forms of FHA mortgage insurance to facilitate construction and rehabilitation in urban renewal areas. Prior to the Housing Act of 1961 the law was additionally amended several times. In general, these changes amounted to refinements of the basic provisions. The Housing Act of 1961 sought to further encourage rehabilitation by introducing a new form of liberalized loan insurance for home improvement work in urban renewal areas. Unfortunately this has been almost entirely unused. The 1961 Act increased the capital grant authorization to \$4 billion which remains the current limitation and as previously mentioned is now nearly exhausted.

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5. THE ECONOMIC OPPORTUNITY BILL (The "War on Poverty" Bill)
6. URBAN MASS TRANSPORTATION AID BILLS
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9. PRESIDENTIAL DISABILITY AND VICE-PRESIDENTIAL VACANCIES
10. THE HOUSING ACT OF 1964

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- Schmidt, Wilson E. THE RESCUE OF THE DOLLAR. January 1963.
Kemp, Arthur. THE ROLE OF GOLD. January 1963.
Banfield, Edward C. AMERICAN FOREIGN AID DOCTRINES. January 1963.
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THE
GREATER CINCINNATI
CONFERENCE
ON
EQUAL OPPORTUNITY
IN HOUSING

SPONSORED BY
THE PRESIDENT'S COMMITTEE
ON
EQUAL OPPORTUNITY
IN
HOUSING
AND

THE GREATER CINCINNATI
HOUSING CONFERENCE COMMITTEE

NOVEMBER 18, 1964

THE NETHERLAND HOTEL
CINCINNATI, OHIO

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Cincinnati

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MADISONVILLE COUNCIL OF NEIGHBORHOOD CLUBS
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METHODISTS FOR CHURCH RENEWAL
METROPOLITAN LIBERAL RELIGIOUS COUNCIL (UNITARIAN UNIVERSALIST)
MOUNT ST. JOSEPH COLLEGE
NATIONAL ASSOCIATION FOR THE ADVANCEMENT OF COLORED PEOPLE -
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NATIONAL ASSOCIATION FOR THE ADVANCEMENT OF COLORED PEOPLE -
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NATIONAL ASSOCIATION OF SOCIAL WORKERS, OHIO VALLEY CHAPTER
NATIONAL ASSOCIATION OF REAL ESTATE BROKERS
NATIONAL CONFERENCE OF CHRISTIANS AND JEWS
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NORTHERN KY. COMMISSION ON RELIGION AND RACE
OHIO CIVIL RIGHTS COMMISSION
OHIO KY. REGION ANTI-DEFAMATION LEAGUE OF B'NAI B'RITH
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PARTOWN COOPERATIVE HOMES, INC.
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PRESBYTERY OF CINCINNATI
THE PROVIDENT BANK
ST. JOHNS UNITERIAN CHURCH
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SEVEN HILLS FRIENDS MEETING
SEVEN HILLS NEIGHBORHOOD HOUSES
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WOMAN'S CITY CLUB
XAVIER UNIVERSITY
YOUNG WOMEN S CHRISTIAN ASSOCIATION

PROGRAM

11:00 a.m. REGISTRATION - FOYER - HALL OF MIRRORS

NOON LUNCHEON - HALL OF MIRRORS

PRESIDING C. A. HARRELL, Conference Chairman

INVOCATION REV. JOHN BISHOP, Rector, St. Timothy's
Episcopal Church, Forestville, Ohio

WELCOME THE HONORABLE DAVID L. LAWRENCE
Special Assistant to the President, Chairman,
President's Committee on Equal Opportunity in
Housing

INTRODUCTION OF
GUEST SPEAKER THEODORE M. BERRY
Chairman, Ohio Committee for Civil Rights
Legislation

ADDRESS ANDREW HEISKELL, Chairman, of the Board
of TIME Inc.; Chairman of the Executive Com-
mittee of ACTION Inc.

FORUM DIRECTIONS ROBERT J. COATES, Chairman, Planning Com-
mittee; Deputy Executive Director, Ohio Civil
Rights Commission

BENEDICTION RABBI DAVID M. ZIELONKA
Valley Temple, Cincinnati, Ohio

2:00 p.m. DISCUSSION FORUMS: The purpose of the forums is to determine, to the
greatest extent possible, the views and recommendations of the conferees
toward working out a course of action to resolve conditions limiting equal
opportunity in housing in the Greater Cincinnati Area.

SUBJECTS OF DISCUSSION: The Background Paper was written to pro-
vide some facts and an analysis of the housing situation in Greater Cin-
cinnati along with presenting some ideas for discussion in the Forums.

CHANGING NEIGHBORHOODS
ATTITUDES AND ATTITUDE CHANGES

COMMUNITY CONCERN: THE ROLE OF LEADERSHIP

(Note: A break for refreshments will be announced by the Moderator
in each Forum.)

5:15 p. m. FORUMS ADJOURN

PROGRAM (continued)

FORUM # 1 South Hall

Moderator: Msgr. John Murphy

Recorder: David Whittaker

Resource Persons:

John Kirkwood, Director, Federal Housing Administration; Marshall Bragdon, Executive Director, Mayor's Friendly Relations Committee; Rev. John Washington, Associate Director, Council of Churches; Mrs. Morton Startz, Housewife and Civic Leader; Martin Graves, Realtor

FORUM # 2 SOUTH HALL

Moderator: Rev. O. Merrill Boggs

Recorder: Mrs. Donald Spencer

Resource Persons:

J. C. Robison, Manager, Veteran Administration Regional Office; Rev. Richard Isler, Director, Council of Churches; Henry Stefanik, Cincinnati Metropolitan Housing Authority; George Crawford, Madisonville Coordinating Committee; James Grady, Realtor

FORUM #3 NORTH HALL

Moderator: Fr. Louis Ryan, O.P.

Recorder: Richard Faux

Resource Persons:

DeHart Hubbard, Intergroup Relations Advisor, Federal Housing Administration; John Arey, Assistant Director, National Conference of Christians & Jews; Aldon McLeod, McLeod Realty Service; Peter Kory, Deputy Director, Department of Urban Development, City of Cincinnati; Rev. Robert Beck, First Reform Church

FORUM #4 NORTH HALL EAST

Moderator: Mark Israel

Recorder: George Daitsman

Resource Persons:

Clement W. Costigan, Chief, Underwriter, Federal Housing Administration; Alvin Wesley, Community Relations Representative, Mayor's Friendly Relations Committee; Rev. Bennie Whiten, First Reform Church; James Paradise, Legislative Committee Chairman of Home (Housing Opportunities Made Equal); Al Huge, Realtor

PROGRAM (continued)

FORUM #5

PARLOR L

Moderator: Rabbi Albert Goldman

Recorder: Eddie Owsley

Resource Persons:

Bertrand Shelton, Assistant Chief Underwriter, Federal Housing Administration; Joseph A. Hall, Executive Director, Urban League of Greater Cincinnati; Rev. John W. Bishop, St. Timothy's Episcopal Church; Mrs. Robert Starr, Kennedy Heights Neighborhood Council; Ben Siegel, Realtor

FORUM # 6

PARLOR M

Moderator: Harry T. Martin

Recorder: Mrs. David Stoffregen

Resource Persons:

S. P. Kunz, Chief Architect, Federal Housing Administration; Galen Martin, Executive Director, Kentucky Commission of Human Relations; Rev. Otis Moss, Mt. Zion Baptist Church; Joseph B. Murphy, Community Relations Consultant, Department of Urban Development, City of Cincinnati.

FORUM #7

PARLOR N

Moderator: Leonard Slutz

Recorder: Mrs. James Nicholas

Resource Persons:

James L. Murphy, Property Management Specialist, Veterans Administration; Eugene Sparrow, Assistant Director, Mayor's Friendly Relations Committee; Donald Hunter, Building Commissioner, City of Cincinnati; Richard Hage, Urban Renewal Coordinator, Division of Planning and Zoning, State of Kentucky; Ralph Zeigler, Realtist

FORUM #8

PARLOR O

Moderator: Dr. Eugene Cash, Jr.

Recorder: Mrs. Clinton Buford

Resource Persons:

George Vadas, Assistant Manager, Veterans Administration; Ellis Ross, Executive Director, Ohio Civil Rights Commission; Sinclair Powell, Executive Director, Better Housing League; Horatio Pickett, Realtists; Frederick Breyer, Executive Director, Hamilton County Welfare Department.

PROGRAM (continued)

FORUM #9

PARLOR G

Moderator: John Hansan

Recorder: Martin Cassidy

Resource Persons:

Q. V. Williamson, National President, National Association of Real Estate Brokers; Mrs. Theodore M. Berry, Realtist; Charles M. Judd, Chairman, Housing Opportunities Made Equal (HOME); Fr. Edward Chandler, President, Avondale Community Council; Jack E. Wood Jr., Associate Executive Director, National Committee Against Discrimination in Housing.

FORUM #10

PARLOR H

Moderator: Mrs. William Lovelace

Recorder: Roger Rowe

Resource Persons:

George A. Rehtin, Loan Guaranty Officer, Veterans Administration; Donald A. Spencer, Realtist; Rev. M. M. Hutchinson, 1st Unitarian Church; Conrad Haupt, City Planning Commission, City of Cincinnati; Bleecker Marquette, Consultant

6:00 p.m.

DINNER

HALL OF MIRRORS

PRESIDING

C. A. HARRELL, Conference Chairman

INVOCATION

REV. ALLEN J. MEIER, Catholic Diocese of Covington, Kentucky

WELCOME

THE HONORABLE BERNARD EICHHOLZ, Mayor, City of Covington, Kentucky.

RESUME OF FORUMS

MRS. JAMES M. DOLBEY, President, The Woman's City Club

INTRODUCTION OF GUEST SPEAKER

CALVIN CONLIFFE, Member, Cincinnati Board of Education

ADDRESS

MORRIS MILGRAM, President, Planned Communities, Inc., and Modern Community Developers, Inc.

BENEDICTION

REV. BENNIE WHITEN, Associate Minister, First Reformed Church, Cincinnati, Ohio

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RALPH I. ZEIGLER

MRS. RALPH I. ZEIGLER

THE PLANNING COMMITTEE

REPORT OF THE PLANNING COMMITTEE



6.00 PM — DINNER

FORUM SUMMARIES MRS. JAMES M. DOLBY
PRESIDENT
THE WOMEN'S CITY CLUB
CINCINNATI, OHIO

SPEAKER MORRIS MILGRIM
PRESIDENT OF
MODERN COMMUNITY
DEVELOPERS, INC.
PHILADELPHIA, PA.

**THE
GREATER
CINCINNATI
CONFERENCE
ON
EQUAL
OPPORTUNITY
IN
HOUSING**



THE NETHERLAND HOTEL
CINCINNATI, OHIO

NOVEMBER 18, 1964

THE PRESIDENT'S COMMITTEE ON EQUAL
OPPORTUNITY IN HOUSING

and

THE GREATER CINCINNATI HOUSING
CONFERENCE COMMITTEE

Cordially Invite You to Attend

THE GREATER CINCINNATI CONFERENCE

on

EQUAL OPPORTUNITY IN HOUSING

in

THE NETHERLAND HOTEL

Cincinnati, Ohio

Wednesday, November 18, 1964

CONFERENCE CHAIRMAN

C. A. HARRELL

PRESIDENT, BETTER HOUSING LEAGUE
CINCINNATI, OHIO

11:00 am Registration

PROGRAM

NOON LUNCHEON

SPEAKER

MR. ANDREW HEISKELL
CHAIRMAN OF THE BOARD
TIME INCORPORATED
NEW YORK, N. Y.

DISCUSSION FORUMS — 2:00 PM — 5:15 PM

Subjects of Discussion:

CHANGING NEIGHBORHOODS

IS NEIGHBORHOOD SEGREGATION GROWING?
WHAT TRENDS CAN BE DISCERNED?
WHAT FACTORS AID STABILITY?
WHAT FACTORS UNDERMINE STABILITY?
ANALYSIS OF "BLOCK BUSTING".
SPOTLIGHT ON ECONOMIC FACTORS AND
PROPERTY VALUES.

ATTITUDES AND ATTITUDE CHANGES

WHAT ARE ATTITUDES?
OUR ATTITUDES AND OUR ACTIONS.
IMPORTANCE OF ATTITUDES IN RESIDENTIAL
PATTERNS AND CHOICE.
ATTITUDES AND REAL ESTATE VALUES.
SHOULD ATTITUDES CHANGE ABOUT OPEN
OCCUPANCY? HOW?

COMMUNITY CONCERN:
THE ROLE OF LEADERSHIP

IN BUSINESS AND INDUSTRY, GOVERNMENT,
COMMUNITY, NEIGHBORHOOD AND RELIGION.
LEADERSHIP IN COMMUNITY CHANGE.
LEADERSHIP OF FORCES OPPOSING CHANGE IN
HOUSING PATTERNS.
DISCOVERY OR CREATION OF NEW LEADERSHIP.
LEADERSHIP IN THE NEGRO COMMUNITY.
WHO IS A LEADER?
WHO REALLY MAKES THE DECISIONS?
LEADERSHIP AND POWER STRUCTURES.
THE PROBLEM OF LEADERSHIP IN MORAL TERMS.

**A BACKGROUND PAPER
FOR THE
GREATER CINCINNATI
CONFERENCE ON
EQUAL OPPORTUNITY IN HOUSING**

Cincinnati, Ohio

November 18, 1964

The Netherland Hotel

FOREWORD

The lasting value of community conferences such as this being held in Cincinnati is in the exchange of ideas, opinions and plans provided by the discussion forums. Orderly discussion cannot take place, however, without a few general premises and facts on which to begin. These, we hope, are presented in this document in sufficient number to define the problem without arbitrarily suggesting a solution.

The text was written by George Schermer, Consultant to the President's Committee on Equal Opportunity in Housing, who collected the data from a number of sources in the Greater Cincinnati Area. Scholars will find them cited in a special appendix to be made available at the Conference.

The President's Committee wishes to acknowledge the considerable assistance of the Mayor's Friendly Relations Committee, the Cincinnati Planning Commission and the Better Housing League.

BACKGROUND PAPER

GREATER CINCINNATI CONFERENCE

November 1964

The American Credo - And A Place to Live

Americans share a common faith in equality of opportunity. Few, indeed, would publicly proclaim a philosophy that would deny to others the rights and privileges which they, themselves, enjoy.

However, somewhat more than twenty million Negro and other Americans of minority groups are denied equal opportunity and freedom of choice in their quest for a good place to live. This fact represents two quite distinct and critical concerns: (a) From the point of view of justice and conscience, each time an individual is denied a house because of his color or ancestry a moral wrong is committed whether or not the particular action is unlawful, and (b) the social consequences of denial and residential segregation have reached crisis proportions in most of the larger urban centers. Personal degradation, family and social disorganization, public disorder, poverty, ill health and physical decay are often the direct result of, or are grossly aggravated by housing discrimination. Unless present trends are reversed continued physical decay, deepening racial alienation and pyramiding public expense are inevitable.

Nothing is to be gained, however, by merely viewing with alarm or casting blame upon others. Americans have demonstrated in the past that they are capable of meeting and resolving the critical challenges of the time. This problem, too, can be solved but it demands that responsible citizens, particularly those of influence and power, devote themselves to long, hard, intensive examination of the problem and a readiness to match solutions to the dimensions of the task.

As one step toward solution, the late President John F. Kennedy issued Executive Order 11063, which provides that the Executive branch of the Federal Government shall take all appropriate steps to assure equal opportunity in housing.

The Purpose of This Paper

This paper is written to provide a backdrop of fact, analysis and interpretation, and a stimulus for discussion for the Greater Cincinnati Conference on Equal Opportunity in Housing. An attempt has been made to present the facts in an objective manner. However, there is no pretense of neutrality. The paper reflects the spirit of the Presidential Order. It assumes that the conferees are already persuaded that inequality of housing opportunity is harmful and are met to find solutions.

The paper is organized into two parts:

Part I - presents the facts and analyses in capsule form.

Part II - is designed to serve as a guide for discussion.

PART ONE

FACTS AND ANALYSIS

FIRST, THE FACTS - - - -

Population Trends in Greater Cincinnati

The total population of Greater Cincinnati has been increasing at a rate comparable to the nation as a whole, but much more slowly than in many major metropolitan areas.

The ratio of non-white population growth in Greater Cincinnati is the lowest for any metropolitan area in the midwest. In actual numbers the increase for non-whites was 33,000 compared with 134,000 whites. About one-third of the non-white increase is from in-migration compared with one-fifth for whites.

While the non-white population of the region is relatively small, compared with the total, its rate of growth is greater. Non-whites were 10.6 per cent of the total in 1950 and 12.1 per cent in 1960. It is estimated that the ratio may be 12.8 per cent by 1970.

When family units rather than persons are considered the ratio is somewhat lower. About 10 per cent of all dwelling units in 1960 were occupied by non-whites.

Population Trends - City vis-a-vis Suburbs

About 87 per cent of all the non-whites in Greater Cincinnati live within the central city and 90 per cent of the non-white increase occurs there. The balance of 13 per cent is not generally distributed throughout the suburban region but is concentrated in smaller enclaves in Covington, Springfield Township, Sycamore Township, etc. If present trends continue 90 per cent of the non-white population will be concentrated in the city by 1970.

During the decade of the 1950's the white population of Cincinnati declined by 32,447 or 7 per cent. In the suburban areas outside Cin-

Concentration Within the City

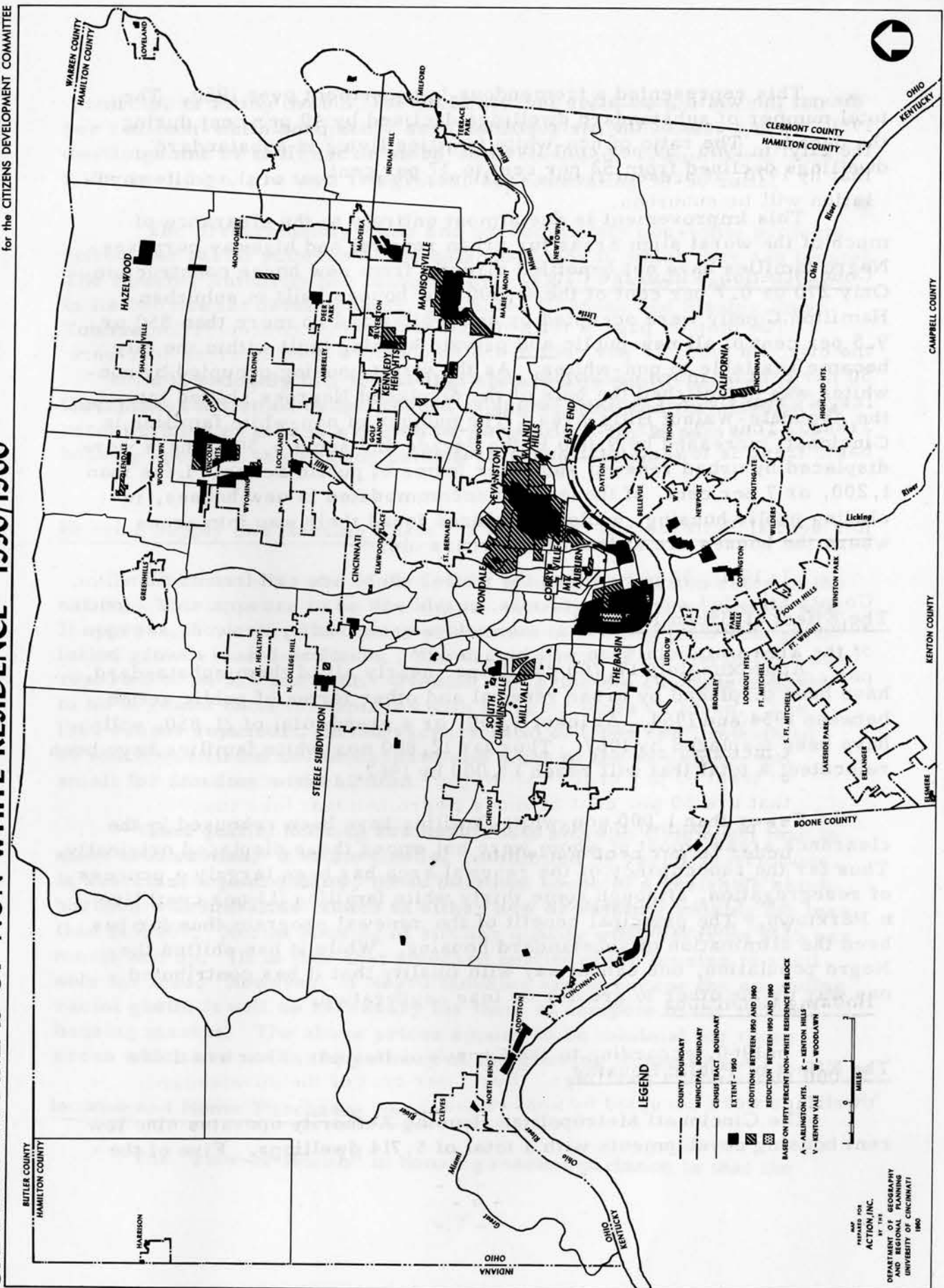
Residential Patterns and the Schools

While precise information on racial distribution in Cincinnati schools is not available it is estimated that at least 60 per cent of all Negro children attend schools that are 80 per cent or more Negro and that less than 25 per cent of the Negro children attend schools that are under 50 per cent non-white. In the area as a whole at least 85 per cent of all white children attend schools that are either exclusively white or have fewer than 20 per cent non-white.

