

HOUSING IN FLINT: AN ASSESSMENT

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### Exhibits

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1. A Century of Federal Housing Programs and Actions (5 pages). Source: Salins 1987.
2. Flint/Genesee Committee Concerned With Housing (CCH) (6 pages). Source: 1988 Report on Recommendations to Mayor Matthew S. Collier.
3. CCH Membership List (4 pages).
4. History of Community Development Policy in the U.S. (3 pages). Source: Development Training Institute, Copyright 1988.
5. Ideas For Improvement (3 pages). Sources: Berkshire, Farris, Kozol, Myers, Schneider & Zwick, and Weinstein, Copyright 1988-1990.

## ABSTRACT

This paper presents information on housing - past, present and future directions. It examines the evolution of housing policies in the U.S., programs in the State of Michigan, and more importantly, local efforts currently underway in the Flint, Michigan area. Through an examination of a variety of issues ranging from housing quality to the homeless, this paper concludes with a recommendation for positive action.

## INTRODUCTION

High on the list of America's permanent problems is housing for the poor. From the beginning of the industrial revolution to the present, social reformers have spoken about the foul housing conditions in the worst neighborhoods of our cities (Salins 1987).

A century of irregular, but steadily advancing national affluence, coupled with increased governmental intervention has, according to one source (Salins 1987), assured that basic needs of most Americans are being met. In spite of this, Salins says there is a nagging perception among both scholars and lay people that a significant number of the nation's families are not adequately housed.

In this respect, Flint, Michigan is like other large U.S.

cities. The extent to which Flint's families are adequately housed is examined in this paper. This paper looks at studies on housing after a review of the literature. Next, existing local programs are examined to determine how this situation impacts the Flint community and what its response has been. Finally, recommendations are presented which will hopefully lead to positive action by decision makers. To set the stage for this examination, a brief history of federal housing programs in the United States will be presented.

#### Historical Perspective

It has been nearly a hundred years since the pioneering 1892 congressional study commission report was released (Pub. Res. 52-22) on slum conditions in America's larger cities. This report investigated slum conditions in cities over 200,000 population and is considered by many to be the first federal initiative in the housing arena (Salins 1987).

Exhibit I lists, in chronological order, a century of federal housing programs and actions from 1892 to 1983. Another early study undertaken to assess the housing problem was one conducted in 1902 by the President's Housing Commission. This document, produced under Theodore Roosevelt's presidency, recommended condemnation of unsanitary housing and purchase, improvement, and loan financing by the government (Salins 1987).

According to George Sternlieb and David Listokin's article (Salins 1987), this recommendation by the Roosevelt study was completely incongruous with the limited nature of the federal mandate of the time. They note that "it would be more than fifty years before a significant approach along the lines envisioned by the task force at the turn of the century would begin to be implemented" (Salins p.32, 1987).

World War I provided both incentives and political backing for new federal government incursions into all spheres of economic life. Principal among them were actions in housing (Salins 1987). According to Sternlieb and Listokin, (Salins 1987) the enormous increases in industrial production for the war and resulting concentrations of population generated a need for housing.

Regulation of housing in the United States before World War I was largely confined to municipal or state tenement house codes. A "model housing law" setting forth recommended minimum standards, was drafted by the National Housing Association in 1914 and served as the basis for state and municipal housing laws which were enacted in numerous states including Michigan during the years immediately preceding World War I (Wendt 1962).

In 1918 two federal responses had an impact on housing. P.L.

65-102 authorized housing loans for shipyard employees. The authors, Sternlieb & Listokin, note that "though the action was somewhat belated and the pipeline relatively slow, more than ten thousand units were produced under this mandate" (Salins p.33, 1987).

The second federal response was the creation of the U.S. Housing Corporation (P.L. 149-164) to build and manage housing for defense workers. Under its aegis, more than five thousand units were produced. Following the war, the productive and supervisory structures generated to fulfill these needs were dismantled and the housing units were sold to the private sector. However, the concepts and, to a certain degree, the precedent remained. They were to serve in the next great era of national emergency (Salins 1987).

Following World War I, the initiative in government housing legislation passed from the federal government back to the individual states, according to Wendt (1962). In many states, according to Wendt, postwar housing legislation provided for a continuation of emergency rent controls until shortages were eliminated, while a few states enacted laws providing for state loans for housing purposes or for tax exemption on new residential construction.

The next phase of federal housing programs and actions occurred as Depression Era responses (1931-1937). Between

these periods, however, was one of the great boom times in America's housing, according to Sternlieb and Listokin (Salins 1987). They note that the wealth accumulated in the prosperity of World War I triggered a housing boom, in spite of the sharp recession of 1919. This boom nearly quadrupled the volume of residential construction from 1920 through 1925, despite the primitive nature of the available financing system.

In the 1920s, migration off the land substantially alleviated many of the housing problems of rural America and housing in urban areas tended to improve, in part, as a function of reform movements. New York City led the reform thrust through the 1902 Tenement House Act and was followed by many of America's urban areas (Listokin 1984).

Perhaps even more important, according to the authors, were advances in rail and automobile transit mechanisms which permitted and fostered a wave of suburbanization. This accelerated the filtering-down process for rural immigrants (Salins 1987).

Sternlieb and Listokin (Salins 1987) point out that by today's standards much of urban America's housing in the 1920s would be considered dreadful, but by contemporary standards, for most of its inhabitants, the new housing represented a great improvement. They note that this improvement, especially for



America's burgeoning middle class, had few parallels in the rest of the world.

According to Richard Davies (1966), the Great Depression severely crippled the national economy and provided an atmosphere in which experiment and new ideas were readily received by the public. Between 1931 and 1937 more significant developments in housing reform occurred than in the previous one hundred years. Davies suggests that continued questioning of the exact role of the private housing industry in the American economy underlay the flurry of housing reform activity.