Housing Conditions

In 1960, according to the Census of Housing, Cincinnati had 31,000 substandard dwellings. Forty per cent of the substandard dwellings were occupied by non-whites.

CHANGES IN AREAS OF NON-WHITE RESIDENCE — 1950/1960



This represented a tremendous improvement over 1950. The total number of substandard dwellings declined by 40 per cent during the decade. The ratio of non-white families living in substandard dwellings declined from 52 per cent to 37 per cent.

This improvement is due almost entirely to the clearance of much of the worst slum areas for urban renewal and highway purposes. Negro families have not benefited directly from new house construction. Only 270 or 0.7 per cent of the 41,500 new houses built in suburban Hamilton County were occupied by non-whites and no more than 850 or 9.5 per cent of all new public and private housing built within the city became available to non-whites. As the worst housing occupied by non-whites was demolished the bulk of the displaced Negroes shifted into the Avondale-Walnut Hills Area. The number of non-white families in Cincinnati increased by 9,000 in the decade and some 6,500 others were displaced by urban renewal and other forms of public action. Less than 1,200, or 7 per cent, of these were accommodated in new houses, including public housing, while the balance found their way into areas where the houses are at least forty years old.

The Effect of Urban Renewal

Approximately 17,700 dwellings, nearly all of them substandard, have been displaced by urban renewal and other forms of public action between 1954 and 1964. At least 4,150, or a grand total of 21,850, will have been displaced by 1967. Thus far 12,800 non-white families have been relocated; a total that will reach 15,000 by 1967.

Fewer than 1,000 non-white families have been rehoused in the clearance areas, most of whom were not among those displaced originally. Thus far the reoccupancy of the renewal area has been largely a process of resegregation, although some thirty white families (13 per cent) live in Parktown. The principal benefit of the renewal program thus far has been the elimination of substandard housing. While it has shifted the Negro population, one cannot say with finality that it has contributed one way or the other to greater or less segregation.

The Effect of Public Housing

The Cincinnati Metropolitan Housing Authority operates nine low rent housing developments with a total of 5,714 dwellings. Five of the

projects, totalling over 3,000 dwellings are from 90 per cent to 100 per cent non-white occupied. Two, totalling approximately 1,600 dwellings are 90 per cent or more white occupied. Two others, with 1,100 dwellings, are well integrated, approximating 50-50 ratio.

The predominately white and predominately non-white projects reflect the racial patterns of the neighborhoods in which they are located. The Housing Authority has taken special pains to assure racial balance in its two newest developments, Findlater Gardens and Stanley Rowe Towers.

It is probably fair to say that historically public housing in Cincinnati conformed to the pattern of segregation and that despite the recent efforts to assure a degree of integration, the impact of public housing upon the segregation pattern is nominal at most.

Housing Supply and Housing Costs

Cincinnati has one of the lowest housing production rates in the nation. This appears to be due almost entirely to the low growth rate. It appears, however, that house production is keeping pace with population growth plus demolition. The vacancy rate at the end of 1963 was reported to be 5.7 per cent. Overall, the principle shortage appears to be in rental units for families with three or more children. The 1960 census reported a rental vacancy ratio of 6 per cent, one-third of which was listed as substandard and much of the remainder too small for families with children.

Good quality housing evidently costs more in Cincinnati than in most urban areas. A white family, uninhibited by racial restrictions, in search of a good quality, three bedroom house in a desirable neighborhood will find little choice in either new or existing housing for less than \$15,000. Rental housing of similar quality will cost from \$125 per month and up. (It is true that standard quality older housing is available for less. However, if Negro families are to escape the spreading racial ghetto it will be necessary for them to compete in the general housing market. The above prices appear to be minimal for those areas which are not in the pathway of the growing Negro areas.)

Income and Home Purchasing Power

The "rule-of-thumb" in housing market parlance is that the

average middle income family can afford to buy a house costing up to but not more than two and one-half times its annual income. A companion rule is that not more than 20 per cent of income should be paid out for rent.

There are, of course, wide variations from those rules when applied to individual situations, but the rules serve very well in estimating the market.

If the above estimates of housing costs are reasonably accurate, a family earning \$6,000 or more annually is financially capable of competing in the general market for sale housing while \$7,500 will be required for those wishing to rent in the general market.

Negro Purchasing Power

The median income for non-white families in metropolitan Cincinnati in 1959 was \$3,946 compared with \$6,616 for whites. This was a 110 per cent increase over 1949. The relative position of Negroes to whites improved only slightly. In 1949, Negro median income was 56 per cent of the median for whites, while in 1960 it was little over 60 per cent.

The crucial figure is \$6,000, because that is the level at which families become generally competitive in the housing market. In 1949 only 400 non-white families in Greater Cincinnati had incomes of \$6,000 or more. By 1959 there were 6,600. In other words, if the figures are averaged over ten years, some 660 non-white families annually are arriving at the income level where they have the financial capability of competing for housing outside the expanding ghetto pattern.

AND THE ANALYSIS - - -

To Make the Ghetto Smaller

A later section of this paper goes into the question of the harm that racial segregation does. If it is agreed that racial segregation is harmful, it may be presumed that thoughtful citizens will seek to check the growth of the ghetto areas. The Greater Cincinnati Negro population

is growing by at least 900 family units per year. To hold the line then, at least that many Negro families must find houses in the general market each year. If the ghettos are to be appreciably reduced the number must be brought well over the thousand mark.

If all racially restrictive practices were to cease and non-white families were motivated to move into the main stream it can be estimated that as of 1964 there might be a backlog of 9,000 non-white families augmented by 600 additional families each year who could afford to do so. (These are extremely gross estimates. Among the 9,000 will be a number who now live outside the segregated areas. A great many others may be heavily committed to the houses they now have and would not be disposed to move.)

In the meantime it can be estimated that at least 33,000 other non-white families are not financially capable of competing in the general market at present prices and their number, too, is increasing by 300 or so per year.

Thus, if reducing the extent of racial segregation is a goal, more than the removal of racial restrictions will be required. Somehow, the equation between Negro purchasing power and housing costs must be adjusted so that Negroes can enter the general market at a rate faster than their increase in the population.

Market Practices

A later section supplies quotations from authoritative sources concerning the restrictive practices of the housing market. The fact of racial discrimination in the housing market throughout the United States is so patent that any attempt at proof is redundant. The refusal to sell or rent is frequently overt and unabashed. More often it occurs by devious evasion and subterfuge. Since most people, white or non-white, tend to be highly responsive to active merchandising on the one hand and are easily rebuffed on the other, discrimination can be said to exist wherever the market actively seeks its customers from particular ethnic or racial groups to the general exclusion of others.

Consumer Behavior

Real estate brokers and home builders often aver that they are

rarely confronted by competent non-white buyers or renters seeking homes on the open market. This is sometimes cited as proof that non-white buyers prefer the homes that are offered them and that residential segregation is desired and voluntary by both whites and Negroes.

There is indeed considerable evidence that a substantial majority of both white and Negro families hesitate to expose themselves to the uncertainties and emotional hazards that accompany any departure from the conventions that govern race relations. Most homeseekers are quite unsophisticated about house buying or renting. They are easily influenced by the counsel of friends, neighbors and the agents of the housing industry. Negroes are conditioned by environment and experience to anticipate rebuff. A Negro family must have extraordinary fortitude and courage to risk the cold stares, the slights, rebuffs and outright insults that may be its reward for shopping for houses outside the accepted areas. It is much easier to accept the guidance of the broker or agent who leads them to neighborhoods which the market is actively pushing for Negro occupancy.

In various parts of the United States -- California, Pennsylvania, New York and Washington, D. C. -- builders have actively sought to merchandise their product on a racially inclusive basis; or, at least, have made it clear that non-whites were welcome. In all such instances Negroes in significant numbers have responded. The operators had some problems with white prospects and no doubt many white customers went elsewhere. However, if the product was worthy, if the price was fair, and if there was persuasive salesmanship racial inclusiveness proved to be no barrier to success.

"Block Busting" - Essential Service or Evil?

Some real estate agents have specialized in speculative trading upon the fears and prejudices of whites and the gullibility and ignorance of Negroes. Legend, myth and a few popular magazines have succeeded in creating and perpetuating the image of any broker who handles the first sales of property to Negroes in formerly white areas as a "block buster" and therefore evil. Any broker who seeks to extend the availability of housing for Negroes is viewed as an enemy. The Negro homeseeker who dares to search for a better home for his family is thought to have an ulterior motive.

Rarely are the voices of protest against the so-called "block buster" extended to the brokers who serve as the agents of exclusion for the larger market or the legion of property owners who do all in their power to discourage and exclude Negroes entirely.

At least 900 Negro families are being added to the Greater Cincinnati population annually, another 700 annually are being displaced by public action, and uncounted others are moving up the economic ladder and hope to improve their condition. They must find houses somewhere. If the general market excludes them they must have the services of agents who can deliver the houses.

Those who decry the activities of brokers who specialize in sales to Negroes should ask themselves this question, "Which is the greater source of evil; the broker or builder who serves as the agent of exclusion or the one who, for a fee or commission, makes it possible for a Negro family to obtain a home?"

Neighborhood Stabilization

In nearly every major metropolitan area of the United States, groups of white property owners in racially changing neighborhoods band together to welcome the new non-white residents, to combat the "scare" tactics of "unethical" real estate brokers and to pledge with each other "not to run away". A few such efforts have been successful where conditions were favorable. At least four out of five fail in the sense that the transition from white to predominantly non-white goes on, although the pace of change is often slowed down. While those who strive to maintain balanced, racially inclusive neighborhoods should be encouraged, it should be recognized that unless upwardly mobile non-whites have a wide choice of houses and neighborhoods available to them the efforts to curb real estate activity and racial transition in the "changing" neighborhoods have little chance for success.

The Law and Public Policy

On November 20, 1962, the late President, John F. Kennedy, signed Executive Order No. 11063, entitled Equal Opportunity in Housing. That Order requires that all Federally aided or assisted housing produced after that date must be covered by a provision that assures equal

access to otherwise qualified buyers, renters or borrowers regardless of color, race, religion or national origin. This applies to any FHA (Federal Housing Administration) insured or VA (Veterans Administration) guaranteed housing initiated after November 20, 1962. The Order was not made retroactive to housing placed on the market before that date.

Title VI of the Civil Rights Act of 1964 has the effect of prohibiting discrimination in any housing or public facilities benefiting directly from public assistance, regardless of when it was built or placed on the market. This does not apply to FHA insured or VA guaranteed housing.

Eleven states and four cities now have laws prohibiting discrimination in specified classes of private housing. Most such laws apply to all new and all multiple occupancy accommodations but tend to exempt owner occupied dwellings.

In Ohio, law and public policy are silent. Sellers, brokers, lenders and managers in the private housing market are in no way inhibited by law from discriminating in the sale, rental or financing of private housing on the basis of race, except for such housing as is covered by Executive Order 11063.

Overt Denial vis-a-vis Passive Exclusion

It is probably fair to say that while most white people would be uncomfortable with the thought that Negroes were being deprived unfairly they are anxious to believe there can be equality without the prospect of integration in their neighborhoods. It also appears that while most Negroes subscribe to the principle of an open market only a few are willing to undergo the rebuffs or take the risks of probing the market without invitation and encouragement.

Thus far the laws and executive orders for equal opportunity in housing go no farther than to prohibit an agent from refusing to sell, rent or finance a house for reasons of race. There is little in the law or public policy to require affirmative merchandising of housing to the normally excluded minorities.

This places practically all the burden of initiative upon the minority. To get any significant assistance from the Order as it applies to private housing, a Negro must have considerable financial capability, a sophisticated knowledge of the housing market, courage and motivation. He is likely to get little encouragement or guidance from the housing industry and probably little tangible help from well intentional civic or religious groups.

Under these conditions it seems unlikely that there will be much progress toward residential desegregation. Perhaps most people will feel absolved of responsibility because they are not the active agents of exclusion. Thoughtful citizens should ask themselves whether the failure to actively and affirmatively include is not tantamount to passive exclusion.

Is Residential Segregation Harmful?

There probably are few in attendance at this Conference who would argue in favor of an enforced system of racial segregation or attempt to justify the denial of free access to the housing market on the basis of race or ancestry.

There may be many, however, who wonder how far either government or civic organizations should go in affirmatively promoting or encouraging racially inclusive patterns. If the law will protect the occasional family that is actively seeking a home is that not enough? Why seek to educate, persuade or assist Negroes to venture beyond the racial ghetto? Why persuade whites to do more than passively permit some Negroes to buy their product or live in their neighborhood?

The answer lies in whether racial segregation is socially harmful. If it is not, then only individual freedom is at stake and only those persons who wish to actively exercise their freedom need to be protected.

If, however, as many believe, the massive patterns of racial segregation which have emerged in our major cities are socially harmful to the extent that they constitute a major crisis then all responsible citizens, civic and religious groups and government will sense an obligation to actively seek a socially constructive alternative.

PART TWO

GRIST FOR DISCUSSION

How Harmful Is Racial Segregation?

Is the problem limited to enabling those Negro families who can afford to compete in the open market to do so if they wish?

Is segregation as such so serious that civic, business and religious groups and government should cooperate in programs of sufficient dimensions that the segregation pattern is annually reduced rather than increased?

Assume that the few Negroes who feel strongly about it can get houses on the open market and the rest are persuaded to accept a choice of good houses at fair prices on a restricted basis, thus leading to an extension of the segregated pattern.

Would that be wholesome or harmful?

While a great many people seem to think it wrong to speak favorably of segregation, only a few act to prevent it.

What right do those few have to seek to impose their views upon the majority?

What proof is there that segregation is genuinely harmful to the community?

How Large Is the Negro Market?

Some of the income data quoted in Part I indicates there might be as many as 9,000 non-white families financially capable of competing in the open market augmented by 600 annually. However, a very large majority of these may have houses already and not be disposed to move.

Also, it is conceivable that a majority of them would rather live close to other Negroes and would not actively seek houses in the open market.

How many Negro families would actually seek houses in the open market if they knew they were welcome?

Is it possible to forecast the actual Negro market potential?

The Effect of Merchandising

How many white families would be prompted to buy houses in the suburbs if no one was trying to sell to them?

Would white Protestants actively seek housing in particular suburbs if all the sales promotion indicated that Catholics only were desired?

Has the Negro market ever been subjected to the kind of sophisticated house marketing activity that has been directed to the middle class white market?

If developers and builders were to use advanced selling techniques to reach the Negro market, is it conceivable that the Negro tendency to accept old houses in transitional neighborhoods might be somewhat altered?

How Can Builders and Developers Be Motivated to Appeal To The Negro Market?

The fair practice laws and executive orders can prohibit sellers and their agents from refusing to sell to a particular customer. It is much more difficult to cause a seller to actively merchandise his product to persons of all groups.

What incentives might be offered to developers to actively reach for an inclusive market rather than an exclusive one?

What Are the Responsibilities of Those Who Are the Source of Restrictive Practices?

The operators of the housing industry (builders, brokers,

financiers) may be the agents of discrimination in housing but it seems unlikely that they would behave as they do if they did not believe the consumer public required it of them.

Of course, there is no single consumer viewpoint. There are many consumers and many viewpoints. Those who object to racially inclusive market practices tend to be more vocal than those who approve. Mere expressions of "we would have no objection" do not carry the weight of "we won't buy if there are Negroes." Until the latter is balanced by a large, firm "we will buy only in an inclusive neighborhood" will practices change.

What is the state of mind of the white housing consumer?

Does he in fact demand that non-whites be excluded?

Does he influence the agent? Or does the agent influence him?

How can those consumers who favor inclusive neighborhoods speak out effectively?

What Are the Responsibilities of the Victims of Restrictive Practices?

Do builders and real estate brokers have cause to believe that more than a few Negroes are seeking homes on a racially decentralized basis?

How many Negroes are shopping for houses outside the old racially changing neighborhoods?

How many are shopping for the houses now covered by the Executive Order?

For houses on the acquired lists?

How many are informed of their opportunities?

Is there any real motivation or knowledge of what may be required to alter the ghetto pattern?

What kinds of educational and organization programs may be required to change the home buying habits of Negroes?

Negro Standards

Many apologists for discriminatory practices point to the apparent lower standards of property maintenance and social behavior in low income Negro neighborhoods as justification for exclusion of all Negroes. Is such reasoning ethical? Logical?

Are middle class whites held similarly responsible for the behavior of their less enlightened brethren?

Is a system of penalizing responsible citizens conducive to improving the standards of those who are less conventional?

What might be the more practical methods of improving the standards of the disorganized segments of society, regardless of color?

Neighborhood Stabilization and "Block Busting"

Perhaps no type of person is viewed as a greater villain than the real estate broker or agent who exploits the fear of whites and the gullibility of Negroes in the exchange of property from white to Negro occupancy.

Why does this practice seem more evil to most people than the practices of exclusion in the general market?

Is the "block buster" a cause or a symptom?

Is there any hope for curbing such practices as long as Negroes do not have access to the general market?

How else would Negroes ever get houses under existing conditions?

Many, many neighborhood groups around the United States have organized to prevent total neighborhood transition after the first Negro

families move in. Efforts in neighborhoods located a good distance from an area of Negro concentration are usually successful. With a few exceptions those located contiguous to an expanding Negro area have failed. None are successful if they limit their efforts to "we won't run." Success depends upon attracting both white and Negro buyers simultaneously.

What elements must be present to attract whites into an area if Negroes are also moving in?

What factors must be present in the larger community to prevent large numbers of non-whites from inundating a particular area?