From 1931-1937, the Depression Era ushered in no less than seven events which started our country on the dawn of national housing policies. Beginning in 1931, President Hoover authorized a conference on home building and home ownership to document inadequacies in the housing industry. According to Wendt (1962), many of the key features of federal housing policy of the 1930s originated in the recommendations of the President's Conference.

The vast private enterprise building boom of the 1920s collapsed in 1929 and 1930, according to Wendt (1962), bringing residential building to a virtual standstill in 1933 and 1934. The Great Depression marked the entry of the federal government into the housing picture as a full-

fledged participant, since the provision and improvement of housing soon became recognized as ideal means for combating unemployment (Wendt 1962).

The Reconstruction Finance Corporation (RFC) was authorized in 1932 to make loans to low income/slum redevelopment housing corporations. This was followed by the National Industrial Recovery Act in 1933 which authorized federal financing of low rent/slum-clearance housing. This act, although its use of eminent domain was later declared unconstitutional, financed almost forty thousand housing units (Salins 1987).

In the face of the virtual collapse of the nation's financial institutions and structures, Congress passed two pieces of legislation which brought the federal government and its entities directly into the mortgage market. The Homeowner's Loan Act of 1933 was followed by the 1934 National Housing Act, major elements of which have continued with minor conceptual shifts to the present day (Salins 1987).

The purpose of the National Housing Act of 1934, according to Wendt (1962), was to improve nationwide housing standards, provide employment and stimulate industry; to improve conditions with respect to home mortgage financing, to prevent speculative excesses in new mortgages investment, and to eliminate the necessity for costly second mortgage financing by creating a system of mutual mortgage insurance.

According to Joseph Mason, (Mason 1982) no chapter in the history of the federal government's involvement in housing is brighter or more refreshing than that of the Federal Home Loan Bank Board (FHLBB) and its offspring, the Federal Homeowner's Loan Corporation (FHOLC). The FHLBB was organized in 1932, expanded by the Homeowner's Loan Act, and strengthened by the National Housing Act of 1934, which set up the Federal Savings and Loan Insurance Corporation (FSLIC).

The Federal Housing Administration (FHA) was also created by the 1934 Act. It is perhaps housing's most significant achievement, according to Joseph Mason (Mason p.12, 1982). He says that not only was FHA a pump-priming device to stimulate home building, it achieved much, much more. "It revolutionized finance with its long-term amortized mortgage, and it changed the whole structure of the housing industry (Mason 1982)."

Even though the 1934 National Housing Act was the first major piece of federal 'housing' legislation, Sternlieb and Listokin argue that it was passed only on the grounds of fostering jobs and economic recovery (Salins 1987). They also note that the 1937 Housing Act, which authorized the public housing program, basically was sold under the same rubric of job stimulation and economic growth. Robert Taggart III (Taggart 1970) says the 1934 act was passed in the midst of the depression to

stimulate construction and employment, and to support the mortgage market.

The 1937 U.S. Housing Act proved to be the most significant of the New Deal, according to Richard Davies (1966). Davies says that though Congress passed this bill as primarily an economic stimulant, it turned out to be a milestone in housing reform.

The seventh event which fostered housing growth and improvement during the depression period was the 1937 Bankhead-Jones Farm Tenant Act. This act authorized the Agriculture Secretary to make long-term, low-cost loans for purchasing, refinancing, and/or repairing farm properties. (Salins 1987). These Depression Era programs described above, according to Sternlieb and Listokin (Salins 1987), were to serve as precedents for much of the post-World War II housing and urban renewal initiatives.

According to Wendt (1962), World War II and its postwar period were to witness a broadening of the federal government's powers and an extension of its activities within the basic framework established during the depression years.

The next phase of federal involvement in housing (1940-1949) occurred during the 40s when there were no less than three

housing acts passed (1941, 1942 & 1949). This period, according to Joseph Mason (1982) was one of constant conflict at high levels of government. On the one hand, there were those who felt that housing should be built by public agencies while others felt that the private enterprise approach was better.

Wendt (1962) also points out that by 1940 improved economic conditions had dulled the demand for further federal intervention in the housing field and a trend toward withdrawal of government influence in real estate finance was evident. Wendt lists the following as three major developments in national housing policy during World War II; (1) creation of the National Housing Agency, (2) war housing construction began, and (3) national rental controls were enacted.

After World War II Congress and the nation agreed that Americans were housing-short and that something should be done for our older cities with the federal government taking direct responsibility to solve the problem. The resulting legislation, according to Sternlieb and Listokin, contained something for everyone (Salins 1987).

The Housing Act of 1949 contained four titles which assisted in; slum clearance, FHA mortgage insurance expansion, increase in public housing construction and

programs established to improve farm housing (see exhibit 1).

Perhaps the most influential of the post World War II housing responses was the pioneering effort in 1944 to assure returning veterans access to low-interest, low-down-payment, long-term mortgages through Veterans' Administration mortgage guarantees and FHA mortgage insurance (Salins 1987).

The Housing Act of 1949 authorized loans and grants to purchase downtown land and sell it at a discount to private developers for "slum clearance." According to Sternlieb and Listokin, the program assumed that the economic centrality of major cities and their basic vigor were unimpaired and all that was required was cosmetic cleanup--sometimes viewed as moving the poor and increasingly, the blacks, to less obtrusive locations (Salins 1987).

This act declared the national goal of a "decent home and suitable living environment for every American family." (Taggart p.13, 1970). Public Housing was also substantially augmented with authorization for 800,000 units in a program that surprisingly was backed by both sides of the political spectrum (Salins 1987).

According to Sternlieb and Listokin, (Salins 1987) the increased scope of federal housing intervention brought to the fore a basic conflict between the cities and the federal

government as to the objectives of housing and development policy. They remark that the cities have, to this present day, been concerned with regeneration and restoration of the middle class. The federal government, meanwhile, has acted as an advocate for the poor and needy, attempting to ensure that some significant portion of federal aid would solve their needs. The authors suggest this conflict of objectives lay behind arguments promoting housing subsidies only for the needy and underhoused as against the provision of more luxurious, better-sited housing for the more affluent (Salins 1987).

Two housing acts were passed in the 50s (1954 & 1959) as a result of a 1953 presidential advisory committee recommendation that government ought to expand its efforts to deter housing deterioration and foster rehabilitation (Salins 1987). Congress sanctioned the concept of "housing and neighborhood rehabilitation" with its passage of the Housing Act of 1954 (Journal of Housing [JQH] July/August 1989). This development helped link the 1949 Housing Act's legislation, which preceded the 1954 Housing Act, to succeeding housing policies which were passed in the 1970s.

Two other significant events occurred in the 50s which had a profound effect on housing. First, the Federal Highway Act of 1956, while not a housing act, fostered much of the suburban spread which transpired during this time. Second, the first

private mortgage guarantee insurance corporation (MGIC) was established in 1957 by Max Karl. Prior to this time, the FHA was the largest guarantor of mortgages in the nation. According to Joseph Mason (Mason 1982), private loan guarantees reached \$85 billion by 1979 and surpassed FHA.

The sweeping housing development initiatives of the immediate postwar period gave way to lesser ameliorative efforts, according to Sternlieb and Listokin (Salins 1987). However, there were no less than five housing acts passed in the 60s (1961, 1964, 1965, 1968, & 1969).

In the 1960s, subsidy programs proliferated and became the center of the federal housing effort, according to Robert Taggart (Taggart 1970). The Housing & Urban Development Act of 1965, among other things, created the Department of Housing & Urban Development (HUD). According to Taggart, the Housing & Urban Development Act of 1968 filled out the kit of legislative tools. It put increasing reliance on the private sector and also sought to avoid direct federal loans. The 1968 Act also established the Government National Mortgage Association (Ginnie Mae) to replace the FNMA (Fannie Mae), which was made a private corporation (Taggart 1970).

Sternlieb & Listokin indicate that the events of the 1960s marked an end to the belief that housing was the key to resolving social issues and the beginning of the dissolution



of the old alliance of housing reformers and homebuilders. They argue further that the stresses of race, complicated by class conflict and the growing awareness of the cost of housing programs, began to splinter the former coalition (Salins 1987).

The last policy product of the 1960s, according to Sternlieb and Listokin (Salins 1987), was the Housing Act of 1970. It introduced the experimental housing allowance program which was to test the use of vouchers, a previously forbidden topic. Housing vouchers, which became firmly entrenched under President Reagan a few years later, are a demand-side subsidy, unlike the supply-oriented Section 8 Program. Beginning in 1983 vouchers were to be used extensively.

Sternlieb and Listokin (Salins 1987) refer to the 1970s and beyond as "America's Midlife Housing Crisis." They say the housing initiatives of the 1950s and 1960s were victims of their own success. Aided by the variety of financing mechanisms put in place by the federal government, new housing starts peaked in 1972 at 2.4 million units. Nearly 400,000 of these units resulted from programs subsidized by the U.S. Department of Housing and Urban Development (HUD).

Charles Farris (JOH July/August 1989) lists the 1974 Housing Act as a key piece of legislation. Not only did it authorize the creation of the Community Development Block Grant Program

(CDBG), but it replaced the Urban Renewal Program. The CDBG Program consolidated all of the community development mechanisms under one federal assistance grant. It coincided with the movement to decentralize the federal government's domestic functions and place more responsibility on state and local governments. According to Farris, "when the Urban Renewal Program was replaced by CDBG's in 1974, there were 975 cities participating" (JOH p. 170, July/August 1989).

Though there were three housing acts passed in the 1970s (1970, 1974, & 1977), a major shift was taking place, according to Sternlieb and Listokin. This shift moved from the long-term policy of direct 'supply' subsidies to one of promoting increases in effective 'demand' through rent subsidies. This new 'Section 8' program was introduced by Congress in the 1974 Housing Act (Salins 1987).

Section 8 provided payments equal to the difference between the fair market rent and the amount affordable by low-to-moderate-income families (first 25, then increased to 30 percent of gross income). Section 8 could be applied for new, existing, and rehabilitated housing.

According to Sternlieb and Listokin (Salins 1987), this shift of supply to demand subsidies commemorated the drastic decline of housing as a broad-based, politically popular government activity. They note that inflation, foreign affairs, and the

economy took central stage in the 1970s. Middle America had achieved its housing goals, according to the authors. The federal government housing programs, which in the 1950s had developed a constituency by giving something to everybody, had, by the 1970s, been reduced to serving the interests and necessities of a small, and not particularly favored, group of the poor. The government housing sector, according to the authors, could not survive this attrition of its political base (Salins 1987).

Beginning with the Reagan Administration in 1981, the housing voucher has become a functional reality. Unlike the Section 8 program which is supply oriented, the Housing Voucher program is a demand-side subsidy. Funding for Section 8 has been nearly terminated, while the administration's support for vouchers has remained steadfast. The Housing Act of 1983 brought vouchers from a demonstration experiment to operating program status (Salins 1987).

Sternlieb and Listokin (Salins 1987) argue in favor of housing vouchers by noting that "the alternative of housing projects subsidized by the federal government is a very expensive and very wasteful process." However, they remark that vouchers may not be able to handle the job exclusively.

Edgar O. Olsen, in a 1984 article in **Urban Economic Issues**, similarly argues in favor of housing vouchers to

help the poor. Olsen says that given the demonstrated inefficiency of the two previously used governmental programs -- urban renewal and public housing, "it would seem reasonable for a city to propose to the federal government a rent certificate plan as a substitute program on a demonstration basis." Further, Olsen suggests in a subsequent article, the use of a voucher program where low income families receive a cash grant and then freely choose qualified housing in the private market. He then lists seven conditions for programs to be effective, equitable, and efficient.