Equating Buying Power to Cost

Under present conditions it appears that while non-white incomes have improved substantially the actual number of non-white families that cannot compete in the open market increases annually.

Is there hope that this equation can be balanced in the other direction?

What is the most practical approach?

Should present housing costs be accepted and incomes boosted to match? Or is it possible that housing costs can be brought down?

Do such Federal programs as 221(d) (3) offer a prospect for reducing costs?

Is it reasonable to hope that land could be found in suburban areas for "221 housing?"

Urban Renewal as an Instrument for Desegregation

In some cities urban renewal has served to intensify the pattern of segregation. In others it functions to aid desegregation. The effects occur at two different points; (a) in relocation and (b) in reuse of the site.

How can relocation serve as an instrument for alleviating the segregation pattern?

What is required to bring about racially inclusive patterns in redevelopment projects?

Public Housing

Because of income restrictions public housing in many cities is becoming predominantly Negro occupied.

Does this mean that public housing is an instrument for segregation?

How can the planning of new public housing programs be directed toward implementing desegregation?

Effectiveness of Executive Order

How can the Executive Order be used more effectively in the Greater Cincinnati area?

What informational, educational, motivational programs are required to encourage more Negroes to learn about and to seek out their opportunities in this respect?

Whose responsibility is it to initiate such programs?

Civic and Religious Group Action

Where would a Negro family go for information, advice and encouragement if it wanted to improve its housing condition or to play its part in the move toward desegregation?

Where do positively motivated white people go for guidance if they wish to promote racially inclusive patterns in their neighborhoods?

If a white seller wants to list his house for sale on a non-restrictive basis and the local brokers refuse to implement such an arrangement where does he go for help?

How can such a house be listed so that both Negroes and whites are informed of its availability?

How can a community-wide educational program be launched that will constructively condition the public mind?

Who has the responsibility?

What Programs and Measures Are Required to Bring About An Open and Racially Inclusive Housing Market?

What is required at the national level?

Are more laws or extensions of the Executive Order required?

What more can the Federal housing agencies do?

What is required at the state and local level?

Is an Ohio fair housing law required?

What may be necessary to obtain passage of such a law?

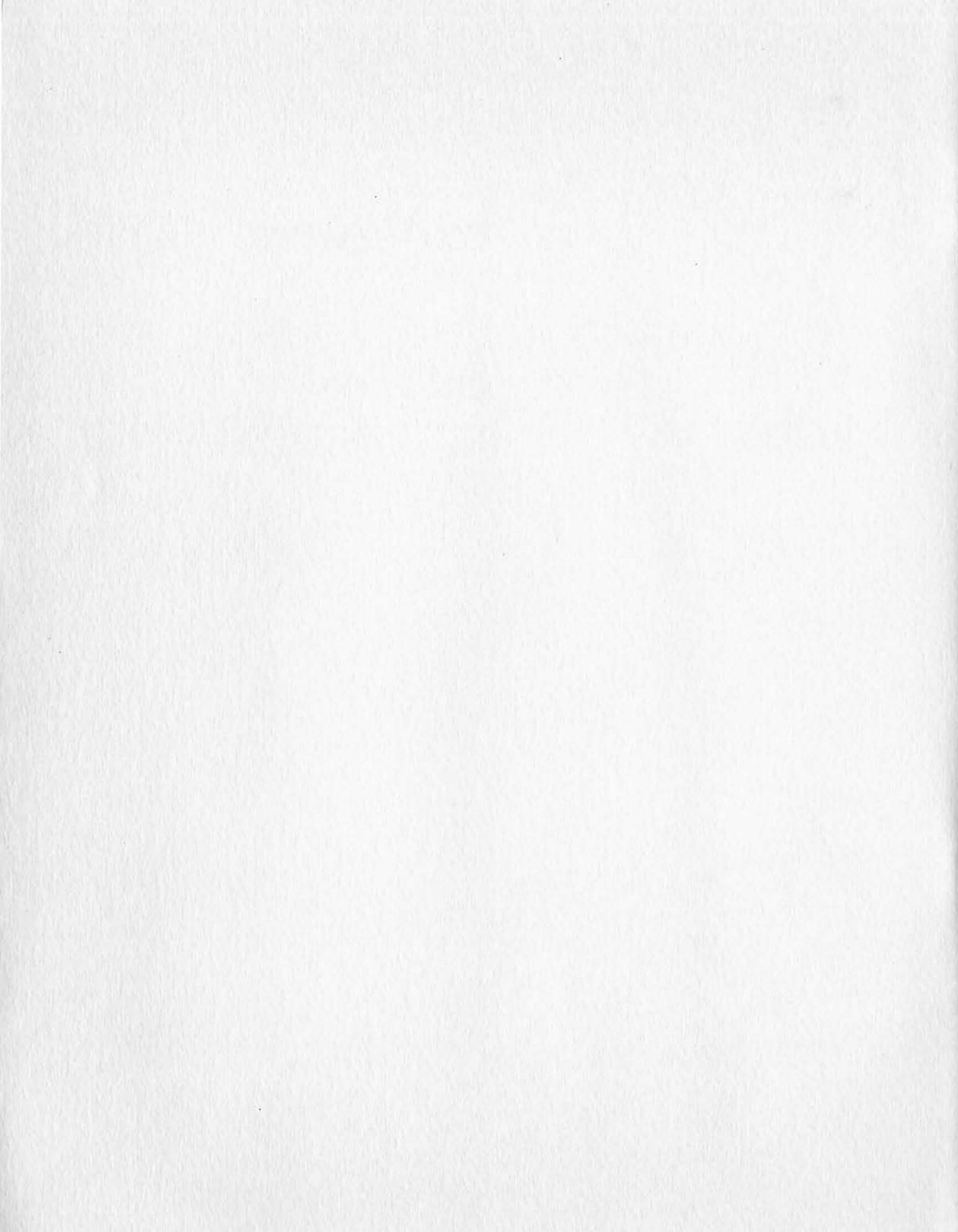
Would a fair housing ordinance in Cincinnati serve the purpose?

What might the responsibilities of the housing industry be?

Is it possible that the industry might adopt affirmative measures to encourage racially inclusive practices in all housing in all parts of the metropolitan area?

Is the industry well enough organized and policed to make such measures meaningful?

What can civic organizations do to influence public policy, industry practice and citizen behavior toward racially inclusive practices in the entire housing market?



LUNCHEON - - - - - 12: 15 P. M.

LUNCHEON ADDRESS:

HON. NICHOLAS DE B. KATZENBACH
ACTING ATTORNEY GENERAL OF THE
UNITED STATES

AFTERNOON WORKSHOPS - - - - 2: 00 P. M.

A CONTINUATION OF THE FOUR MORNING
WORKSHOP SESSIONS TO EXPLORE SOLUTIONS
FOR THE PROBLEMS EXAMINED IN THE EARLIER
SESSIONS.

1. IMPLEMENTATION OF GOVERNMENTAL
RESPONSIBILITIES.
2. EXPLODING THE MYTHS OF HOUSING
INTEGRATION - A SUCCESS STORY.
3. COMMUNITY ATTITUDES - HOW WE CAN
CHANGE THEM.
4. THE IMPORTANCE OF FAIR HOUSING AND
DEVELOPING COMMUNITY ACCEPTANCE.

PLENARY SESSION - - - - - 4: 30 P. M.

SUMMARY AND CONCLUSIONS -
WILLIAM BOUCHER III
EXECUTIVE DIRECTOR, GREATER BALTIMORE
COMMITTEE

CONFERENCE ADJOURNMENT - - 5: 00 P. M.

**THE
GREATER
BALTIMORE
CONFERENCE
ON
EQUAL
OPPORTUNITY
IN
HOUSING**



NOVEMBER 24, 1964

HOTEL SHERATON-BELVEDERE
CHARLES AND CHASE STREETS
BALTIMORE, MARYLAND

THE HONORABLE DAVID L. LAWRENCE

SPECIAL ASSISTANT TO THE PRESIDENT
CHAIRMAN, PRESIDENT'S COMMITTEE ON
EQUAL OPPORTUNITY IN HOUSING

THE HONORABLE J. MILLARD TAWES

GOVERNOR OF THE STATE OF MARYLAND

THE HONORABLE THEODORE R. Mc KELDIN

MAYOR OF THE CITY OF BALTIMORE

Cordially invite you to attend

**THE GREATER BALTIMORE
CONFERENCE**

on

EQUAL OPPORTUNITY IN HOUSING

To be held November 24, 1964

at

THE HOTEL SHERATON-BELVEDERE

Charles and Chase Streets

Baltimore, Maryland

The theme of the conference is:

"FREEDOM OF RESIDENCE IN GREATER
BALTIMORE -- PROVIDING OPEN AND
ADEQUATE HOUSING FOR ALL"

PROGRAM

CONFERENCE OPENING - - - - 9:30 A. M.

CHAIRMAN - HANS FROELICHER, JR.
HONORARY PRESIDENT, CITIZENS PLANNING
AND HOUSING ASSOCIATION

GREETINGS:

THE HONORABLE DAVID L. LAWRENCE

KEYNOTE ADDRESS:

THE HON. THEODORE R. Mc KELDIN
MAYOR OF THE CITY OF BALTIMORE

"WHY WE NEED EQUALITY IN HOUSING"

MORNING WORKSHOP SESSIONS - 10:45 A. M.

FOUR CONCURRENT WORKSHOP SESSIONS DEVOTED
TO AN EXAMINATION OF THE PROBLEM:

1. THE ROLE OF GOVERNMENT - CHAIRMAN,
FRANCIS D. MURNAGHAN, JR.
2. THE MYTHS OF HOUSING INTEGRATION -
CHAIRMAN, JOSEPH H. PURDY
3. COMMUNITY ATTITUDES: NEGRO AND WHITE -
CHAIRMAN, H. C. WILSON
4. HOUSING AND CIVIL RIGHTS: IS THERE A
CORRELATION? - CHAIRMAN, FRANK T. GRAY

**Greater Baltimore Conference
On Equal Opportunity
In Housing**

BACKGROUND PAPER

**November 24, 1964
Sheraton-Belvedere Hotel
Baltimore, Maryland**

SOURCES OF DATA FOR BACKGROUND PAPER

Selected Housing & Household Characteristics of the White and Non-white Population, Baltimore, 1960 Community Renewal Program, Baltimore Urban Renewal & Housing Agency, June, 1964.

Population & Housing - Information from the 1960 U. S. Censuses of Population & Housing as Related to Baltimore City, Community Renewal Program, Department of Planning, City of Baltimore, March, 1964.

FACT SHEET on Public Housing in Baltimore, Maryland, as of January 1, 1964. Baltimore Urban Renewal & Housing Agency.

Hammer & Co., Economic Report on the Baltimore Region, February, 1964.

THE OBJECTIVES OF THE CONFERENCE

The purpose of this Conference is to bring together a cross section of business and community leadership for a frank and searching dialogue on the problems of segregated housing in the Baltimore metropolitan area.

Attendance at the Conference will be representative of many diverse groups: business, civic, religious, neighborhood, labor, trade, civil rights and public agencies. It is hoped that at this meeting new insights will be drawn from the diversity of representation, and new leadership will be provided for establishing equal housing opportunity.

It is the purpose of this background paper to provide facts for the conference workshop discussions. Since the problem we are struggling with here is highly complex, no one forum can possibly consider all aspects. Each of the respective forums, therefore, is being asked to make an intensive examination of one or a few of the elements only. By having each workshop use this background paper as its point of departure, proceeding from there to a discussion of its specific area of concern, the conference as a whole can move forward to a comprehensive plan of action.

The following statement of facts is drawn from the sources noted. It is not intended to disclose new data, although certain facts may be new to some participants. Here in condensed form is information essential to understanding and acting on the problems under discussion in the workshop sessions.

THE PROBLEM

In the Baltimore metropolitan area the problem can be stated in terms of racial imbalance between the City and its surrounding counties. Between 1950 and 1960 the white population of Baltimore City declined by 113,000 persons, the non-white population, on the other hand, increased by 102,000 persons, an almost one-for-one replacement. During this same period, the five county area (Anne Arundel, Baltimore, Carroll, Harford and Howard) of the Baltimore region experienced substantial population increases in only the white segment of the population. In the case of Baltimore County the white population increased by 88 per cent,

from 1950 - 1960, and the non-white population decreased both in percentage and in absolute numbers.

The creation and spread of ghetto patterns of residence in the city were hastened by the movement of a substantial segment of the white population out of the city and the rapidly increasing non-white population which was restricted to the city. These patterns of residence have resulted in a serious threat to the economic, social and cultural stability and vitality of the entire metropolitan community.

PUBLIC POLICY

National public policy, as embodied in the President's Executive Order No. 11063, requires that all housing supplied with Federal assistance after November 20, 1962 be available to everyone, on the same terms, regardless of race, color, creed, or national origin. The President's Order also provides that every effort be made to eliminate discriminatory practices in housing which has received Federal assistance prior to the issuance of the Order.

Public policy in Maryland does not go any further than the above Federal policy. Sellers of real estate may discriminate on the basis of race or creed in any housing not covered by the Executive Order.

While only the overt practices of discrimination are prohibited by the Executive Order, there is implicit in public policy the assertion that the community must combat the more subtle forms of discrimination, economic factors and cultural patterns which also function to exclude minorities from the general housing market and which serve to extend ghetto growth. To combat these disadvantaging factors, it is acknowledged, we must adopt positive and affirmative programs which would foster racially inclusive practices and would disperse the ever-growing ghetto.

POPULATION AND RESIDENTIAL SEGREGATION

In 1960 in the Baltimore metropolitan region (Baltimore City, Anne Arundel, Baltimore, Carroll, Harford and Howard Counties) there were 505,337 households. Over 18 per cent of these (92,946) were non-white. Of this total, almost 87 per cent were within Baltimore City itself. There they comprised 29 per cent of all households in the City.

The concentration of the non-white population of Baltimore City clusters around the central business district, fanning out northwest and

northeast from the downtown area. Within this area there are 45 census tracts, each with a non-white population of 75 per cent or more. These tracts contained 77 per cent of the non-white households in Baltimore City.

In the counties around Baltimore, the non-white population is likewise concentrated in a few localities. In Baltimore County, the Catonsville, Towson, and Dundalk areas each have substantial areas of Negro occupancy which are segregated from the surrounding areas.

The racial composition of the regional population has been undergoing a steady change. The non-white population made up 19.1 per cent of the total regional population in 1950. Since that time, the non-white share has increased steadily to 21.6 per cent in 1960 and 22.3 per cent in 1964.

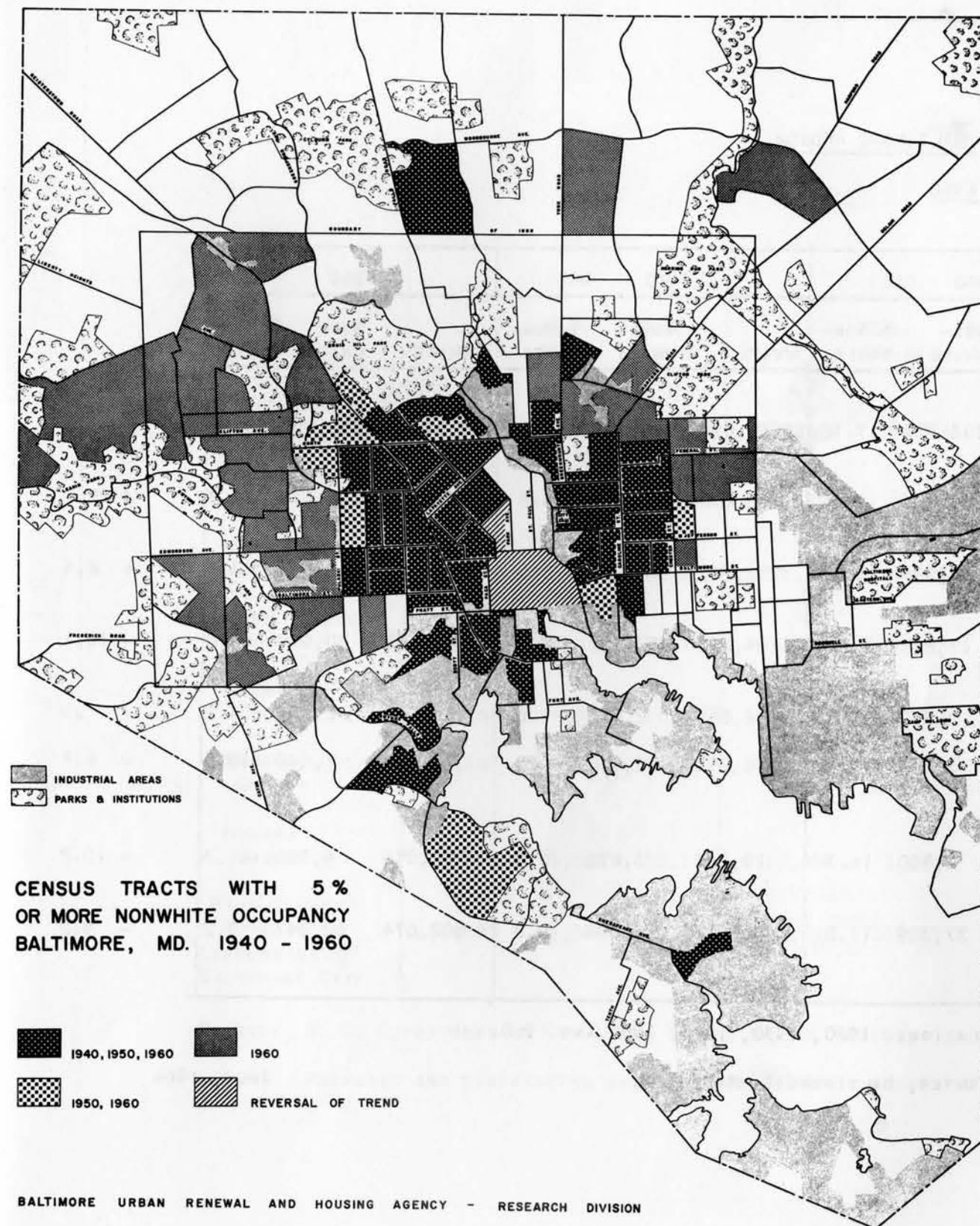
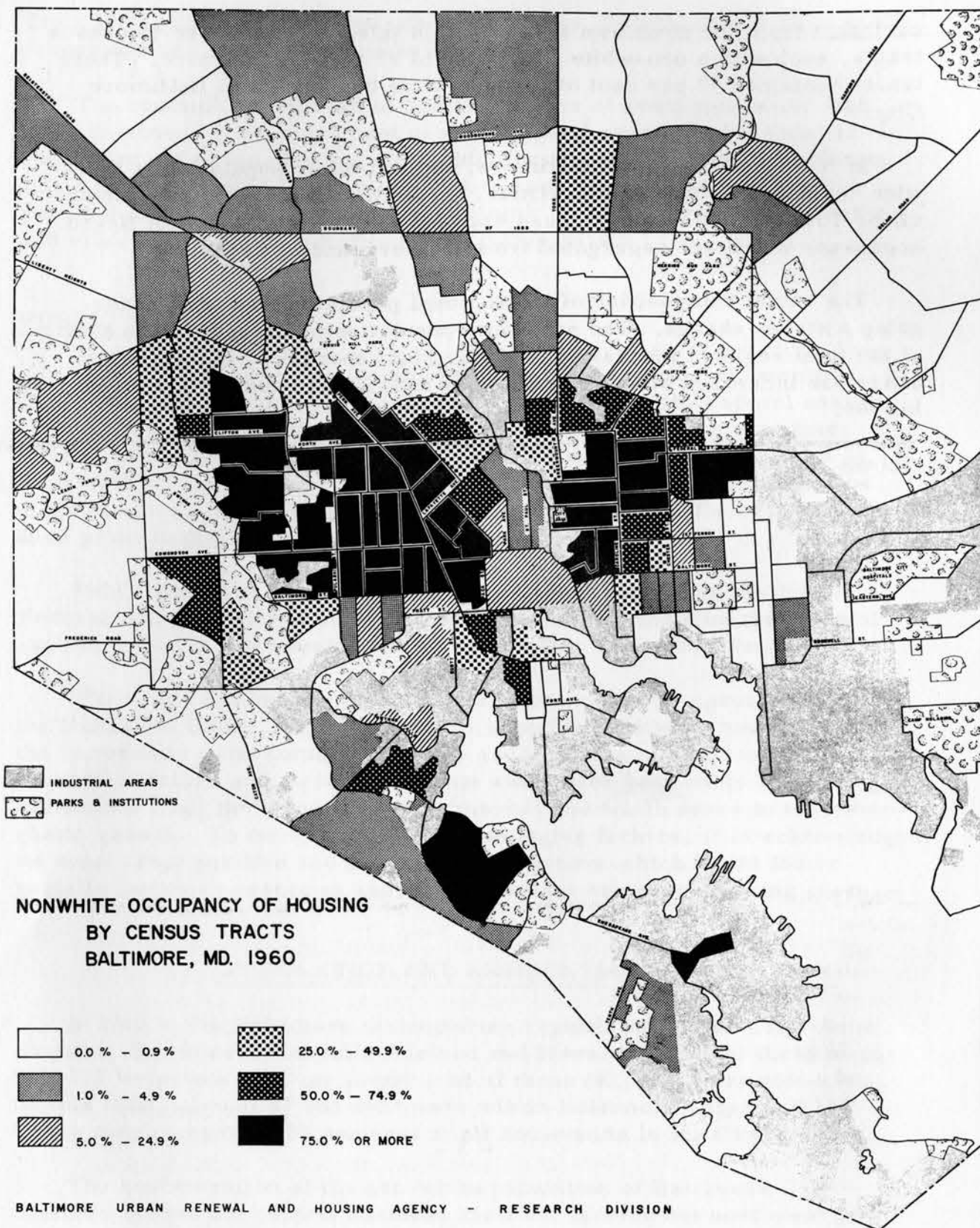