"During Reagan's tenure, HUD lost its place among federal cabinet departments and most of its major programs either were cut back to barely operating capacity or entirely eliminated" (JOH p. 75, March/April 1989). HUD's slice of the total federal budget is now less than 1 percent. In 1980 it was close to 6 percent (JOH September/October 1989).

#### OBJECTIVE/STATEMENT OF PROBLEM

The issue at hand in this research design involves the housing of Flint's poor. To what extent Flint's families are adequately housed is the magical \$64,000 question. One effort currently under way in Flint is the establishment of the Flint/Genesee Committee Concerned with Housing (CCH). The

CCH is a coalition of housing service providers and advocates. It was formed in May of 1987 "to encourage better coordination and stewardship of resources to assist those affected by plant closings" (CCH Brochure, Introduction 1988). There are approximately 100 persons of diverse backgrounds listed on their membership roster (See Exhibits II and III). The CCH has printed a four-page report on Flint's housing stock and neighborhoods. This report contains a set of eleven recommendations for Flint Mayor Matthew S. Collier. If the recommendations of the CCH are implemented, they feel that housing and neighborhood conditions will be improved.

On a national level at least one expert (Peter D. Salins) suggests that to speak of a housing 'crisis' is not only hyperbolic, but downright untrue. He says that much of the case of the crisis-mongers rests on the increasingly publicized plight of the "homeless." Homelessness, according to Salins, is far more symptomatic of the growing number of uncared for mentally and socially dysfunctional people to be found in our center cities than it is of a housing emergency.

Salins points out that clearly, housing conditions in the U.S. have improved steadily over the years, and the vast majority of American families and individuals are well housed by any historical or cross-national standard. Therefore, he suggests the remaining housing need must be viewed in the context of a recognition that the economy and housing market of the nation

have performed remarkably well in providing decent shelter for most Americans.

Why then does housing stand out as an area in which the welfare state has failed after decades of costly government intervention? Salins (Salins 1987) says the correct question is why do so many thoughtful people think we have failed? The answer lies, according to Salins, in our inability to agree on two issues; 1) What constitutes acceptable housing? and 2) Who deserves housing assistance?

Jonathan Kozol (1988) and Gilderbloom and Appelbaum (1988) offer alternative views of housing quality and availability in the United States. Kozol says the ultimate problem is that "there is not enough low-income housing, public or private, subsidized or not, to meet the needs of poor Americans." (Kozol p.203 1988) He notes that federal support for low income housing has dropped from \$28 billion in 1981 to \$9 billion in 1986 and that the consequences now are seen in every city of America. Further, Kozol blames homelessness on the lack of housing.

Gilderbloom and Appelbaum similarly advocate increased housing production. They argue that government cannot rely on the "unregulated marketplace" to supply decent and affordable housing. They believe that a comprehensive national housing policy, along the lines pioneered by Sweden, is badly needed

to combat the housing crisis.

How then do the above theories proposed by Salins, Kozol and Gilderbloom and Appelbaum compare to what has happened in Flint, Michigan and the housing of its poor? The principal issue to be addressed in this paper is to examine the housing programs of the City of Flint and let the reader draw their own conclusions as to the adequacy of housing in Flint. Therefore, rather than 'primary research' involving dependent and independent variables, this paper will provide a survey of available low income housing programs.

#### METHODOLOGY

In looking at the housing issue one must examine characteristics of the local population. Included in the statistics will be data on housing maintenance and low income persons. Experience shows that the data needed to examine this topic are readily available from the U.S. Census and other sources.

For example, the CCH in their report on Flint's housing stock says there are 58,000 housing units in Flint with about 35 percent built prior to 1940. They also say there are over 16,000 sub-standard units of which 3,000 may be beyond repair.

However, the objective of this paper is not to get caught

up with numbers on housing maintenance and low income persons, since that could be the topic of a separate study. Rather, this paper will survey and then catalogue available housing resources.

In doing research for this document it became apparent that a comprehensive look at available housing resources was lacking. Neither the author nor university community had seen a similar document produced. Due to the nature of the housing situation, local improvement efforts appear fragmented as individuals and groups undertake improvement efforts aimed at a single house, group of houses, or in a rare instance, a block of homes. While this fragmented approach is indeed helping, it represents a drop in the bucket as compared to the need. It is more of a 'squirtgun' approach to putting out a real live house fire.

This paper will examine each of these local efforts and link them together in one comprehensive document. By doing this, this paper could be used as a tool by local policy and decision makers concerned with improving the city's low income housing situation.

The current state of affairs on housing in Flint will be described by examining written material and interviewing local housing officials. Thus, the components of Flint's housing strategy will be assessed and evaluated to



determine if local policies are working.

The resulting presentation of this conceptual framework will help to explain whether or not there is adequate housing for Flint's poor. The level of adequacy will be examined by reviewing various aspects of housing such as; housing quality, home affordability, and local grass roots efforts. Finally, recommendations will be offered to improve the local housing situation.

### ANALYSIS

The information that follows serves as the main body of this research. It is presented in eight sections beginning with the first section on "Federal, State and Local Housing Quality."

#### I. FEDERAL, STATE, AND LOCAL HOUSING QUALITY

Robert Taggart III, in his book on low income housing (Taggart 1970) provides a critique of federal housing aid. He said that millions of Americans live in sub-standard, over crowded, or dilapidated homes. He noted that conditions improved as the number of ill-housed gradually declined, but he advocated further and faster improvements.

Taggart identifies our national goal as "a decent home and suitable living environment for every American family." He says that to hasten progress toward this goal, "the federal effort to build and subsidize lower cost housing will have to and can be expected to expand" (Taggart p.9, 1970). According to George Sternlieb (Sternlieb & Hughes 1980), there is an axiomatic belief in an eternal housing shortage where demand is always seen as a given.