TABLE I
BY RACE, BALTIMORE REGION

1920 - 1960

1940			1950			1960			
WHITE	Non- WHITE	% Non- WHITE	WHITE	Non- WHITE	% Non- WHITE	WHITE	Non- WHITE	% Non- WHITE	
970,615	203,974	17.3	1,179,092	278,089	19.1	1,413,282	390,463	21.6	- 6.1
629,435	166,665	19.4	723,655	226,053	23.8	610,608	328,416	34.9	- 20.1
145,229	10,596	6.8	252,247	18,026	6.6	474,893	17,535	3.6	- 8.6
50,529	17,846	26.1	94,800	22,592	19.2	176,045	30,589	14.8	- 16.1
36,984	2,070	5.3	42,850	2,057	4.6	50,584	2,201	4.2	- .9
31,063	3,997	11.4	46,293	5,489	10.6	69,082	7,640	10.0	- 5.7
14,375	2,800	16.3	19,247	3,872	16.7	32,070	4,082	11.3	- 10.8
278,180	37,309	11.8	455,437	52,036	10.3	802,674	62,047	7.2	- 9.2

S OF POPULATION: 1920, 1930, 1940, 1950 AND 1960.

CHARLES CENTER, BALTIMORE 1, MARYLAND.

JULY, 1964

THE EXECUTIVE ORDER ON EQUAL OPPORTUNITY IN HOUSING

Since November 20, 1962 when the Order was issued, there has been a general decline in the number of new housing units constructed in the Baltimore area under FHA and VA financing programs. It is difficult to determine whether this decline resulted solely from the existence of the Executive Order or from other factors, or from a combination of the Order and other economic and market factors.

Since the Order's effective date, a total of 3060 sales and rental units have been available to all qualified applicants, without restriction.

One Negro family has purchased and occupied a home in a development in Anne Arundel County, near Laurel.

The local FHA office has processed two complaints affecting a development in Baltimore County, near Randallstown. A finding of discrimination was made by the Director. The builder, however, elected not to accept the applications and, therefore, suffered the denial of any future assistance of the Federal housing programs.

FHA AND VA REPOSSESSED HOUSING

One certain method by which minorities can secure housing outside of the ghetto is by way of the FHA or VA program on foreclosed properties. Sometime before the issuance of the Executive Order, these two Federal agencies declared that all properties taken back as a result of default of the original mortgagor would be available without discrimination to otherwise qualified applicants.

In the Baltimore region approximately thirty Negro families have purchased such housing in predominately white developments. Although most have occurred in the outer fringe of Baltimore City, there have been three in Anne Arundel County, and three in Baltimore County. In none of the foregoing instances has panic and subsequent flight of white residents occurred.

TABLE I
POPULATION, BY RACE, BALTIMORE REGION

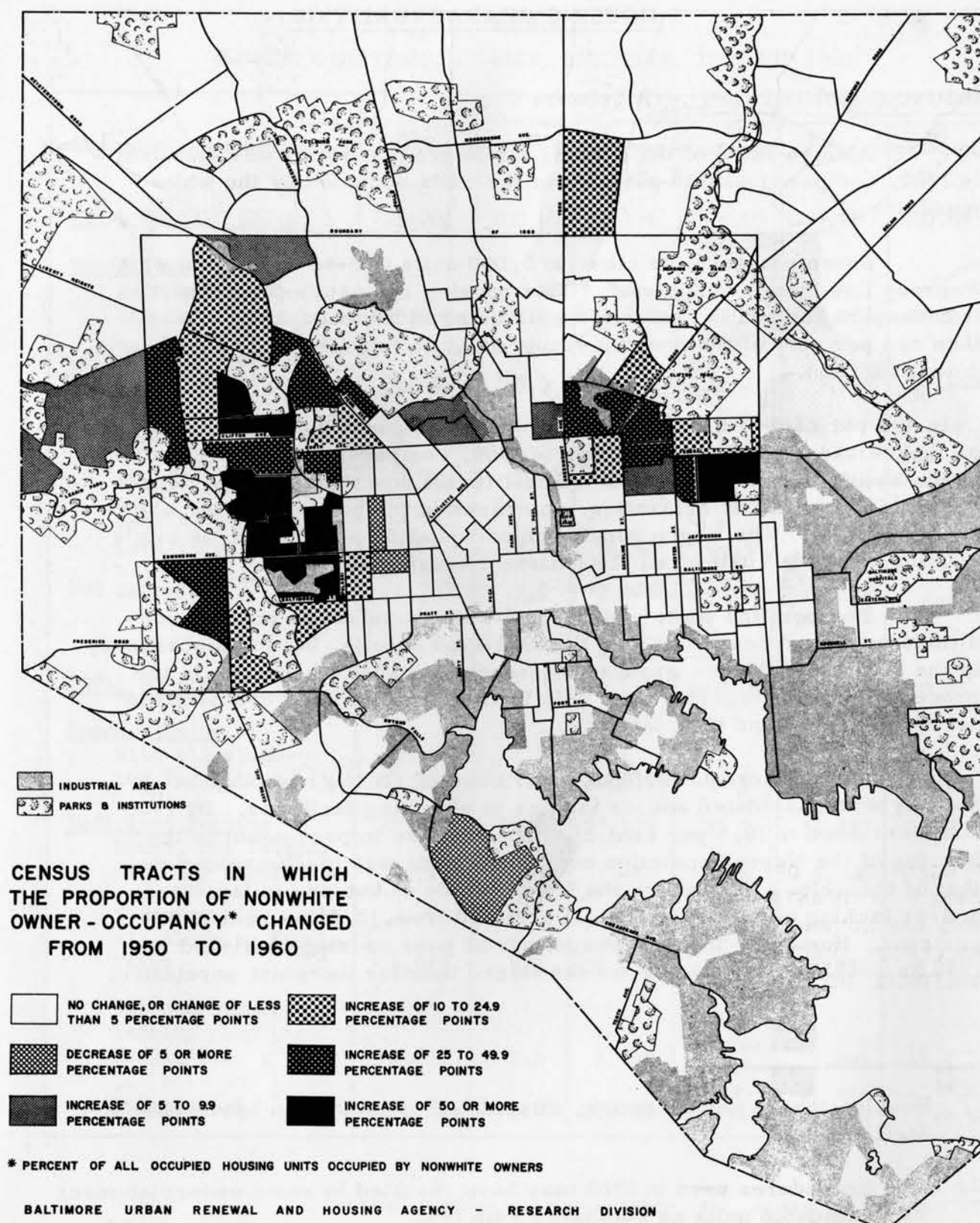
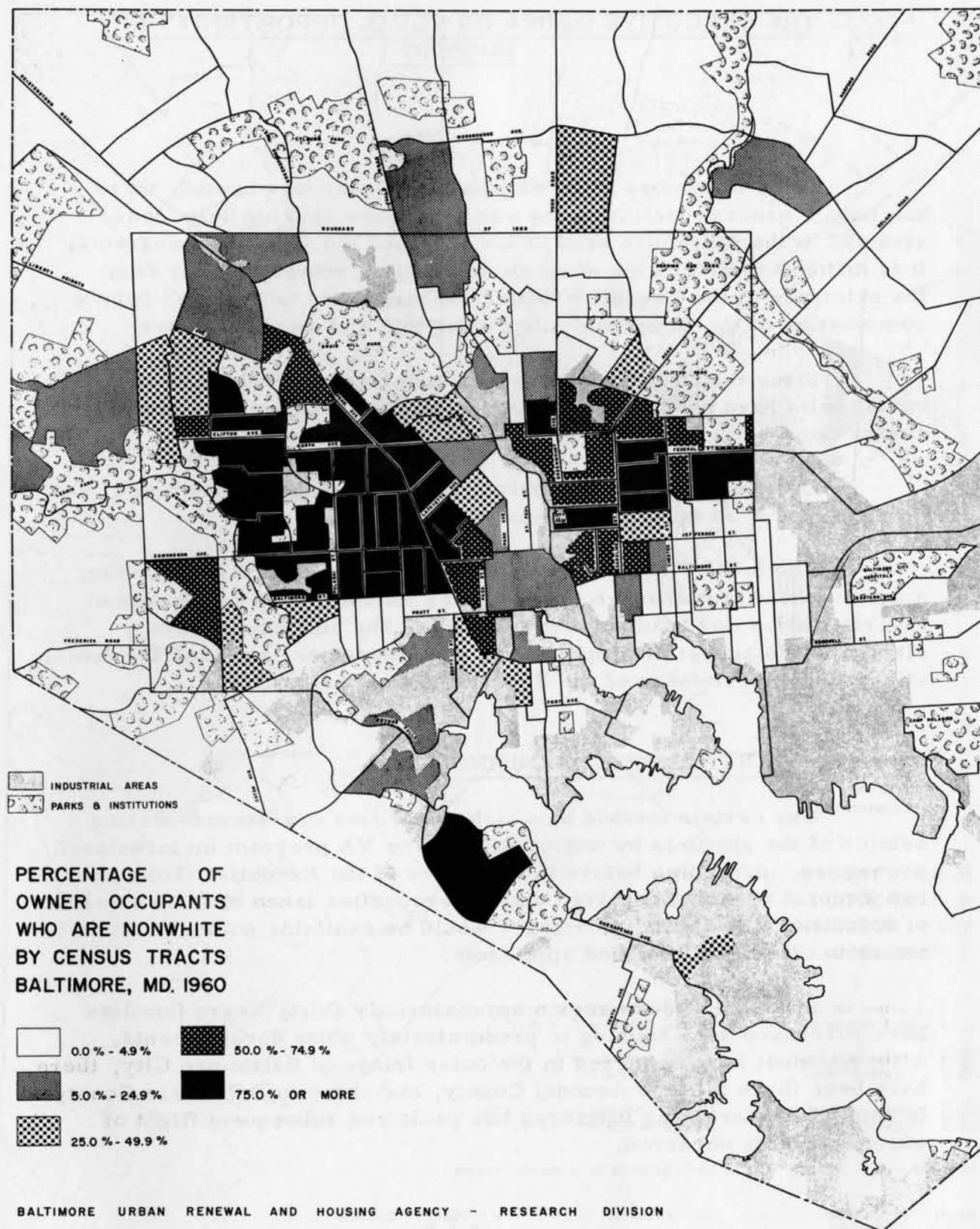
1920 - 1960

	1920			1930			1940			1950			1960			
	WHITE	Non- WHITE	% Non- WHITE	WHITE	Non- WHITE	% Non- WHITE	WHITE	Non- WHITE	% Non- WHITE	WHITE	Non- WHITE	% Non- WHITE	WHITE	Non- WHITE	% Non- WHITE	
BALTIMORE REGION	790,329	140,672	15.1	897,623	178,733	16.1	970,615	203,974	17.3	1,179,092	278,089	19.1	1,413,282	390,463	21.6	- 6.1
BALTIMORE CITY	625,130	108,322	14.8	622,124	142,750	17.7	629,435	166,665	19.4	723,655	226,053	23.8	610,608	328,416	34.9	- 20.1
BALTIMORE COUNTY	65,710	9,099	12.2	121,773	11,792	8.8	145,229	10,596	6.8	252,247	18,026	6.6	474,893	17,535	3.6	- 8.6
ANNE ARUNDEL COUNTY	29,986	13,411	30.9	39,040	15,127	27.9	50,529	17,846	26.1	94,800	22,592	19.2	176,045	30,589	14.8	- 16.1
CARROLL COUNTY	32,500	1,734	5.1	34,215	1,763	4.9	36,984	2,070	5.3	42,850	2,057	4.6	50,584	2,201	4.2	- .9
HARFORD COUNTY	24,687	4,604	15.7	27,575	4,082	12.9	31,063	3,997	11.4	46,293	5,489	10.6	69,082	7,640	10.0	- 5.7
HOWARD COUNTY	12,316	3,502	22.1	12,896	3,273	20.2	14,375	2,800	16.3	19,247	3,872	16.7	32,070	4,082	11.3	- 10.8
FIVE COUNTY TOTAL (EXCLUDING BALTIMORE CITY)	165,199	32,350	16.4	235,499	36,037	13.3	278,180	37,309	11.8	455,437	52,036	10.3	802,674	62,047	7.2	- 9.2

SOURCE: U. S. DEPARTMENT OF COMMERCE, BUREAU OF THE CENSUS, U. S. CENSUS OF POPULATION: 1920, 1930, 1940, 1950 AND 1960.

PREPARED AND DISTRIBUTED BY BALTIMORE NEIGHBORHOODS, INC., ONE CHARLES CENTER, BALTIMORE 1, MARYLAND.

JULY, 1964



HOUSING CHARACTERISTICS

HOUSING CONDITIONS - Baltimore City

About a third of the housing for Negro occupancy was deficient ^{1/} in 1960, compared with 13 per cent of the units occupied by the white population.

Seven per cent, or close to 6,000 units, of the housing in which Negroes lived were dilapidated. This housing is in such poor condition it endangers the health, safety or well-being of the occupants. Less than two per cent of the housing supply of white families was in such run-down condition.

Only 4.5 per cent of the units having white occupancy were dilapidated or lacked basic plumbing facilities in 1960, compared to 10.6 per cent of the Negro-occupied units. Another fifth (21.1 per cent) of the Negro-occupied units was deteriorating, compared to 8.1 per cent of the white-occupied units. The Negro population occupied 29 per cent of the city's housing units, but half of all the deficient housing.

For both the white and the non-white populations housing conditions improved enormously in the 1950-1960 decade, but the discrepancy in the housing of the two groups remained. Because of changes in the procedures and categories used only limited comparisons can be made between the 1950 and 1960 data.

In 1950 close to half (46.8 per cent) of all Negro-occupied housing was dilapidated and/or lacking in plumbing facilities. By 1960 this went down to 10.6 per cent. ^{2/} The relative improvement in the housing of the Negro population over the decade was much greater than that of the white group where the lowest grade of housing (dilapidated and/or lacking plumbing facilities) declined from 12.8 per cent to 4.5 per cent. However, the total magnitude of poor housing continued in 1960 as in 1950 to be greater for the Negro than for the white population.

^{1/} Housing that is deteriorating, dilapidated or lacking in basic plumbing facilities.

^{2/} The procedures used in 1960 may have resulted in some understatement of dilapidated units as compared with 1950.

Table II
HOUSING CONDITIONS, BY RACE, BALTIMORE, 1950 AND 1960

	White		Negro		Total	
	No.	%	No.	%	No.	%
			<u>1 9 5 0</u>			
<u>TOTAL HOUSING UNITS</u>	225,704	100.0%	52,176	100.0%	277,880	100.0%
<u>Not Dilapidated</u>						
With all plumbing facilities	190,056	84.2	25,700	49.3	215,756	77.6
Lacking plumbing facilities	22,429	9.9	13,270	25.4	35,699	12.9
<u>Dilapidated</u>						
With all plumbing facilities	2,915	1.3	2,651	5.1	5,566	2.0
Lacking plumbing facilities	3,537	1.6	8,494	16.3	12,031	4.3
Not reported	6,767	3.0	2,061	3.9	8,828	3.2
			<u>1 9 6 0</u>			
<u>TOTAL HOUSING UNITS</u>	209,699	100.0%	80,456	100.0%	290,155	100.0%
<u>Sound Housing</u>						
With all plumbing facilities	183,339	87.4	54,917	68.3	238,256	82.1
<u>Deficient Housing</u>						
Sound, but lacking plumbing facilities	4,017	1.9	983	1.2	5,000	1.7
Deteriorating, with all plumbing facilities	16,915	8.1	16,971	21.1	33,886	11.7
Deteriorating, lacking plumbing facilities	2,073	1.0	1,826	2.3	3,899	1.4
Dilapidated	3,355	1.6	5,759	7.1	9,114	3.1

CROWDING

The proportion of both white and non-white households living in crowded housing units ^{1/} dropped during the 1950-1960 decade. However, the rate of improvement was considerably greater for the white group.

Over one-fifth of the Negro households in Baltimore were living under crowded conditions in 1960. Although the number of crowded Negro units increased by nearly 3,600 in the 1950-1960 decade the proportion of crowding among Negro households fell from 24.7 per cent to 20.5 per cent in the period. Both the actual number and the percentage of crowded units among white households fell from 1950 to 1960. In 1950 there were nearly 19,000 crowded units (8.7 per cent of total units) while in 1960 there were 11,502 crowded white households (5.9 per cent of total units).

TABLE III
CROWDED HOUSING UNITS, BY RACE, BALTIMORE
1950 and 1960

	White		Negro	
	1950	1960	1950	1960
TOTAL UNITS	216,545	195,151	52,176	80,456
Crowded Units	18,781	11,502	12,894	16,488
Per cent of Crowding	8.7%	5.9%	24.7%	20.5%

^{1/} Crowded units were those with 1.01 or more persons per room.