According to the 1960 census, 18 percent of all occupied homes were sub-standard, based on a definition which would count almost any water tight building with indoor plumbing as standard. An additional 8 percent were described as "deteriorating" and were for the most part barely livable. A total of 12 percent of all occupied homes had more than one person per room and were so over crowded that their occupants were undeniably ill-housed. According to Taggart, "these conditions are intolerable, and their elimination is the very least which should be done (Taggart 1970).

Taggart says that most of the families living in these physically inadequate or overcrowded units are poor and that many low-income families occupying "standard" dwellings are spending an excessive portion of their income on such housing. He uses the year 1967 as an example to illustrate that one in eight American households would have had to use more than one-fifth of their income for housing despite the fact that the

average household spends only 15 percent. Thus, he says that the millions who occupy minimally adequate shelter and pay an exorbitant share of their income also need help (Taggart 1970).

Taggart says that "despite its intransigence, this low-income housing problem would probably disappear over several decades without any increased efforts." He attributes this to the reduction in poverty and points out that income gains in the past have been associated with substantial reductions in the number and proportion of substandard units. For example, he says that in 1950 there were 17 million substandard units. This dropped by almost one-third to 11.4 million in 1959. See Table 1 on following page.

TABLE 1 -- HOUSING QUALITY

<u>Year</u>	<u># Units Substandard</u>		
1950	17.0 million units		
1959	11.4	"	"
1968	6.2	"	"
1979	3.8	"	" (estimate)

Progress continued in the 60s with an estimated decline to 6.2 million substandard units at the end of 1968. A projection of the 1968 rates of deterioration and replacement estimated that only 3.8 million substandard units will remain at the end of the 70s.

Support for Taggart's estimate is provided by George Sternlieb. Sternlieb (Sternlieb & Hughes 1980), uses 1976 figures to illustrate that only 3.4 percent (not 3.8 percent as Taggart had estimated) of housing units are lacking

some/all plumbing facilities. This low figure paints a glorious picture when contrasted with 1940 figures which indicate that 45.2 percent of housing units were found to be lacking some/all plumbing facilities. Also, in 1940 17.8 percent of all units were considered "dilapidated" as opposed to only 4.6 percent in 1970.

Taggart suggests that the responsibility for assisting those families which are ill-housed lies almost entirely with the federal government and that increased priority should be given to housing. Further, he states that the housing problem of low-income families must be solved as quickly as possible and that the human misery caused by inadequate housing is intolerable (Taggart 1970).

At least one author, Jonathan Kozol, also believes that housing is a federal responsibility. He says that the federal government has passed responsibility for housing and feeding the poor to state and local governments and calls for massive spending programs to be initiated at the federal level of government. School children do not pledge allegiance to state flags, but to the nation's flag, he says (Flint Journal 10-18-88). In his book, *Rachel and Her Children*, Kozol (1988) says shelter is not a gift, it is among the first of all rights civilized societies owe to their citizens.

Tom Berkshire (JOH p.247, September/October 1989) says there

is a crisis in housing in America and it is growing. He says that, "affordable housing has become an increasingly unobtainable goal for too many segments of our population."

In tracing the history of U.S. housing programs, it is apparent today that much of what Taggart advocated was attempted during the 70s, i.e., federal housing assistance was improved and expanded. However, housing in the 80s, along with many other social programs, stagnated as the federal government sharply reduced its involvement.

#### Michigan's Housing Quality

A state-wide housing task force issued a low-income housing report in 1985. This was followed by the Michigan Department of Social Services (DSS) who, in 1986, awarded \$320,000 to 13 Michigan cities to determine what actions should be taken to respond to the needs outlined in the report (Nenno 1986).

The City of Flint was one of the 13 cities that studied housing under the DSS contract. Called "Housing Strategy Project (HSP)," the city's final report is quite voluminous. Basically, the report agreed with the state's 1985 report.

The HSP report recommended a multi-faceted approach and a modification of existing state and local laws and policies. It also advocated the need for creative new solutions to the

burgeoning housing problems of Flint (Flint Housing Strategy Report 1986).

Perhaps even more useful is a "report of the ad-hoc special committee (of the House)" that studied housing conditions in Michigan. The committee was established in 1986 to study the state's housing problems and to report its findings and recommendations to the Legislature. The report advocates a broader approach to meeting Michigan's housing needs, especially those of low-income residents. To accomplish this goal, the committee's report advocated the development of a "comprehensive state housing policy and plan" (Michigan Housing Report 1987).

The needs assessment portion of the Michigan Housing Report analyzed three main aspects of housing -- availability, physical conditions, and affordability.

"Affordability," according to the report,

"is the most pressing housing problem facing low-income people in Michigan and across the nation. Government data about the trends in low-rent housing production and the increase in low-income households indicate that the shortage of available housing will rapidly worsen unless present government policies are reversed in response to this impending crisis"

(Michigan Housing Report p.10, 1987).

Physical conditions and affordability constitute the other two aspects of housing, for this discussion. According to the report, sub-standard and deteriorating housing exacerbates the general problem of lack of available housing affordable to low-income people since physical deficiencies that are not corrected continue to deteriorate and may be abandoned and lost from the available housing stock (Michigan Housing Report 1987).

#### Housing Quality in Flint

More than half of the blocks in areas of Flint's north side are plagued with vacant, dilapidated structures (Environmental Block Appraisal [EBA] 1986). Once-nice neighborhoods have become havens for drug dealers, arsonists and vagrants, according to an April 13, 1989 **Flint Journal** article.

City officials estimate about 2,000 of Flint's 46,000 residential structures are considered uninhabitable unless repairs are made. Both Albert Price, professor of political science at UM-Flint and James Brady, chief building inspector for the City of Flint, say in an April 30th, 1989 **Flint Journal** article that the quality of the housing stock city wide has been deteriorating for some time. Price says that the bleak picture painted by the 1986 Environmental Block



Appraisal (EBA) hasn't changed for the better. He says it's either the same or worse and there's no reason to believe it's better (PURA Report 1988).