RENTS

The median gross rent ^{1/} paid by Negro households in 1960 was \$73, compared to \$78 for white households. In 1950 Negro households had a median gross rent of \$40 while for white families the median was \$48. Nearly half (45.5 per cent) of the Negro households in 1960 paid less than \$70 gross rent and over four-fifth (83.1 per cent) paid less than \$100. These figures were much higher than those of 1950 when nearly half (47.6 per cent) paid less than \$40 and nearly three-fourths (72.9 per cent) paid less than \$50. In 1960 over half (53.6 per cent) of the white households paid less than \$80 and over three-fourths (78.2 per cent) of the white households paid less than \$100. In 1950 over half (53.7 per cent) of the white households paid less than \$50 and 87.5 per cent paid less than \$75 for gross rent.

TABLE IV
GROSS RENTS, BY RACE, BALTIMORE, 1950 AND 1960

	W h i t e			N e g r o			T o t a l		
	No.	%	Cum.%	No.	%	Cum.%	No.	%	Cum.%
				1950					
Less than \$30	10,893	13.2	13.2	7,870	21.0	21.0	18,763	15.7	15.7
\$30 to \$39	14,296	17.3	30.5	9,938	26.6	47.6	24,234	20.2	35.9
\$40 to \$49	19,101	23.2	53.7	9,477	25.3	72.9	28,578	23.8	59.7
\$50 to \$74	27,870	33.8	87.5	8,768	23.5	96.4	36,638	30.6	90.3
\$75 or More	10,279	12.5	100.0	1,338	3.6	100.0	11,617	9.7	100.0
No Rent	7,815	-	-	2,260	-	-	10,075	-	-
Median	\$48	-	-	\$40	-	-	\$45	-	-
				1960					
Less than \$30	1,224	1.7	1.7	1,257	2.4	2.4	2,481	2.0	2.0
\$30 to \$39	2,258	3.2	4.9	2,710	5.2	7.6	4,968	4.0	6.0
\$40 to \$49	4,128	5.6	10.5	4,792	9.1	16.7	8,920	7.2	13.2
\$50 to \$59	7,664	10.8	21.3	6,589	12.6	29.3	14,253	11.5	24.7
\$60 to \$69	12,018	16.9	38.2	8,517	16.2	45.5	20,535	16.6	41.3
\$70 to \$79	10,928	15.4	53.6	8,271	15.8	61.3	19,199	15.5	56.8
\$80 to \$99	17,518	24.6	78.2	11,464	21.8	83.1	28,982	23.5	80.3
\$100 to \$119	8,194	11.5	89.7	5,690	10.8	93.9	13,884	11.2	91.5
\$120 or More	7,298	10.3	100.0	3,198	6.1	100.0	10,496	8.5	100.0
No Rent	1,871	-	-	340	-	-	2,211	-	-
Median	\$78	-	-	\$73	-	-	\$76	-	-

^{1/} Rent plus utilities.

RENT INCOME RATIOS

Most Negro renters paid a greater proportion of their incomes for rent than did white tenants. About half (49.2 per cent) of the white households paid less than 20 per cent of their incomes for rent, while slightly over one-fourth (28.4 per cent) of the Negro households paid less than 20 per cent of their incomes for rent. 63.5 per cent of the white households paid less than 25 per cent of their incomes for rent whereas only 42.2 per cent of the Negroes paid less than this proportion. 38.8 per cent of the Negro households spent 35 per cent or more for rent but only 22.1 per cent of the white households paid this much.

TABLE V

RENT INCOME RATIOS, BY RACE, BALTIMORE, 1960

	W h i t e			N e g r o			T o t a l		
	No.	%	Cum.%	No.	%	Cum.%	No.	%	Cum.%
Less than 10%	6,925	10.0	10.0	1,905	3.7	3.7	8,830	7.4	7.4
10% to 14%	13,460	19.5	29.5	4,872	9.6	13.3	18,332	15.3	22.7
15% to 19%	13,621	19.7	49.2	7,692	15.1	28.4	21,313	17.7	40.4
20% to 24%	9,900	14.3	63.5	7,050	13.8	42.2	16,950	14.1	54.5
25% to 34%	9,962	14.4	77.9	9,674	19.0	61.2	19,636	16.3	70.8
35% or More	15,252	22.1	100.0	19,798	38.8	100.0	35,050	29.2	100.0
Not Computed	3,981	-	-	1,837	-	-	5,818	-	-
TOTAL	73,101	100.0	-	52,828	100.0	-	125,929	100.0	-

TENURE

Over one-third (34.3 per cent) of Baltimore's Negro households owned their homes in 1960, compared to 24 per cent in 1950. The number of Negro home-owners more than doubled in this period. The number of white households living in their own homes declined from 126,292 in 1950 to 122,050 in 1960; however, the proportion living in their own homes increased from 58.3 per cent in 1950 to 62.5 per cent in 1960. The percentage of white-owner households (63 per cent) was nearly double that of Negro-owner households (34 per cent).

TABLE VI

TENURE, BY RACE, BALTIMORE, 1950 and 1960

	W h i t e		N e g r o	
	No.	%	No.	%
Owner-Occupied Units	126,292	1 9 5 0		23.9%
		58.3%	12,441	
Renter-Occupied Units	90,254	41.7%	39,514	76.1%
TOTAL	216,546	100.0%	51,955	100.0%
Owner-Occupied Units	122,050	1 9 6 0		34.3%
		62.5%	27,628	
Renter-Occupied Units	73,101	37.5%	52,828	65.7%
TOTAL	195,151	100.0%	80,456	100.0%

VALUE OF HOMES

The median value of Negro homes in 1960 (\$8,200) was \$1,100 below the median value of white owner-occupied homes. The difference is not as great as in 1950 when the median value of white homes (\$7,396) exceeded the median value of Negro owner-occupied homes by \$1,800. The median value of the Negro home increased by 46.5 per cent in the ten-year span, whereas for the white home owner the increase was only 25 per cent.

In 1960 only 11.1 per cent of the Negroes lived in homes valued at less than \$5,000, compared to over one-third (36.4 per cent) in 1950. 92.2 per cent of the Negroes owned homes valued at less than \$10,000 in 1950, and in 1960 three-fourths (74.6 per cent) lived in homes valued lower than \$10,000. The greatest concentration of Negro ownership was in homes valued at \$7,500 to \$9,999. 34.0 per cent owned homes in this value bracket. 29.5 per cent owned homes valued at \$5,000 to \$7,499 and 18.5 per cent, \$10,000 to \$12,499. Only seven per cent owned homes worth \$12,500 or more.

TABLE VII

MEDIAN VALUE OF OWNER-OCCUPIED HOMES, BY RACE,
BALTIMORE, 1950 AND 1960

	White	Negro	Total
Median	\$7,396	<u>1 9 5 0</u> \$5,599	\$7,144
Median	\$9,300	<u>1 9 6 0</u> \$8,200	\$9,000
Percent of Increase, 1950 to 1960	25%	46.5%	26%

Table VIII
VALUE OF OWNER-OCCUPIED HOMES, BY RACE,
BALTIMORE, 1950 AND 1960

	W h i t e			N e g r o			T o t a l		
	No.	%	Cum.%	No.	%	Cum.%	No.	%	Cum.%
			<u>1 9 5 0</u>						
Less than \$2,000	880	.9%	.9%	473	4.9%	4.9%	1,353	1.3%	1.3%
\$2,000 to \$2,999	2,644	2.8	3.7	730	7.6	12.5	3,374	3.2	4.5
\$3,000 to \$3,999	5,960	6.2	9.9	998	10.5	23.0	6,958	6.6	11.1
\$4,000 to \$4,999	7,958	8.3	18.2	1,282	13.4	36.4	9,240	8.8	19.9
\$5,000 to \$9,999	51,560	53.8	72.0	5,328	55.8	92.2	56,888	53.9	73.8
\$10,000 and Over	23,759	24.8	96.8	302	3.2	95.4	24,061	22.8	96.6
Not Reported	3,123	3.2	100.0%	443	4.6	100.0%	3,566	3.4	100.0%
TOTAL	95,884	100.0%		9,556	100.0%		105,440	100.0%	
			<u>1 9 6 0</u>						
Less than \$5,000	11,122	10.2%	10.2%	2,839	11.1%	11.1%	13,961	10.4%	10.4%
\$5,000 to \$7,499	24,388	22.3	32.5	7,583	29.5	40.6	31,971	23.7	34.1
\$7,500 to \$9,999	26,959	24.7	57.2	8,725	34.0	74.6	35,684	26.5	60.6
\$10,000 to \$12,499	23,545	21.6	78.8	4,756	18.5	93.1	28,301	21.0	81.6
\$12,500 to \$14,999	10,226	9.4	88.2	986	3.8	96.9	11,212	8.3	89.9
\$15,000 to \$19,999	6,610	6.1	94.3	478	1.9	98.8	7,088	5.3	95.2
\$20,000 to \$24,999	2,222	2.0	96.3	153	.6	99.4	2,375	1.8	97.0
\$25,000 and Over	3,987	3.7	100.0	147	.6	100.0	4,134	3.0	100.0
TOTAL	109,059	100.0%		25,667	100.0%		134,726	100.0%	

NUMBER OF HOUSING UNITS IN STRUCTURES

In 1960 over half (57.4 per cent) of Baltimore's dwelling units were in one-family row houses. These row houses were dwelling places for 54.5 per cent of all white households and 64.8 per cent of all Negro households. Another 16.7 per cent of the white households, but only 3.8 per cent of the Negro households lived in detached one-family homes. A comparable proportion of both white (12.5 per cent) and Negro (11.2 per cent) households lived in two-unit structures. Structures that contained three and four units housed 13.3 per cent of the Negro households and 7.3 per cent of the white households. Apartment houses (structures containing five-or-more units) were dwelling places for 9.0 per cent of the white households and 6.9 per cent of the Negro households.

TABLE IX

HOUSING UNITS IN STRUCTURES, BY RACE, BALTIMORE 1960

Number of Units	White		Negro		Total	
	No.	%	No.	%	No.	%
1 - Detached	35,300	16.7%	3,036	3.8%	38,336	13.2%
1 - Attached	114,152	54.5	52,192	64.8	166,344	57.4
2	26,165	12.5	8,978	11.2	35,143	12.1
3 and 4	15,137	7.3	10,729	13.3	25,866	8.9
5 or More	18,731	9.0	5,554	6.9	24,285	8.4
Trailer	16	.0	6	.0	22	.0
TOTAL	209,501	100.0%	80,495	100.0%	289,996	100.0%

AGE OF STRUCTURES

Negro households occupied older structures than did white households. Over three-quarters (75.9 per cent) of all Negro households lived in buildings that were 31 years or older (in 1960) whereas 59.2 per cent of the white-occupied dwellings were of that age. Two-thirds (63.9 per cent) of all of the city's dwellings were in structures built in 1929 or before (31 years or older in 1960). The proportion of Negro households in new structures (five years old or less) was half of that for the white group - 2.7 per cent compared with 6.0 per cent.

TABLE X

HOUSING UNITS BY AGE OF STRUCTURES, BY RACE, BALTIMORE, 1960

Age of Structure	W h i t e			N e g r o			T o t a l		
	No.	%	Cum.%	No.	%	Cum.%	No.	%	Cum.%
1 Year	2,632	1.3	1.3	588	0.7	0.7	3,220	1.1	1.1
2 to 5 Years	9,750	4.7	6.0	1,618	2.0	2.7	11,368	3.9	5.0
6 to 10 Years	23,641	11.3	17.3	2,527	3.1	5.8	26,168	9.0	14.0
11 to 20 Years	29,716	14.2	31.5	8,436	10.5	16.3	38,152	13.2	27.2
21 to 30 Years	19,596	9.3	40.8	6,281	7.8	24.1	25,877	8.9	36.1
31 Years +	124,287	59.2	100.0	61,006	75.9	100.0	185,293	63.9	100.0
TOTAL	209,622	100.0		80,456	100.0		290,078	100.0	

TOILET FACILITIES

98 per cent of both white and Negro households had exclusive use of a flush toilet in 1960. For Negro families the situation improved greatly from 1950 when only 77.5 per cent had such facilities. 92.8 per cent of all white households had exclusive use of a flush toilet in 1950. In 1950 over ten per cent of all households had shared or other unsatisfactory toilet facilities. Ten years later this was reduced to less than two per cent.

TABLE XI
TOILET FACILITIES, BY RACE, BALTIMORE, 1950 - 1960

	White		Negro		Total	
	No.	%	No.	%	No.	%
			1 9 5 0			
Flush Toilet, Exclusive Use	206,299	92.8%	40,058	77.5%	246,357	89.9%
Flush Toilet, Shared	11,685	5.3	8,798	17.0	20,483	7.5
Other Toilet Facilities or None	4,262	1.9	2,806	5.5	7,068	2.6
			1 9 6 0			
Flush Toilet, Exclusive Use	206,672	98.6%	78,880	98.0%	285,552	98.4%
Flush Toilet, Shared	2,675	1.3	1,452	1.8	4,127	1.4
Other Toilet Facilities or None	275	.1	124	.2	399	.2

BATHING FACILITIES

In 1960 almost every housing unit in the city contained a bathtub or shower. 98.3 per cent of all white households, and 97.2 per cent of all Negro households had exclusive use of a tub or shower.

Table XII
BATHING FACILITIES, BY RACE, BALTIMORE, 1960

	White		Negro		Total	
	No.	%	No.	%	No.	%
Bathtub or Shower, Exclusive Use	205,973	98.3%	78,173	97.2%	284,146	97.9%
Bathtub or Shower, Shared	2,801	1.3	1,466	1.8	4,267	1.5
No Bathtub or Shower	848	.4	817	1.0	1,665	.6

MOBILITY

Mobility was greater for Negro than for white households. Over a third (36.2 per cent) of the Negro families in Baltimore had moved one or more times in the past two years (as of March 1960) and two-thirds (66.4 per cent) moved at least once in the past six years. Only one-third (33.6 per cent) had lived in the same residence for seven years or more. One fourth (24.5 per cent) of the white families had moved once or more in the past two years and 47.4 per cent, in the past six years. Over half (52.6 per cent) had had the same residence for seven or more years.

Table XIII
MOBILITY, BY RACE, BALTIMORE, 1960

Year Moved Into Housing Unit	White		Negro		Total	
	No.	%	No.	%	No.	%
1958 - March 1960	47,791	24.5%	29,093	36.2%	76,884	27.9%
1954 - 1957	44,711	22.9	24,297	30.2	69,008	25.0
1953 or Earlier	102,639	52.6	27,066	33.6	129,705	47.1
TOTAL	195,141	100.0%	80,456	100.0%	275,597	100.0%

HOUSEHOLD SIZE

The average (median) Negro household contained 3.4 persons in 1960; for the white group the average household consisted of 2.7 persons. The median Negro household size remained the same in 1960 as it had been in 1950, but the median size of white households went down from 3.0 persons in 1950 to 2.7 persons in 1960.

Almost a fourth (23.6 per cent) of the Negro households contained six or more persons in 1960. Only nine per cent of the white households consisted of that many people. Whereas in the Negro group the proportion of six-or-more-person households increased from 1950 to 1960, in the white population there was a slight decrease.

The fact that the median household size for Negroes is greater than that for whites while the median size of the dwellings they occupy* is smaller is reflected in the much higher rate of crowding in the Negro population.

The number of one-person households in the city has increased greatly over the decade. In spite of the fact that the total number of white households has gone down there were 12,500 more white persons living alone in 1960 than in 1950. The proportion of white one-person households increased from 9.0 per cent in 1950 to 16.4 per cent in 1960.

Among the Negroes too, one-person households increased. The number of Negroes living alone more than doubled in the 1950-1960 period and the proportion increased from 8.4 per cent to 12.2 per cent.

SEE TABLE XIV - following page.

Table XIV
NUMBER OF PERSONS PER HOUSEHOLD, BY RACE, BALTIMORE,
1950 AND 1960

Number of Persons	White		Negro		Total	
	No.	%	No.	%	No.	%
			1 9 5 0			
1	19,531	9.0%	4,380	8.4%	23,911	8.9%
2	61,607	28.4	12,907	24.7	74,514	27.7
3	53,904	24.9	9,761	18.7	63,665	23.7
4	39,322	18.2	7,952	15.2	47,274	17.6
5	22,294	10.3	5,819	11.2	28,113	10.5
6 or More	19,888	9.2	11,357	21.8	31,245	11.6
TOTAL	216,546	100.0%	52,176	100.0%	268,722	100.0%
Median	3.0		3.4		3.1	
			1 9 6 0			
1	32,052	16.4%	9,780	12.2%	41,832	15.2%
2	57,867	29.6	17,620	21.8	75,487	27.4
3	38,556	19.8	13,649	17.0	52,205	18.9
4	31,756	16.3	11,424	14.2	43,180	15.7
5	18,346	9.4	9,015	11.2	27,361	9.9
6 or More	16,566	8.5	18,966	23.6	35,532	12.9
TOTAL	195,143	100.0%	80,454	100.0%	275,597	100.0%
Median	2.7		3.4		2.9	

*In 1960 the median size of white-occupied units was 5.8; for nonwhite-occupied units it was 5.3.

HOUSEHOLD COMPOSITION

One-person households made up 16.0 percent of total white households and 12.1 percent of all Negro households. Over two-thirds (67.3 percent) of the white households contained a married couple whereas only 56.1 percent of all Negro households contained a married couple. 11.1 percent of all white households were headed by women whereas 20.7 percent of the Negro units were headed by women. (This does not include women who lived alone.)

Table XV
HOUSEHOLD COMPOSITION, BY RACE,
BALTIMORE, 1960

	White		Negro		Total	
	No.	%	No.	%	No.	%
All Households	197,102	100.0%	78,495	100.0%	275,597	100.0%
2-or-More-Person Households	165,583	84.0	69,001	87.9	234,584	85.1
Married Couples, No Nonrelatives	132,586	67.3	44,017	56.1	176,603	64.1
Head Under 45 Years	62,154	31.5	27,020	34.4	89,174	32.4
45 to 64 Years	54,152	27.5	14,303	18.2	68,455	24.8
65 Years and Over	16,280	8.3	2,694	3.5	18,974	6.9
Other Male Head	11,063	5.6	8,720	11.1	19,783	7.2
Under 65 Years	8,224	4.2	7,522	9.6	15,746	5.7
65 Years and Over	2,839	1.4	1,198	1.5	4,037	1.5
Female Head	21,934	11.1	16,264	20.7	38,198	13.8
Under 65 Years	15,377	7.8	14,511	18.5	29,888	10.8
65 Years and Over	6,557	3.3	1,753	2.2	8,310	3.0
1-Person Households ^{1/}	31,519	16.0	9,494	12.1	41,013	14.9
Under 65 Years	19,786	10.0	7,609	9.7	27,395	9.9
65 Years and Over	11,733	6.0	1,885	2.4	13,618	5.0

^{1/} These figures differ slightly from those for the same item in the previous table. Such differences occur in the Census data and result from the statistical and sampling procedures used.

INCOME

Incomes for Negro families were considerably lower than those for white families in 1960. The median income for Negro families was \$4,123 while for white families it was \$6,338.

Approximately one-third (31.8 percent) of the Negro families had annual incomes of less than \$3,000 and one-half (48.1 percent) had less than \$4,000. Three-fourths (74.6 percent) had less than \$6,000 and only 12 percent had more than \$8,000 per year.

One-third (32.1 percent) of the white households had less than \$5,000 per year and close to one-half (46 percent) had less than \$6,000. Nearly one-fifth (18.8 percent) of the white families had annual incomes of \$10,000 or more.

Table XVI
FAMILY INCOME, BY RACE, BALTIMORE, 1960

	W h i t e			N e g r o			T o t a l		
	No.	%	Cum.%	No.	%	Cum.%	No.	%	Cum.%
No. of Families	160,840	100.0		68,229	100.0		229,069	100.0	
Under \$1,000	5,090	3.2	3.2	5,336	7.8	7.8	10,426	4.6	4.6
\$1,000 to \$1,999	6,716	4.2	7.4	7,666	11.2	19.0	14,382	6.3	10.9
\$2,000 to \$2,999	8,968	5.6	13.0	8,717	12.8	31.8	17,685	7.7	18.6
\$3,000 to \$3,999	13,010	8.1	21.1	11,137	16.3	48.1	24,147	10.5	29.1
\$4,000 to \$4,999	17,753	11.0	32.1	10,263	15.1	63.2	28,016	12.2	41.3
\$5,000 to \$5,999	22,368	13.9	46.0	7,804	11.4	74.6	30,172	13.2	54.5
\$6,000 to \$6,999	19,276	12.0	58.0	5,173	7.6	82.2	24,449	10.7	65.2
\$7,000 to \$7,999	15,278	9.5	67.5	3,817	5.6	87.8	19,095	8.3	73.5
\$8,000 to \$8,999	12,710	7.9	75.4	2,445	3.6	91.4	15,155	6.6	80.1
\$9,000 to \$9,999	9,353	5.8	81.2	1,912	2.8	94.2	11,265	4.9	85.0
\$10,000 and Over	30,318	18.8	100.0	3,959	5.8	100.0	34,277	15.0	100.0
Median	\$6,338			\$4,123			\$5,659		

DISTRIBUTION OF OWNER HOUSING BY VALUE IN
THE JURISDICTIONS OF THE BALTIMORE REGION, 1960

	<u>Under \$15,000</u>	<u>\$15,000- \$25,000</u>	<u>Over \$25,000</u>	<u>Total</u>
Anne Arundel County	69.0%	24.9%	6.1%	100.0%
Baltimore County	68.2%	24.3%	7.6%	100.0%
Carroll County	73.8%	21.0%	5.1%	100.0%
Harford County	61.3%	31.5%	7.2%	100.0%
Howard County	46.3%	35.8%	17.9%	100.0%
Suburban Total	67.3%	25.2%	7.5%	100.0%
Baltimore City	89.9%	7.0%	3.1%	100.0%
Region Total	78.0%	16.6%	5.4%	100.0%

Source: U. S. Census, 1960.

Table XVII

AVERAGE HOUSEHOLD INCOME IN THE MAJOR
JURISDICTIONS OF THE BALTIMORE REGION

	<u>1950 - 1964</u>			<u>Change, 1950-64</u>	
	1950	1960	1964	Dollars	Percent
Anne Arundel County	\$5,880	\$8,230	\$9,050	\$3,175	54.0%
Baltimore County	\$3,880	\$9,390	\$10,380	\$3,500	50.9%
Carroll County	\$4,870	\$6,090	\$6,740	\$1,870	38.4%
Harford County	\$5,780	\$7,800	\$8,270	\$2,490	43.1%
Howard County	\$4,760	\$8,860	\$9,910	\$5,150	103.2%
Baltimore City	\$6,630	\$7,250	\$7,870	\$1,240	18.7%
Region	\$6,530	\$7,970	\$8,720	\$2,190	33.5%

Note: All income figures in constant 1960 dollars.

Source: Hammer and Company Associates

EMPLOYMENT

Proportionately twice as many Negro men (10.1 per cent) were unemployed in 1960 as were white men (5.2 per cent).

TABLE XVIII

MALE LABOR FORCE, EMPLOYED AND UNEMPLOYED BY RACE, BALTIMORE, 1960

	White		Negro		Total	
	No.	%	No.	%	No.	%
Civilian Male Labor Force	171,048	100.0%	76,307	100.0%	247,355	100.0%
Employed	162,090	94.8	68,577	89.9	230,667	93.3
Unemployed	8,958	5.2	7,730	10.1	16,688	6.7

EDUCATION

The median level of education was nearly one year lower for all Negroes 25 years old and over than it was for whites. Half the Negroes had less than 8.4 years of schooling while half of the whites had less than 9.2 years.

Nearly one-third (31.9 per cent) of the white persons 25 or over finished high school or obtained even more education as compared to less than one-fifth (19.6 per cent) of the Negroes. Proportionately twice as many white persons went to college (13.1 per cent) and finished college (6.9 per cent) as did Negroes (6.9 per cent had some college and 3.3 per cent finished).

Table XIX
LEVEL OF EDUCATION, BY RACE, BALTIMORE, 1960

	White		Negro		Total	
	No.	%	No.	%	No.	%
No. of Persons 25 Years and Over	378,523	100.0%	163,149	100.0%	541,672	100.0%
Under 9 Years of Schooling	181,804	48.0	95,715	58.7	277,519	51.2
High School, 1 to 3 Years	76,224	20.1	35,348	21.7	111,572	20.6
High School, 4 Years	71,262	18.8	20,705	12.7	91,967	17.0
College, 1 to 3 Years	23,375	6.2	5,929	3.6	29,304	5.4
College, 4 or More Years	25,858	6.9	5,452	3.3	31,310	5.8
Median	9.2		8.4		8.9	

PUBLIC HOUSING

Baltimore has 10,280 units of low rent public housing in 17 projects. Most of these developments are located in areas in or near the central core of Baltimore City.

Negro occupancy predominates throughout the public housing program. Seventy eight per cent of the units are occupied by non-white families. Three projects (O'Donnell, Claremont and Brooklyn) have 100 per cent white occupancy; eleven projects have non-white occupancies ranging from 96 to 100 per cent. In three developments there is significant racial integration: Latrobe Homes, 22 per cent white; Perkins Homes, 67 per cent white; and Flag House Courts, 75 per cent white.

Present plans for increasing the low-rent public housing supply in Baltimore call for an additional 741 units, all of which will be located in areas of Negro occupancy. Applications for an additional 1,500 units have been submitted to the Public Housing Administration.

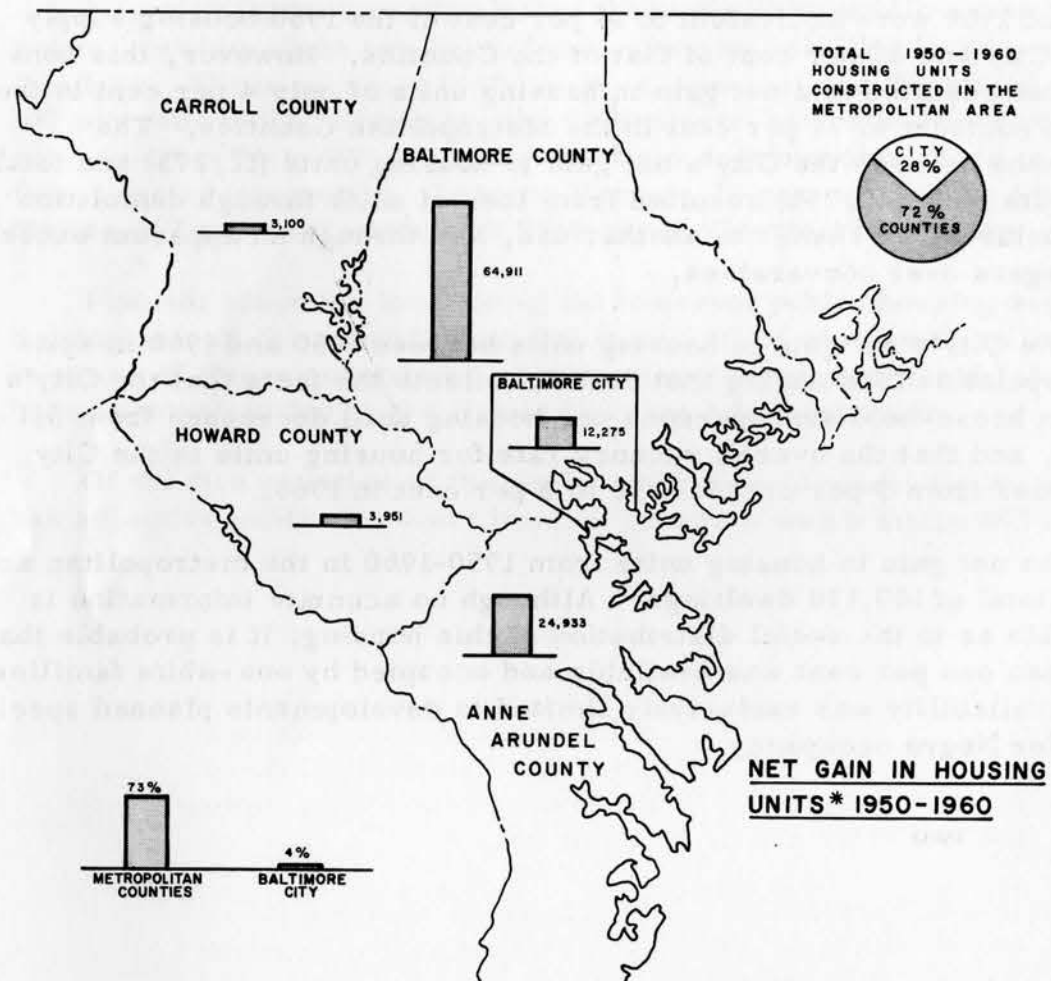
Of the five counties of the region only Anne Arundel (in Annapolis) has an active public low-rent housing program which totals 403 units.

NEW HOUSING CONSTRUCTION

About 28 per cent of the housing units built in the Baltimore metropolitan area between 1950 and 1960 were located in the City. The number of units built in the City far exceeded that of any of the Metropolitan Counties except Baltimore County where the volume of residential construction was greater by about three-quarters. Units built between 1950 and 1960 were equivalent to 14 per cent of the 1960 housing supply of the City and 46 per cent of that of the Counties. However, this construction resulted in a net gain in housing units of only 4 per cent in the City in contrast to 73 per cent in the Metropolitan Counties. The difference between the City's net gain in housing units (12,275) and total new units built (40,756) resulted from loss of units through demolition of structures, or change to another use, and through an apparent excess of mergers over conversions.

The City's net gain in housing units between 1950 and 1960 in spite of a population loss during that decade reflects the facts that the City's median house-hold size (persons per housing unit) decreased from 3.1 to 2.9, and that the overall vacancy rate for housing units in the City increased from 3 per cent in 1950 to 5 per cent in 1960.

The net gain in housing units from 1950-1960 in the metropolitan area was a total of 109,170 dwellings. Although no accurate information is available as to the racial distribution of this housing, it is probable that less than one per cent was available and occupied by non-white families. This availability was exclusively limited to developments planned specifically for Negro occupancy.



1950-1960 HOUSING GROWTH IN THE BALTIMORE METROPOLITAN AREA

* "Dwelling Units" in 1950 compared to "Housing Units" in 1960
SOURCE: U.S. Census of Housing: 1950 and 1960.

NON-WHITE HOUSING DEMAND IN THE BALTIMORE REGION

Baltimore Neighborhoods, Inc. estimates that for the five years 1963 through 1967 the Negro housing market will require an average of approximately 5,000 additional units per year, or 25,000 units over the five year period, which are not now occupied by Negroes. This demand can be filled by:

- housing units now occupied by whites which will be taken over by Negroes;
- subdivision of housing units now occupied by Negroes or to be occupied by them in the five-year period; and
- new housing units available for sale or rent to Negroes.

With reference to the last of these, it should be noted that hitherto virtually none of the 10,000 or more new units built each year in the Baltimore area has been available to Negroes, except for public housing.

This estimate is based on the following components:

- Net addition to family formation of 2500 per year. There are 3500 Negro marriages per year in Baltimore City, whose boundaries include practically all of the Negroes living in the urbanized portion of the Metropolitan area. While every marriage does not immediately result in acquisition of a new dwelling unit, it is assumed that virtually all do so eventually through the process of undoubling, and so the two rates are taken to be the same.

The creation of additional households resulting from divorce, separation, or economic self-sufficiency of single family members increases this demand by several hundred, making a total of about 4,000. At the same time, demand is reduced because of the 3,400 annual Negro deaths. For purposes of estimating, death of married and widowed individuals may be assumed to decrease the demand at a 50% rate -- that is, every two such deaths subtract one unit from the demand. The total decline is estimated at 1,500 annually. Hence, the net addition to family formation is estimated at 3,500 plus 500 minus 1,500, or 2,500 per year for the next five years.

2. Demolition of 1,700 units per year resulting from:

- (a) Renewal and other public improvement projects now planned (not including the East-West Expressway), which are estimated by BURHA to account for the displacement of nearly 2,000 households per year, of which two-thirds are Negro.
- (b) Highway construction which is expected to clear nearly five thousand units over the five-year period, half of which are occupied by Negroes;

3. Withdrawal or demolition of dwelling units resulting from:

- (a) Other renewal programs in addition to these now officially designated;
- (b) Housing code enforcement programs which make it preferable for the owner to withdraw a housing unit rather than make the required investment to meet requirements;
- (c) Vacancy of substandard units which can no longer attract occupants;
- (d) Conversion to non-residential uses; and
- (e) Fire and other catastrophies.

4. Net in-migration of Negroes which currently represents a demand for 100 - 200 additional housing units per year.

The sum of these four estimates yields the approximation of 5,000 per year.

It is estimated that from a fifth to a fourth of all Baltimore Negro households will move each year from 1963-67, or about 20,000 moves per year. Thus, the 5,000 additional units required will provide for perhaps one-fourth of the total moves, with the remaining three-fourths representing internal shifts within the housing market already occupied by Negro families.

As a rough approximation, it is estimated that about one-fourth of this demand (an average of 1,250 housing units per year) will be represented by households in the income range of \$5,000 and above. This is very roughly the minimum income level at which private housing (estimated at \$10,000 in fee or \$100 monthly rental) might be acquired if such were available to the Negro market. How much new housing would actually be taken by this group under conditions of open occupancy is a matter for conjecture. By comparison, over half of all white households are above this income level, but only about one-sixth of all moves by white households in the Baltimore area are accounted for by newly constructed houses and apartments.

Table XX

POPULATION GAINS, BALTIMORE
REGION, 1950-60-64 BY RACE

<u>Number of Persons</u>	<u>White</u>	<u>Non-White</u>	<u>Total</u>
April 1, 1950	1,179,000	278,100	1,457,100
April 1, 1960	1,413,200	390,500	1,803,700
January 1, 1964	1,505,600	432,100	1,902,300
<u>1950-1960 Increase</u>			
Total	345,200	112,400	346,600
Annual	23,400	11,200	34,700
<u>1960-64 Increase</u>			
Total	92,400	41,600	134,000
Annual	24,600	11,100	35,700

Source: U. S. Census of Population, 1950 and
1960, field surveys and planning commission
data.

POPULATION PROJECTIONS 1960-1980

Several forecasts have been made as to the size the Baltimore regional population will reach by 1980. They range from a low of 2,490,000 persons to a high of 2,659,000 persons. The racial distribution of this increase is projected, by one forecast, to account for about 23 per cent of the regional population in 1980, with almost all of the non-white concentration remaining in Baltimore City.

Table XXI

CHANGES IN POPULATION,
BALTIMORE REGION, 1964-80

<u>Number of Persons</u>	<u>White</u>	<u>Non-White</u>	<u>Total</u>
January 1, 1964	1,478,100	424,200	1,902,300
April 1, 1970	1,646,600	492,000	2,138,600
April 1, 1980	1,977,000	597,200	2,574,200
<u>1964-70 Increase</u>			
Total	168,500	67,800	236,300
Annual	26,600	10,700	37,300
<u>1970-80 Increase</u>			
Total	330,400	105,200	435,600
Annual	33,100	10,500	43,600

Source: Hammer and Company, Economic Report on the Baltimore
Region, February 1964.

THE FORCES FOR CONTINUED SEGREGATION

There are many forces that function to extend and intensify the pattern of housing segregation. These might be considered centripetal forces. It might be said that the main currents of urban movements and growth are those that are also extending the pattern of segregation. Both the inertia of existing patterns as well as the forces of change perpetuate and extend racial segregation.

The principal factors are these:

1. Except for publicly-assisted housing, new housing is generally priced beyond the reach of most Negroes. The promoters of new housing, sales and rental, have no incentive to merchandise their homes to the non-white market. Thus, each new housing development becomes white-occupied. A racially-exclusive pattern is formed which then possesses enough inertia to inhibit later change. Only the Executive Order operates and in an extremely limited sense, to alter such inertia in Maryland.
2. Many older and declining neighborhoods where housing may be within the economic reach of the Negro market tend to have a marked ethnic identity. These neighborhoods possess an inertia that precludes or inhibits racial change.
3. The Negro ghetto possesses its own dynamic inertia. The presence and expansion of the ghetto produces uneasiness and instability in the contiguous white areas, inhibits the white market and generates a merchandising process directed toward the Negro market.
4. The status values, drives and incentives, such as social striving, among the many strata that make up the white community function against the inclusion of Negroes.
5. Within the Negro community, there are also many incentives and drives, such as the social, political and religious, which discourage and inhibit Negroes from separating themselves from the "shelter and security" of the ghetto.

[1965?]



equal opportunity in housing:

A SELECTED BIBLIOGRAPHY OF MATERIALS FOR STUDY AND USE

Compiled by

THE PRESIDENT'S COMMITTEE ON EQUAL OPPORTUNITY IN HOUSING

**Executive Offices
The White House
Washington, D.C.**

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FOREWORD

This bibliography has been compiled to provide individual persons and organizations working for equal opportunity in housing with useful background information about housing discrimination and legal developments regarding it. These lists also cite guides to community education and action programs by public agencies and private groups, and educational materials for use in such programs.

An attempt has been made to select only those materials which are timely, generally applicable, and which present different viewpoints. The President's Committee does not necessarily endorse all of the views presented in the suggested literature and films.

Three organizations having outstanding sources of information about housing discrimination and equal opportunity are the American Friends Service Committee, the Anti-Defamation League of B'nai B'rith, and the National Committee against Discrimination in Housing, whose addresses are given herein.

The President's Committee would appreciate receiving copies of any materials which might be added to this bibliography, and comments about the value of items included in it.

David L. Lawrence
Special Assistant to the President and
Chairman, The President's Committee on
Equal Opportunity in Housing

SOURCES FOR ITEMS IN THIS BIBLIOGRAPHY

The following sources and their abbreviations are listed several times in the bibliography:

Anti-Defamation League of B'nai B'rith 515 Madison Avenue, New York, New York 10022	<u>ADL</u>
American Friends Service Committee 160 North 15th Street, Philadelphia, Pennsylvania	<u>AFSC</u>
American Friends Service Committee Metropolitan Washington Housing Program 245--2nd Street, N.E., Washington, D.C.	<u>AFSC-Metro.</u>
Commission on Human Relations, Philadelphia City Hall Annex, Room 625, Philadelphia, Pennsylvania	<u>CHR-Phil.</u>
Commission on Human Relations, Pittsburgh 518 City-County Building, Pittsburgh, Pennsylvania	<u>CHR-Pgh.</u>
Government Printing Office Washington, D.C.	<u>GPO</u>
Housing and Home Finance Agency Washington, D.C.	<u>HHFA</u>
National Association of Intergroup Relations Officials 2027 Massachusetts Avenue, N.W., Washington, D.C.	<u>NAIRO</u>
National Committee Against Discrimination in Housing 323 Lexington Avenue, New York, New York 10016	<u>NCDH</u>
The President's Committee on Equal Opportunity in Housing The White House, Washington, D.C.	President's Committee

BACKGROUND INFORMATION

The books, reports, periodicals, and articles in this section provide useful information for a better understanding of the problems of housing discrimination.