Edwin Custer, City of Flint Planning Supervisor in charge of housing, says that Flint experienced a "decline in housing quality overall" from 1976 (when the first EBA was taken) to 1985-6 (when the second one was done) (Interview January 1991).

Flint Journal reporter Rhonda Sanders believes there were fewer decrepit homes when she first came to Flint ten (10) years ago (in 1979) than there are now. She urged all people concerned about housing and neighborhood conditions to attend a meeting to organize participation in a "National March for Housing" in Washington, D.C. in the fall (Flint Journal 6-19-89).

EBA data show that 63 percent of the city's 56,713 housing units are well-maintained, 25 percent are moderately deteriorated and 12 percent are generally deteriorated. Thus, 37 percent of Flint's existing housing stock is showing some signs of deterioration (EBA 1986).

Flint's housing problems appear to be related to all three conditions mentioned in the state's 1987 report, with the high number of substandard and deteriorating houses only

exacerbating the more general problem of a lack of affordable, available housing for the city's low-income people.

## II. HOME AFFORDABILITY & OWNERSHIP

While most of our country's citizens are well housed, many are not. Some of us pay perhaps more than we should on our shelter while some pay very little. Often those who pay little cannot afford to move since it would cost them more of their already low income.

According to Tom Berkshire (JOH September/October 1989), to help alleviate the affordable housing shortage, the continued development of public/private partnerships is necessary. Berkshire advocates the use of housing bonds to help the nation with its affordable housing problems. Housing bonds are a revenue source that is totally private in origin and have been used successfully in other parts of the world.

Berkshire also says that a housing fund is needed to bring the nation back on track in producing and rehabilitating affordable housing without reducing other federal programs or raising federal taxes (JOH September/October 1989).

We are fortunate that housing is so cheap in Michigan and in the Flint area specifically. The Flint area is among the

nation's most affordable housing markets, according to a 1989 study by the Prudential Real Estate. The study ranked this area 33rd out of the largest 150 U.S. markets in terms of affordability (Flint Journal 11-30-89).

"Affordability" measures the percentage of a family income used to make mortgage payments on an average-priced home. Those buying homes in the Flint area use only 14.4 percent of their household income to make mortgage payments, according to the study.

Grand Rapids ranked 7th nationally (11.2 percent) and is the most affordable of Michigan's six markets. Ann Arbor is the most expensive market in Michigan with a 19.0 percent rating. See Table 2 on following page.

Table 2 -- Most Affordable Michigan Housing Markets

<u>National Ranking</u>	<u>Percent</u>	<u>City</u>
7	11.2	Grand Rapids
33	14.4	Flint
--	19.0	Ann Arbor

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Source: Prudential Real Estate - 1989

The national average price for single-family homes rose 5 percent from 1988 to \$100,204 in 1989. Prices were highest in Hawaii at \$228,983 and lowest in Iowa at \$48,883. Michigan ranked 26th with a 1989 average of \$69,038, up 6.3 percent from the previous year (USA Today 4-16-90).

### III. STATE OF MICHIGAN NEIGHBORHOOD IMPROVEMENT EFFORTS

According to Mary K. Nenno (Nenno 1986), state assistance for housing and community development started in the 1930s, when a few states enacted state-assisted public housing (principally, New York, Massachusetts, and Connecticut). The second generation of major state housing initiatives began in the early 1970s with the creation of state housing finance agencies and departments of housing and community affairs. Today, there are over 40 state housing finance agencies and 50 state community affairs agencies, including Puerto Rico.

State housing finance agencies have used issuance of tax-exempt bonds to provide construction and permanent financing for single-family and multi-family housing, serving largely moderate-income households. States have also increasingly used their general powers to support housing rehabilitation,

to revise building and housing codes, to provide rent supplements, and to develop new land use and growth strategies (Nenno 1986).

A third generation of state housing action, according to Nenno, has taken place over the last several years (1983-86) and includes a broad range of new legislation covering housing trusts for low-income households, new rental and home-ownership assistance programs, rent supplements, neighborhood improvement programs, special needs housing, and housing requirements for regions within a state. This action was stimulated by cut-backs in federal housing and community development assistance under the Reagan Administration, but also reflects the larger trend for an increased emphasis on these activities as on-going state functions (Nenno 1986).

Housing trust funds are found throughout the country with a fairly large number located in northeastern states. The earliest were founded in the mid-1980s, primarily in response to reduced federal spending for housing (JQH March/April 1990). "At least 20 states now have housing trust funds" (JQH p.81, March/April 1989).

As an example of an alternative source of funding for housing and community development activities, housing trust funds are by no means a panacea for new sources of low-income housing finance (JQH March/April 1990).

The State of Michigan under newly deposed Governor James J. Blanchard supported community economic development through its Neighborhood Builder's Alliance (NBA). During the past few years, Governor Blanchard launched a variety of neighborhood improvement initiatives. Each was based on a common philosophy--helping those who are helping themselves.

According to the Governor, Michigan was the first state in the nation to develop an NBA that assists those who are working to attain or maintain the basic goal of a neighborhood of good housing, safe streets, and quality schools. (NBA brochure July 1990).

Each of these self-help support programs is detailed in a brochure which was produced in response to frequent requests from the public. A number of programs are highlighted which fall into five main categories as follows.

The first category is "building neighborhoods." Through the NBA new resources are being provided to help residents improve their quality of life.

Neighborhood Grants -- Each year the alliance sponsors a competitive grant program for neighborhood and community groups with successful track records. These grants are geared towards local priorities rather than state determined ones.

Grants totaling more than \$15 million were awarded to more than 250 neighborhood organizations across the state during the first 2 years of the NBA.