BOOKS AND REPORTS

An American Dilemma -- The Negro Problem and Modern Democracy, by Gunnar Myrdal. Harper and Bros., New York, 1944. \$16.50 A classic study of all phases of Negro life and relationships of Negroes with community as a whole. While factually dated, book is valuable for its insight into socio-economic status of Negroes, their relationships with white community, and impact of this problem on our society.

A Report to the Mayor and City Council of Chicago on the Present Status and Effectiveness of Existing Fair Housing Practices Legislation in the United States as of April 1, 1963, by Clifford J. Campbell and Edward Marciniak. Chicago Commission on Human Relations, 211 West Wacker Drive, Chicago, Illinois 60606.

But Not Next Door, by Harry and David Rosen. Avon Book Division, the Hearst Corporation, New York, 1962. 50¢. An account of the Deerfield, Illinois, situation in which development of an interracial private development was prevented by town's condemnation of development land for a park.

Caucasians Only: The Supreme Court, the NAACP, and the Restrictive Covenant Cases, by Clement E. Vose. University of California Press, Berkeley and Los Angeles, 1959. \$6.00 Describes sociological and political events which led to Supreme Court decisions banning restrictive covenants and appraises practical results of these rulings.

Current Report. The President's Committee. Periodic, free. A report of activities of President's Committee, progress achieved by Executive Order on Equal Opportunity in Housing, and fair housing news in general.

Discrimination, U.S.A., by Senator Jacob K. Javits. Washington Square Press, Inc., New York, 1962. 60¢. Chapter 8, Minorities and Housing discusses development of housing discrimination, role of Federal government, role and achievements of fair housing laws, successful examples of integrated housing, and recommends Federal Government action to end segregated housing.

Equal Opportunity in Housing -- Challenge to American Communities. NCDH. 1963. Single copy \$1.00, quantity prices on request. Report of NCDH nationwide conference in Washington; designed as a basic reference. Includes summaries of sessions dealing with Executive Order on Equal Opportunity in Housing, background information on principal Federal housing programs, program ideas based on activities of local fair housing groups, excerpts from major conference speeches, digests of Executive Order and state and city fair housing laws and ordinances.

Family Housing and the Negro Serviceman. 1963 Staff Report, United States Commission on Civil Rights, U.S. Government Printing Office, Washington, D.C., 20402. \$1.00. Information about housing needs of Negro servicemen, housing supply, searching for housing, on-base housing, private housing market, action by armed services, and recommendations for remedial action.

Housing, 1961 United States Civil Rights Commission Report. (Out of print, but may be available in large libraries.) Discusses Federal Government's housing programs and policies on housing segregation (prior to Executive Order on Equal Opportunity in Housing), state and local action, and recommends remedial action by Federal Government.

Jews in Suburbia, by Albert I. Gordon. Beacon Press, Boston, 1959. \$3.50. Chapter 7, Tension and Unrest, describes problems of discrimination and prejudice Jews face in many suburbs.

Midwestern Minority Housing Markets. Advance Mortgage Corporation, 105 West Adams Street, Chicago, Illinois, December, 1962. Copies on request. An analysis of non-white population, family income, home ownership, over-crowding, substandard housing, housing costs, financing, and potential middle income housing demand in ten metropolitan areas.

Our Nonwhite Population and its Housing, the Changes Between 1950 and 1960. HHFA. A comparative analysis of nonwhite population and housing characteristics in the U.S., using data from 1950 and 1960 censuses.

Race: Challenge to Religion. Edited by Mathew Ahmann. Henry Regnery Co., Chicago, 1963, \$1.65. Addresses by eleven Protestant, Catholic and Jewish religious and lay leaders at the first National Conference on Religion and Race, January, 1963, sponsored by agencies of Council of Churches, Synagogue Council of America, and National Catholic Welfare Conference.

Potential Housing Demands of Non-White Population in Selected Metropolitan Areas. HHFA, 1962. Shows there is a large potential for homes at various price ranges among nonwhites with \$7,000 to \$10,000 yearly incomes in a number of metropolitan areas.

Residence and Race, Final and Comprehensive Report to the Commission on Race and Housing, by Davis McEntire. University of California Press, Berkeley and Los Angeles, 1960. \$6.00. Discusses national situation in regard to minority housing problems under four major topics; where minorities live; minorities in the housing market; housing industry and minority groups, and the role of government.

Revolution in the City, by Vincent Giese. Fides, Notre Dame, Indiana, 1961. \$1.95. Analysis of problems encountered in efforts to stabilize one changing neighborhood in Chicago and how they were handled.

Slums and Social Insecurity, by Alvin J. Schorr, U.S. Department of Health, Education, and Welfare, Washington, D.C. 1963, 50¢. Highlights relationship between poverty and discrimination and appraises effectiveness of housing policies in helping to end poverty in U.S.

Some of My Best Friends...., by Benjamin R. Epstein and Arnold Forster. Farrar, Strauss and Cudahy, New York, 1962, \$4.50. Chapters 5 through 8 discuss housing discrimination against Jews in neighborhoods, cities, suburbs and exurbia.

Strangers--Then Neighbors--From Pilgrims to Puerto Ricans, by Clarence Senior. Freedom Books, New York, 1961, 95¢. Also from ADL. Description of early immigrants to America, their experience as compared to that of immigrants moving within America from rural communities to large cities, from South to North, and from Puerto Rico to mainland. Emphasis on Puerto Ricans.

Strangers Next Door, Ethnic Relations in American Communities, by Robin M. Williams, Jr., Prentice-Hall, Inc., Englewood Cliffs, New Jersey, 1964. \$12.00. Findings from extensive socio-psychological studies of prejudice, segregation, discrimination, Negro community life, and intergroup relations and attitudes.

Studies in Housing and Minority Groups, by Nathan Glazer and Davis McEntire. University of California Press, Berkeley and Los Angeles, 1960. \$6.00. Six local studies on housing conditions and problems involving racial or ethnic minority groups in large cities; Negroes in Atlanta, Birmingham, Detroit and New Orleans; Mexican-Americans and Negroes in Houston and San Antonio; Japanese-Americans in San Francisco and Los Angeles; and Puerto Ricans in New York.

The Demand for Housing in Racially Mixed Areas, by Chester Rapkin and William C. Grigsby. University of California Press, Berkeley and Los Angeles, 1960, \$6.00. An examination of factors affecting demand for housing by whites and nonwhites in four racially mixed residential areas of Philadelphia.

The Federal Role in Equal Housing Opportunity. The Potomac Institute, Inc., 1501-18th Street, N.W., Washington, D.C. Single copy 50¢, quantity prices on request. Recommends various kinds of affirmative action by Federal Government to achieve more fully purposes of Executive Order on Equal Opportunity in Housing.

The Ghetto Game, Racial Conflicts in the City, by Dennis Clark. Sheed and Ward, New York, 1962, \$4.00. Probes written and unwritten rules which divide cities into racial ghettos.

The Mind of the South, by Wilbur J. Cash. Alfred A. Knopf, Inc., New York, 1941. A classic study of historical reasons for development of anti-Negro prejudice and white supremacy in the South.

The Nature of Prejudice, by Gordon Allport. Doubleday-Anchor, New York, 1954. \$1.75. A comprehensive analysis of many factors involved in prejudice and effects of prejudice on behavior.

The Negro Ghetto, by Dr. Robert C. Weaver, Harcourt & Brace, New York, New York, 1948. (Out of print but may be available at larger libraries.) Insights into problems of Negro life with emphasis on rise, development, and results of enforced residential segregation in North.

The Negro Potential by Eli Ginsberg. Columbia University Press, New York, 1956, \$3.00. Discusses challenge which potential abilities and progress of Negroes present to America. Included are sections on expansion of economic opportunities, preparation of Negroes educationally and for employment--all in terms of what has been accomplished and what remains to be done.

The Newcomers, by Oscar Handlin. Harvard University Press, Cambridge, Massachusetts, 1959, \$4.00. One of a series in a study of forces shaping metropolitan areas; it discusses patterns of adjustment and forms of social action of recent immigrants (Negroes and Puerto Ricans) to Northern cities.

The Urban Renewal Program and NAACP Guidelines to Integration. National Association for the Advancement of Colored People, 20 West 40th Street, New York, New York 10018. Explanation of Federally-assisted urban renewal programs, and policy of NAACP in regard to different aspects of program.

Where Shall We Live? Report of the Commission on Race and Housing, University of California Press, Berkeley and Los Angeles, 1958. (Out of print, may be available at larger libraries.) Conclusions from three-year study of racial discrimination in housing. Includes: home building, finance, real estate values, law and government, social and economic consequences of discrimination, changing status of minorities, implications for future, Commission recommendations.

ARTICLES, PERIODICALS AND PAMPHLETS

Effects of Urban Renewal on Community Racial Patterns, by Mel J. Ravitz. The Journal of Social Issues, Vol. 13, No. 4, 1957. Describes characteristics and trends of Detroit metropolitan area's population growth and effects of urban renewal (redevelopment and conservation) on racial patterns.

Freedom of Residence. Reprinted by NCDH from special issue of Social Action, 1963, official publication of United Church of Christ. Single copy 25¢; 10-99, 20¢ each; 100 or more 15¢ each. Includes articles on open occupancy, scoreboard on legislation, and a case study of fair housing efforts in one community.

Housing Discrimination, Changing Neighborhoods, and Public Schools by S. Joseph Fauman. The Journal of Social Issues, Vol. 13, No. 4, 1947. Discusses factors which cause neighborhoods to "change" from white to nonwhite, and presents hypotheses and research questions about inter-relationship between housing discrimination, changing neighborhoods, and role of schools in such areas.

Interracial News Service. National Council of the Churches of Christ in the U.S.A., Department of Racial and Cultural Relations, 475 Riverside Drive, New York, New York 10027. Bi-monthly, \$2.50 for two years. A digest of trends and developments in human relations.

Interracial Review. Catholic Interracial Council of New York, 233 Broadway, New York, New York 10007. Monthly except August. \$4.00 per year, or 40¢ per copy. Sermons, articles, book reviews, and reports about civil rights and human welfare from Catholic viewpoint.

Negro Press Digest. New York Chapter, The American Jewish Committee, 165 East 56th Street, New York, New York 10022. A monthly digest of articles in Negro press about civil rights, civil liberties and intergroup relations; emphasis on articles of local interest and national consequence.

Questions and Answers -- President's Executive Order No. 11063, Equal Opportunity in Housing. President's Committee or HHFA. Describes kinds of housing covered by Order, who is bound by its provisions, complaint procedures, functions of President's Committee.

Residence and Race. NCDH, 1961. Single copy 5¢; \$3.50 per 100. A digest of McEntire's final and comprehensive report of Commission on Race and Housing's study of residential segregation in U.S. Includes short description of five books based on Commission's study. (Privately Developed Interracial Housing; Property Values and Race; Residence and Race; Studies in Housing and Minority Groups; and The Demand for Housing in Racially Mixed Areas.)

The Challenge for Suburban Living, by George Grier. AFSC. A summary of reasons why fair housing practices are important to future of cities and suburbs.

The City and the Negro, by Charles E. Silberman. Reprinted by NCDH from Fortune Magazine, March, 1962. Single copy 25¢. A close look at our metropolitan areas; concludes that "the city is in trouble today because it isn't dealing successfully with its newcomers." Includes extensive population data.

The Journal of Intergroup Relations. NAIRO, Quarterly, \$6.00 per year. Discusses intergroup relations theory, experience, techniques and methodology.

The President's Committee on Equal Opportunity in Housing. President's Committee, free. Describes what Committee is, what it does, how it can help local communities by means of public education and community action programs.

The Struggle for Open Housing, by Frances Levenson and Margaret Fisher. Reprinted from The Progressive magazine, 1962 by NCDH. Single copy 5¢, \$3.50 per 100. Reviews developments in housing-civil rights field over past century on occasion of 100th anniversary of Emancipation Proclamation.

Trends in Housing, NCDH, bi-monthly. Single copies 35¢; 25 or more 25¢ each; prices for larger quantities on request; or \$2.00 per year. Reports on racial and religious discrimination in housing and efforts to combat it. Feature stories and factual reports cover significant church, community and neighborhood programs; open occupancy developments; legal action; and fair housing legislation.

Urban Renewal in the Interest of All People, by Dr. Booker T. McGraw. Phylon, The Atlanta University Review of Race and Culture, First Quarter, Spring, 1958. Discusses Federal requirements that can give some protection to minorities affected by urban renewal, problems caused by segregation, myths about integrated housing, business potentials in urban renewal, and need for more community concern and action to insure equal treatment for minorities affected by urban renewal.

LEGAL MATERIALS

The materials in this section provide information on the development of the law--Federal, state, and local--in regard to equal housing opportunities.

LAWS, ORDINANCES, EXECUTIVE ORDERS, AND RULES

Civil Rights Act of 1964, Title XI. GPO, 15¢ per copy. Forbids discrimination in Federally-assisted urban renewal programs, public housing, and college and senior citizen housing.

Model Fair Housing Bill. NCDH, 1963, free.

President's Executive Order 11063, Equal Opportunity in Housing. President's Committee, free.

State Statutes, and Local Ordinances and Resolutions Prohibiting Discrimination in Housing and Urban Renewal Operations, December, 1961. HHFA. Order from GPO, 40¢.

ARTICLES AND REPORTS

An Analysis of Attempts to Prohibit Racial Discrimination in the Sale and Rental of Publicly Assisted Private Housing, by A.W. Branscomb. 28 George Washington Law Review, p. 758, April, 1960.

Color Blindness, But Not Myopia: A New Look at State Action, Equal Protection and "Private" Racial Discrimination, by T. J. St. Antoine. 59 Michigan Law Review, p. 993, May, 1961.

Discrimination and the Struggle for Shelter, by C. Abrams, 6 New York Law Forum, p. 3, January, 1960.

Discrimination in State University Housing Programs--Policy and Constitutional Considerations, by W. W. Van Alstyne. 13 Stanford Law Review, p. 60, December, 1960.

Equal Housing Opportunity and Individual Property Rights, by M. Semer and M. E. Sloane. 24 Federal Bar Journal, p. 47, Winter, 1964.

Equal Protection--Racial Discrimination and the Role of the State by W. C. Griffith. 50 Michigan Law Review, p. 1054, May, 1961.

Executive Order on Housing, the Constitutional Basis for What It Fails To Do, by M. E. Sloane and M. H. Freedman. 9 Howard Law Journal, p. 1, Winter, 1964.

Fair Housing Laws--Design for Equal Opportunity, by L. Pearl and B. Turner. 16 Stanford Law Review, June, 1964.

Fourteenth Amendment Aspects of Racial Discrimination in Private Housing, by H. W. Horowitz. 52 California Law Review, p. 1, March, 1964.

Housing Discrimination--The Response of Law by M. E. Sloane, 42 North Carolina Law Review, p. 196, December, 1963.

Housing--The Northern Civil Rights Frontier, by J. B. Robison, 13 Western Reserve Law Review, p. 101, December, 1961.

Massachusetts Fair Housing Practices Law, by L. H. Kozol. 47 Massachusetts Law Quarterly, p. 295, Summer, 1962.

Must I Sell My House to a Negro? by W. Lehman. 42 Chicago Bar Record, March, 1961.

One Year's Experience: Current and Potential Impact of the Housing Order, by M. E. Sloane, 32 George Washington Law Review, p. 457, March, 1964.

Race Relations Law Reporter. Edited by Vanderbilt University School of Law, quarterly. Order address: P. O. Box 6156, Acklen Station, Nashville, Tennessee. Subscription \$5.00 per year; \$1.50 per issue, including back issues. Additional charge for packing and mailing of back issues.

State Action, by W. W. van Alstyne and K. L. Karst. 14 Stanford Law Review, p. 3, December, 1961.

State Executive Authority to Promote Civil Rights. The Potomac Institute, Inc., 1963, Section on Housing, p. 23.

The Benevolent Housing Quota, by V. S. Navasky, 6 Howard Law Journal, p. 30, January, 1960.

The Benign Quota, Equal Protection, and "The Rule in Shelley's Case", by W. S. Hellerstein. 17 Rutgers Law Review, p. 531, Spring, 1963.

The Case of the Checker-Board Ordinance: An Experiment in Race Relations, by B. I. Bittker. 71 Yale Law Journal, p. 1387, July, 1962.

The House I Live In: A Study of Housing for Minorities, by M. L. McGhee and A. F. Ginger. 46 Cornell Law Quarterly, p. 194, Winter, 1961.

The Law and Discrimination in Housing, by L. Miller. 20 Lawyers Guild Review, p. 123, Winter, 1960.

The Proper Role of Law in Attempts to Eliminate Discrimination in Housing, by Frances Levinson. NCDH, free.

NOTES AND COMMENTS

Anti-Discrimination Legislation in Housing. 9 Catholic Lawyer, p. 71.

Anti-Discrimination Legislation as it Affects Property Rights. 23 Albany Law Review, p. 75, 1959.

Application of the Fourteenth Amendment to Builders of Private Housing. 12 Kansas Law Review, p. 426, 1964.

Benign Quotas: A Plan for Integrated Private Housing. 70 Yale Law Journal, p. 126, 1960.

Builders of FHA Housing Held Barred from Discrimination Against Purchasers on Basis of Race: Possible Sources of Federal Prohibition and Basis for Cause of Action. 59 Columbia Law Review, p. 782, 1959.

Housing. 8 Race Relations Law Reporter, p. 769, 1963.

Racially Restrictive Covenants in Deeds. 25 Georgia Bar Journal, p. 232, 1962.

Right to Equal Treatment: Administrative Enforcement of Anti-Discrimination Legislation. 74 Harvard Law Review, p. 526, 1961.

What Businesses or Establishments Fall Within State Civil Rights Statutory Provisions Prohibiting Discrimination. 87 American Law Review, 2d, p. 120, 1963.

GUIDES TO COMMUNITY ACTION

The books, articles and pamphlets in this section provide theoretical and practical advice in regard to developing and maintaining open-occupancy neighborhoods. Both private and public action programs are described.

BOOKS

A Manual for Intergroup Relations, by John P. Dean and Alex Rosen, with assistance from Robert B. Johnson. University of Chicago Press, Chicago and London, 1955, \$1.65. Discusses various methods for improving intergroup relations in institutions and organizations with different racial and ethnic group participants, and in community at large.

A Neighborhood Finds Itself, by Julia Abrahamson, Harper & Bros., New York, 1949, \$5.00. Story of pioneering effort of people in a declining community to fuse challenge of Negro in-migration and conservation into excitement of creating an interracial community of high standards.

Better Housing for Everyone, by Shirley A. Siegel. Tools for Human Relations Series, Vol. IV, Oceana Publications, New York, 1954. (Out of print, but may be available at larger libraries.) A 'how to do it' manual for both lay and professional workers in national and local agencies seeking to achieve racially integrated communities.

Community Organization, Theory and Principles, by Murray G. Ross, Harper & Bros., New York, 1955, \$4.50. Discusses nature of community organization work, factors impinging on community organization methods, and principles of community organization.

How to Conduct a Community Self-Survey of Civil Rights, by Margot Haas Wormser and Claire Sellitz. Association Press, New York, 1951. (Out of print, may be available at larger libraries.)

ARTICLES AND PAMPHLETS

Action to Stem Panic Peddling. NCDH, 1962, Single copy 5¢; \$4.00 per 100. Examines this major problem and reviews official measures to combat it. Suggests 10 guidelines for groups considering remedial action.

Advertising Goodwill. NCDH, 1959. Single copy 5¢, \$3.50 per 100. Describes growth of open occupancy covenant campaigns throughout the U.S. Outlines techniques used and experiences of various local groups. Includes specimen pledge card which commits signer to welcome good neighbors without regard to race, religion or nationality.