Project ILC -- Is designed to help community groups build skills to complete complex projects. Housing scholarships, financial management consulting and an information clearing house have also been established. The "NAM" (Neighborhood Associations of Michigan) is comprised of various neighborhood associations in Michigan. NAM's 4th Annual Conference was held June 15th and 16th, 1990 in Flint.

A number of local groups have taken advantage of NBA funding during its first two years. The NBA's third year of grants was announced in July 1990 through a mailing to a large list of neighborhood and community-based organizations. Grant awards are usually announced each January of the following year.

A second statewide category of neighborhood improvement programs is "providing affordable housing." The Michigan State Housing Development Authority (MSHDA) and the Department of Social Services (DSS) have launched two innovative loan programs to help improve deteriorated housing and increase the supply of affordable housing in Michigan's neighborhoods.



Neighborhood Preservation Program (NPP) -- This program was begun in 1989. It provides loans to build or rehabilitate rental properties of 4-30 units.

Housing Opportunity Providing Equity (HOPE) -- This program also began in 1989. It provides loans to non-profit developers to finance the purchase and rehabilitation of homes--both single and multiples. The improved housing is made available to eligible public assistance recipients who are given a lease with the option to buy their home.

The State's third and fourth categories of neighborhood improvement programs do not specifically involve housing. Rather, they involve jobs training and public education.

Two additional efforts comprise the states fifth and final category of programs geared toward improving our quality of life. The effort seeks to attack two specific problems which plague local improvement efforts.

Abandoned Home Response -- In addition to new laws prohibiting abandonment, legislation is being pursued which would allow local governments and neighborhood groups to petition the court for a receiver to fix up neglected homes. Also proposed is legislation that would shorten the government's tax foreclosure process. Further, DSS is being encouraged to tighten their policies to ensure that landlords

receive vendored rent payments only if their housing is up to code and property taxes are current.

In cases where homes have become severely deteriorated, the Michigan National Guard may be called in to demolish and clear condemned buildings. This service is only available at the request of a neighborhood and the city's mayor. It has been used recently in Flint.

Combating Crack Houses -- For those neighborhoods that have organized to reclaim their streets from crack dealers, expanded police protection is available. COPS (Community Officers Patrolling Streets) is a new competitive grants program which funds a full-time police officer. The officer is assigned to the neighborhood to work with law-abiding residents to design and deliver an effective response to street-level drug dealing.

In Flint, a number of groups have already received COPS funding -- the North Cook Neighborhood Association, the Hurley East Village community group, and the Carriage Town Council (Flint Journal 8-10-90).

With the recent defeat of Governor Blanchard in November 1990's election, it remains to be seen what direction governor-elect Engler's policy on local self-help improvement efforts will be. Hopefully, the state will continue to fund

important neighborhood improvement efforts which the federal government has abandoned and left to local officials.

#### IV. THE 'CDC' PHENOMENON

In Flint, as in many other cities across the U.S., neighborhood residents are beginning to take control of their own destiny. CDCs or Community Development Corporations are becoming important vehicles for neighborhood revitalization.

For any neighborhood revitalization strategy to be successful it must address not only commercial and business improvement, but also improvement of the housing stock. To this end, CDCs have been successful in many cities, including Flint, as noted in Section VI.

#### WHAT IS A CDC?

Basically, a CDC is an entity formed by local residents who wish to exercise control over their lives and economic well-being. According to Neal Peirce and Carol Steinbach in their report to the Ford Foundation (Peirce & Steinbach 1987) a CDC is an organization which tackles the toughest societal problems, plays charity and capitalist and community organizer at the same time, and can manage to bring government,

corporate, philanthropic, religious America all on board.

Peirce & Steinbach indicate that CDCs vary dramatically in their origins, track records, styles, wealth, and the type of community they serve (urban vs. rural). Not all even call themselves CDCs using instead such varied designations as "neighborhood development organizations" or "economic development corporations." About 99% are non-profit and most often tax-exempt 501(C)3 organizations, which make it easier to attract foundation and government grants. Commonly, CDCs spin off for-profit arms to do development work or operate profit-making enterprises (Peirce & Steinbach 1987).

Peirce & Steinbach believe there are three characteristics present in all CDCs; community control, economic development, and targeting.

Community control is usually characterized by an active board of directors composed primarily of community residents. Economic development can be "hard" as in constructing or rehabilitating housing or "soft" as in child care, skills training, etc.

The third component of a CDC is targeting. All CDCs focus their activities in a clearly defined geographic area encompassing a high concentration of low-income people (Peirce & Steinbach 1987).

Peirce & Steinbach trace the roots of CDCs to the mid-1960s when the first generation CDC's operated in such large urban areas as Brooklyn, New Orleans and Los Angeles. By New Year's Day 1970, there were fewer than 100 CDCs. However, hundreds of new CDCs sprang up in the 1970s. Like their predecessors of the 1960s, the CDCs born in the 70s could count on the help of a broad array of federal programs (Peirce & Steinbach 1987).

By 1980, more than 1,000 CDCs had exploded on the scene in every corner of the nation. Community economic development was no longer a tentative, alternative way to help poor communities; it was fast becoming the chosen vehicle (Peirce & Steinbach 1987).

Peirce & Steinbach point to federal budget cuts in the 1980s and as a result, CDCs had to scurry to form new partnerships with private business, local government, and local and national foundations. They note that more than 1,000 new CDCs have emerged since 1981 and that organizationally, the movement more than doubled in five years (Peirce & Steinbach 1987).

Peirce & Steinbach see CDCs as a dynamic force for economic regeneration. They have worked then and now. Federal dollars are needed, they say, to go along with state and local

resources.

For a capsulized look at the history of community development policy in the U.S., including the emergence of CDCs, please see Exhibit IV. This exhibit presents an interesting twentieth century timeline on numerous topics including both housing and CDCs.