A Guide for Human Relations Consultants. CHR, Pgh. A guide for lay church members who are human relations consultants for their congregations. Discusses role of consultant, role of a human relations committee, development of a program, and suggests projects.

A Neighborhood Acts: An Experiment in Cooperative Neighborhood Rehabilitation. National Federation of Settlements and Neighborhood Centers, 226 West 47th Street, New York, New York 10036. 16 pp, \$1.00. Demonstrates effectiveness of block organization relating to a neighborhood council and then overall city picture.

Approaches to Residential Desegregation. Interracial News Service, Vol. 32, No. 3, May-June, 1961. Discusses supporting laws and other governmental action against housing discrimination, advertising goodwill through open occupancy pledges, non-discriminatory listing services, and neighborhood stabilization programs.

A Strategy for Racially Inclusive Neighborhoods, by George Schermer. CHR, Phila. Says ending of housing segregation must be viewed as a moral crusade; describes conditions required for effective neighborhood stabilization; urges development of a "master strategy" for ending housing discrimination; and suggests principal elements for this strategy.

Citizen Participation in Neighborhood Conservation and Rehabilitation. Action-Housing, Inc., Number One Gateway Center, Pittsburgh, Penna., 22pp, 30¢. Case histories showing how neighborhood organization has been handled in New Haven and Detroit as a function of municipal administration, and in Dayton through "grass roots" area councils. Includes report on communications methods used in neighborhood organizations in St. Louis.

Desegregation...A Community Design, by George Schermer. CHR, Phila. Partial contents: a 16-point program for a long-range, comprehensive process of desegregation in depth for Philadelphia, but applicable elsewhere. Useful as a general outline for a comprehensive program of desegregation in all aspects of community life.

Fair Housing at the Grassroots. NCDH, 1963. Single copy 5¢; \$3.50 per 100. Feature story on nationwide growth of voluntary citizen groups working to establish and maintain integrated neighborhoods. Describes their various programs, including operation of non-discriminatory listing services.

Fair Housing Handbook, by Margaret Fisher. NCDH and AFSC, 1964. Single copy 50¢, orders of 100 or more 35¢ each. A comprehensive guide for fair housing committees; how to organize; program ideas; effective techniques.

Group Dynamics and Social Action, by Kenneth Benne and Leland Bradford. ADL, order number F109, 35¢. Techniques and suggestions for organizing and conducting group meetings and programs, for understanding dynamics of different personalities striving to reach common goals.

Guidelines. A Manual for Bi-Racial Committees, by George Schermer, preface by Adlai E. Stevenson. ADL, 1964, \$1.50 per copy. A guide intended to help urban area officials and leaders understand racial problems. Indicates steps that have been taken in some cities to resolve tension, and to promote communication and cooperation among racial and ethnic groups.

Guidelines for Municipal Human Relations Committees. NAIRO, Single copy 50¢, bulk rate on request. Brief explanation of existing human relations problems, why they should be a concern of city government; need for human relations committees; specific recommendations as to their purposes; activities, creation, organization, staff and budget needs, how to establish communications with community elements, and recommendation that committees have local rights ordinances to enforce.

Guidelines for Community Conferences. President's Committee, free. Describes purposes, participants to be invited, format, and goals of community education and action conferences to be co-sponsored by President's Committee and local organizations.

Guide to Changing Neighborhoods. National Community Relations Advisory Council, 9 West 38th Street, New York, New York 10016. Written from point of view of Jewish community, but contains valuable general observations on emerging experience with changing neighborhoods, and has a good bibliography.

Helping the Panic Neighborhood, by John McDermott and Dennis Clark. Interracial Review, August 1955, or NCDH, 10¢. Describes how Philadelphia Commission on Human Relations acts to calm tension and panic when nonwhites move into previously all-white neighborhoods.

How to End Discrimination in Housing. New York State Commission Against Discrimination in Housing, 35 West 32nd Street, New York, New York. Advice on how to establish an effective community fair housing organization.

How to Prevent Panic Selling. New York City Commission on Human Rights, 80 Lafayette Street, New York, New York 10012. Detailed recommendations for use by neighborhood groups in stopping panic selling; includes model meeting invitation, ministers' letter to realtors, and open-occupancy pledge card.

Integration in Suburban Housing, by Eleanor Leacock, Martin Deutsch and Joshua Fishman. ADL, 1963. An analysis of one Northern community's attempt to face integration of middle-class neighborhoods by forming an interracial community council. Problems, benefits, ultimate results are discussed thoroughly and examined in light of community's experience in order to benefit other suburbs.

Intervention Anyone? A New Look at Social Action, by Hans B. C. Spiegel. Interracial News Service, Vol. 33, No. 5, November-December 1962. Urges organized religious groups to reassess and redefine meaning of social action, including differentiating different forms of social action. Four levels of "intervention" (methods of social action) are explained in theoretical and practical terms, and churches are urged to take more direct action to end discrimination.

Market Area Agreements--An Old Device Put to New Use, by Edward Rutledge. The Journal of Intergroup Relations, Vol. II, No. 3, Summer, 1961, or New York State Commission Against Discrimination, 270 Broadway, New York, New York 10007. Urges adoption of voluntary open-occupancy agreements by all builders in an area to end discrimination; gives successful example of an agreement; describes role of New York Commission in obtaining agreement; and analyzes factors necessary for successful agreements, including an effective nonwhite housing demand.

Residential Desegregation, The Church's New Frontier. United Presbyterian Church in the U.S.A., 830 Witherspoon Building, Philadelphia, Penna., 1958, 20¢. A consideration of problems and solutions related to desegregation in private housing.

Residential Segregation. United Presbyterian Church in the U.S.A., *ibid* September, 1958. Single copy 15¢, 25 or more copies 6¢ each. Partial contents: Approaches to solutions that have worked in changing neighborhoods and communities. Includes list of helpful organizations.

The "Quiet" Integration in the Suburbs, by Margaret Fisher. Reprinted from Council Woman, magazine of National Council of Jewish Women by NCDH, 1963. Single copy 10¢; \$8.00 per 100. Feature story about activities of local fair housing groups.

Statement of Principles to Effect Integration in Public Housing, NCDH, 1961, free. Recommendations of New York State Committee on Discrimination in Housing. Proposed program could be adapted to any section of country.

Statement on Urban Renewal. NCDH, 1961. Policy position of New York Committee on Discrimination in Housing.

The Role of the Clergy in Promoting Good Intergroup Relations Practices. CHR, Pgh. A guide for clergy to use in working with their congregations as a whole, with religious lay leaders, religious organizations, and individual members.

Toward Equal Opportunity. NAIRO. Proposes a comprehensive national program for achieving open occupancy during 1960's. Proposals include holding of a national conference and establishing a National Educational Service on Equal Opportunity in Housing.

Twenty-five Ideas for a Fair Housing Program in Your Community. AFSC-Metro. Practical ideas for organizing and carrying out a fair housing program.

Work With the Move-in Family. AFSC-Metro. A comprehensive detailed guide for helping first minority family to move peacefully into a previously all-white area.

MATERIALS FOR COMMUNITY EDUCATION

The materials in this section can be helpful in educating people to work for stable, integrated neighborhoods.

GENERAL INFORMATION

Burden of Truth. Film, 1 hour, black and white, sound. United Steel Workers, 1500 Commonwealth Bldg., Pittsburgh, Penna. A Negro family moves into a white suburban community and mob gathers in protest. Problems and prejudices young Negro father faced are shown through flashbacks.

Catholicism and Racism in the North, by Mathew Ahman. The Catholic World, August, 1962, or NCDH. Single copy 5¢; \$4.00 per 100. Director of National Catholic Conference for Interracial Justice calls on Catholic community to play larger role in dissolving "massive black ghettos" in North.

Confessions of a Blockbuster. The Saturday Evening Post, July 14-21, 1962, NCDH. Single copy 10¢; \$8.50 per 100. Chicago real estate agent tells how he makes enormous profits by peddling panic in neighborhoods he decides are "ripe" for racial change.

Crisis in Levittown. Film, about 30 minutes, black and white, sound. Dynamic Films, Inc., 405 Park Avenue, New York, New York 10022, or ADL. A series of interviews with residents, both for and against integration of first Negro family in Levittown, Penna. Dr. Dan Dodson, New York University Center for Human Relations, gives comment and analysis.

Facing the Inevitable Change, by Earle R. Vaughan. The Apartment Journal, October, 1963, Apartment Association of Los Angeles County, 551 S. Oxford, Los Angeles, Calif. Author, an apartment house owner and member of Association's Executive Committee, says integrated housing can work and owners will not suffer financial loss. Bases argument on history of successful integration of hotels, motels, restaurants, and housing integration in Alaska, Hawaii, and states with fair-housing laws.

Home and Community, AFSC, 1961, 10¢. Questions and answers about equal housing opportunities. Gives specific suggestions as to what individuals can do to encourage interracial housing.

House of Decision. Film strip, 20 minutes, sound. AFSC. Rental \$2.00. Some of psychological and mechanical problems facing a Negro family buying an out-of-ghetto house are presented.

How the President's Executive Order Can Help You Acquire the Home of Your Choice. President's Committee, free. Describes housing programs of Federal departments and agencies, and how individuals can get help in acquiring housing covered by the Executive Order on Equal Opportunity in Housing.

How to Cope with Real Estate Pressure Tactics When a Family of a Racial Group New to Your Neighborhood Moves In. CHR, Phila. Advice to individual homeowners in Philadelphia on how to deal effectively with "blockbusters". Can be adapted for use elsewhere.

Open Doors. New Jersey Division on Civil Rights, Department of Law and Safety, 52 West State Street, Trenton, New Jersey, 08608. Refutations of nine myths about effect of interracial housing. Keyed to New Jersey but useful elsewhere.

Open Housing Declaration by Builders Here Hailed, and other news items. Reprinted from Evening Journal, Wilmington, Del., March 19, 1964, by AFSC. Articles about adoption of open occupancy declaration by Wilmington Home Builders Association and its support by Greater Wilmington Board of Realtors.

Opening the Door to Good Neighbors, by Charles Abrams. The New York Times Book Review, February 5, 1961, or NCDH. Single copy 5¢; \$3.50 per 100. Noted housing expert and author draws upon his own vast knowledge to review five books published by Commission on Race and Housing.

Special Kit of Religious Statements and Articles. NCDH, 50¢. Statements by Catholic, Protestant, and Jewish organizations about equal opportunity in housing.

The Myths of Racial Integration, by Naomi Levine. American Jewish Congress, 15 East 84th Street, New York, New York 10028. Refutation of nine myths about the effect of Negroes and Puerto Ricans moving into previously segregated neighborhoods.

What Happens When Neighbors Pay Money to Forestall Racial Change? CHR-Phila. Describes financial dangers and impracticality of neighborhood "funds" used to buy homes to prevent their purchase by minorities.

Information about Property Values

BOOKS AND REPORTS

Property Values and Race, by Luigi Laurenti. University of California Press, Berkeley and Los Angeles, 1960, \$6.00. Refutes widespread belief that real estate values fall when nonwhites enter previously all-white areas. Says entry of nonwhites is more often associated with price increases or stability than with decreases.

Research Report on Integrated Housing in Kalamazoo. W. E. Upjohn Institute for Community Research, 709 South Westnedge, Kalamazoo, Michigan. Survey made to inform Kalamazoo residents of character of city's interracial housing survey. Shows, among other things, that racial integration does not cause property values to drop. Included are findings based on sales figures in integrated and all-white neighborhoods, personal opinions of residents, and assessors' figures.

ARTICLES

Do Nonwhites Really Lower Property Values? House and Home magazine, March, 1960 or NCDH. Single copy 5¢, \$3.00 per 100. A review of Property Values and Race.

Entry of Negroes Studied in Cities, subtitle, Report on 8 Areas Asserts Values in All-White Sections Do Not Fall. New York Times, February 7, 1960, or NCDH. Single copy 5¢, \$3.00 per 100. News articles giving highlights of Property Values and Race.

Negroes and Property Values. Ave Maria, National Catholic Weekly, February 25, 1961, or Catholic Interracial Council, 21 West Superior Street, Chicago, Illinois. Cites evidence from Property Values and Race and other studies to refute argument that property values always decline when nonwhites move into all-white areas.

Race Irrelevant to Values. NCDH, 1960. Single copy 5¢; \$3.50 per 100. A digest of Property Values and Race.

Residential Integration and Property Values, by Erdman Palmore and John Howe. ADL, order number R147, 10¢. A study of effects on property values in nine neighborhoods of a New England town when Negroes moved in. Findings: (1) property values in eight of nine areas increased as much or more than average for town; (2) few Negroes moved in; (3) there has been a stable rate of turnover; (4) Negroes have higher educational levels than white neighbors.

EXAMPLES OF SUCCESSFUL INTEGRATION

Books and Reports

Equal Opportunity in Housing - A Series of Case Studies, by HHFA. GPO. Describes successful building of open occupancy housing in New Jersey; Chicago; Richmond and San Francisco, California; Columbus, Ohio; and Madison, Wisconsin.

Human Relations in Interracial Housing, by Daniel M. Wilner, R.T. Walkley, and S. W. Cook. University of Minnesota Press, Minneapolis, 1955, \$4.00. A study of interracial public housing. Says residential proximity often leads to improved attitudes between nonwhites and whites.

Interracial Housing: A Psychological Evaluation of a Social Experiment, by Morton Deutsch and Mary Collins. University of Minnesota Press, Minneapolis, 1951. (Out of print, may be available at larger libraries.) Presents scientific evidence from case studies that integrated housing can change racial attitudes in a positive direction.

Privately Developed Interracial Housing, by Eunice and George Grier. University of California Press, Berkeley and Los Angeles, 1960, \$6.00. A scientific study of 50 communities throughout U.S. developed for interracial occupancy. Found most were successful.

Racial Integration in Private Residential Neighborhoods in Connecticut, by Henry G. Stetler, Commission on Civil Rights, Hartford, Connecticut. 1957. Gives background and interracial experience of a growing number of Connecticut Negroes living now in widely scattered previously all-white areas. Most had positive experiences.

Articles and Films

All The Way Home. Film, 29½ minutes, black and white, cleared for TV. Dynamic Films, or ADL. A house in an all-white neighborhood is for sale. When Negro family stops to inquire about it, neighborhood fear and anxiety mount to dangerous point until responsible community leadership asserts itself.

How Eichler Sells Open Occupancy With No Fuss. House and Home magazine, February, 1964. An interview with Ned Eichler of Eichler Homes, in which company's successful sales of houses on open occupancy basis in California is discussed.

Integration Accomplished Quietly in Levittown Area. Reprinted from Camden, N.J., Courier-Post, September 15, 1962, by AFSC. Describes how successful efforts of Burlington County, N.J., Human Relations Council have worked to achieve peaceful integration of Levittown, New Jersey.

Integration Gain Noted in Rentals. Reprinted from The New York Times, February 29, 1960, by NCDH. Single copy 5¢; \$3.00 per 100. Article cites major findings of Privately Developed Interracial Housing.

Integration Outside District Has A Smooth Beginning. Reprinted from Washington Evening Star, April 15, 1964, by AFSC-Metro. Feature article describes successful integration of about 45 Negro families into previously all-white areas in suburban Maryland and Northern Virginia, and how they were helped by several fair housing groups.

Interracial Housing Can Be Stable, Profitable, Contend Authors of a New Exhaustive Study. Reprinted from House and Home, March, by NCDH. Review of major findings of Privately Developed Interracial Housing.

Negro Families Accepted. Reprinted from Newark Evening News, N.J., January 12, 1964 by AFSC. Describes successful integration of a number of Negro families in previous all-white New Jersey communities, and work of fair housing organizations.

We Moved to an Integrated Neighborhood, by Lois Mark Stalvey. Reprinted from The Sunday Bulletin Magazine, Philadelphia, May 19, 1963, by Community Relations Service, 165 East 56th Street, New York, N.Y., 10022. Single copy 5¢; quantity prices on request. Describes satisfaction of white family who moved into integrated Philadelphia neighborhood.

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ADDENDA

Crime and Race: Conceptions and Misconceptions, by Marvin E. Wolfgang. American Jewish Committee, 165 East 56th Street, New York, New York, 1964, 50¢. A detailed, well reasoned pamphlet on the definition and causes of crime, containing a well documented refutation of the notions that minority group members are naturally prone to criminal activity, or that they are, relatively speaking, perpetrators of the highest percentage of crime.

Leadership Pamphlets, Adult Education Association of the U. S. A., 1225 - 19th Street, N. W., Washington, D. C. Prices on request. Eighteen pamphlets covering subjects such as: leading discussions, program planning, community action, conducting workshops, effective public relations.

Nondiscrimination in Federally-Assisted Programs of ... Housing and Home Finance Agency ..., Federal Register, Part II, Vol. 29, number 236, December 4, 1964. Government Printing Office, Washington, D. C. 15¢ per copy. Rules and Regulations of the Housing and Home Finance Agency (as well as four departments and two other agencies) to effectuate Title VI of the Civil Rights Act of 1964.

Race and Property, edited by John H. Denton. Diablo Press, 1964, 462 Coventry Road, Berkeley, California, 94707. Pro and con articles on legal questions, the role of government, the housing industry, real estate values and mortgage lending, and sociological aspects of housing discrimination. Also, documents relating to California fair housing laws, a bibliography, and the Tenth and Fourteenth Amendments to the United States Constitution.



Remarks of Governor David L. Lawrence
Chairman, President's Committee on Equal Opportunity in Housing

Meeting with members of the Real Estate Board of Greater Baltimore
Executive Offices of the White House
Wednesday, February 17, 1965

On behalf of the President's Committee on Equal Opportunity in Housing, I am happy to have this official expression from the oldest real estate board in the nation.

Obviously the recommendation concerning the broadening of the Executive Order will be of great interest to the members of the Committee who will be meeting in the next several weeks.

It reflects, I believe, a growing awareness on the part of many Americans of the need to work toward broadening housing opportunities, which means removing the artificial barriers to a large portion of the housing market because of race, creed, color or national origin.

It is, additionally, a recognition of the public policy of the United States which was clearly stated when President Kennedy issued Executive Order 11063 in November 1962.

Let it be said that an executive order, even one of possible extended coverage, cannot, in itself, assure fulfillment of such public policy. Nor can a city ordinance or a State law, and it is no secret that I, for one, see merit in such measures.

But what an executive order can do is provide the structural underpinnings for an intensive and comprehensive program to advance housing opportunities of unrestricted availabilities.

It requires concerted effort, of government, of business and professional groups, of labor, civic and civil rights agencies, of the religious leadership and of citizens everywhere if we are to achieve the progress that is essential to our national conscience and to our avowed concept of human dignity.

It requires a program of education and information -- of communications -- so the scope of the problem can be understood and the human resources mobilized to solve it, effectively and without delay. I am heartened that the community conference which this Committee cosponsored with the State of Maryland and the City of Baltimore contributed to some extent to this meeting today. We intend to continue this conference

activity in as many communities as possible in the conviction that they help bring about an understanding of the problem and from that understanding can come effective action.

Much more needs to be done, more organizations need involvement, myth and suspicion must be replaced by realism and reason.

We all share responsibility for the conditions which exist, and we must, therefore, share in the solution.

I thank the officers and directors of the Real Estate Board of Greater Baltimore for coming here today to add their important and impressive voice to the growing numbers who are dedicated to enlarging housing opportunities for all and determined to get the job done.



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