V. AFFORDABLE HOUSING PARTNERSHIPS--A POSITIVE RESPONSE

According to the Urban Land Institute (U.L.I.) public/private housing partnerships are considered by many to be the most promising approach to providing low-income housing. "These partnerships have evolved as state and local governments have sought to expand their roles despite fiscal constraints triggered, in part, by diminishing federal leadership and funding and, in part, by the limitations yet increasing demands on their own funds" (U.L.I. p.1, 1990).

The U.L.I. defines the term "partnership" somewhat loosely, to refer to any ongoing, collaborative venture involving public and private sector participants in pursuit of common societal goals. In this book on public/private partnerships, the U.L.I. is concerned with partnerships created for the express purpose of developing, financing, and operating low-income housing.

They made the distinction between project-based vs. program-based housing partnerships with program-based being more formalized, permanent arrangements aimed at increasing or expanding the production of low-income housing over time. This book describes the structure and operations of five different program-based public/private housing partnerships to gain an understanding of how these various approaches work (U.L.I. 1990).

The five partnerships selected for study by the U.L.I. are: the Boston Housing Partnership, Inc., the Chicago Housing Partnership, the Cleveland Housing Network, Inc., the Wisconsin Partnership for Housing Development, Inc., and BRIDGE Housing Corporation of the San Francisco Bay area. These five partnerships were selected for study, according to the authors, because: they have track records, they operate in different environments, and they are all program-based partnerships. Also, they have all achieved a reputation for some success within the low-income housing development community.

The first chapter of this 1990 book, which reviews the circumstances that led to the emergence of public/private housing partnerships, is an extremely valuable resource and will be looked at next. The authors indicate that most of today's program-based housing partnerships have been created

since the early 1980s and have evolved in response to the great and increasing need for low-income housing. Further, according to the authors, "it has become clear that the halcyon days of generous federal funding for housing production have come to an end" (U.L.I. p.5, 1990).

According to the authors, responsibility for providing and maintaining low-income housing has fallen to states and localities. Typically, there is no single entity at the state or local level which has the skills, resources, or inclination to take on the job of providing low-income housing alone. Thus, partnerships in one form or another are proliferating as public/private partnerships are a logical approach to developing much-needed affordable housing (U.L.I. 1990).

The authors say that a successful housing partnership must combine funds from many sources, e.g., federal, state and local government; national intermediary organizations; and banks and other lending institutions. Since a primary purpose of the partnership arrangement is to bring together an array of resources to address common goals, housing partnerships typically involve many players. The most common participants include governments, private non-profit development entities, and members of the financial community. Others that may be included are corporate leaders, academicians, benevolent lending organizations, foundations, for-profit developers, and utilities. Frequently, related housing or social service-



oriented organizations are also included (U.L.I. 1990).

According to the authors, financial intermediaries such as the Enterprise Foundation (see next section on Salem Housing Task Force) and the Local Initiatives Support Corporation (LISC) have been extremely important in facilitating the financing of housing partnerships. Other participants not previously mentioned include private development consultants, attorneys and others who provide intermittent (fee-based or donated) services to assist partnerships in their work (U.L.I. 1990).

While there is no state office(s) for the Enterprise Foundation, there are three offices of LISC in Michigan. Presently, Detroit, Kalamazoo and Lansing have field offices which serve Michigan residents. LISC is one of the leading financial and technical assistance providers in the nation and has brought this concept to Michigan with the help of the Mott Foundation.

Whether these new ultra-creative housing initiatives are risky and experimental or are more conservative efforts, what they have in common is the attempt to fill the low-income housing needs that are no longer being met by either the private sector or the federal government (Governing Nov. 1988).

Despite all of the innovative programs and the excitement generated, there is a down side for those trying to fill the af-

fordable housing gap -- it is a drop in the bucket compared to the need. Clearly, housing requires both city and state initiatives, but there is only so much that can be done without the backing of the federal government (Governing Nov. 1988).

## VI. SOLUTIONS TO IMPROVED HOUSING IN FLINT -- A GRASS ROOTS APPROACH

During the past twenty years in Flint two highways, I-69 and I-475, ploughed through its urban neighborhoods taking down hundreds of sound and/or salvageable homes in the process. Residents did successfully delay the completion of I-475 from Court Street to I-75. However, the freeway was eventually completed much to the delight of Flint's suburban middle class, center-city business interests and the highway lobby.

Flint adopted the strong mayor-form of government in 1976 as part of the nation's bi-centennial. The city's first "strong" mayor, James Rutherford, appointed a task force on housing in 1977. The task force recommended that a non-profit entity be established to implement the city's housing rehabilitation plans. It was felt that a new vehicle and a fresh new beginning was necessary in order to properly treat Flint's neighborhood difficulties. The centerpiece of the final task force report was the recommendation that a unique corporation be formed to battle our housing troubles and that it be

equipped with adequate resources for the job at hand (NIPP Program Narrative p.1, circa 1980).

### THE EMERGENCE OF LOCAL CDCS

Flint Neighborhood Improvement and Preservation Project, Inc. (NIPP) was created in July 1977 as this local housing entity. It still serves as the primary agent and deliverer of Flint's housing programs. Through numerous local, state and federal programs, Flint NIPP has invested \$24 million in the rehabilitation of 2,500 homes (LISC/MHC Newsletter 1990).

Through its contracts with the city over the past 13 years, it has logged a number of accomplishments:

- \* It successfully leveraged \$2 million in local bank financing with \$500,000 in federal funds to offer low interest rate rehabilitation loans to property owners throughout the city.
  
- \* It has helped Flint become Michigan's leader in the use of HUD programs such as Section 312 Loans, Rental Rehabilitation Funds and Urban Homesteading monies.
  
- \* It has acquired tax-reverted and HUD-foreclosed properties: clearing title problems, rehabilitating and

reselling over 50-single family homes to low and moderate income families.

- \* It has established a neighborhood-based corporation to develop a \$14 million commercial complex on a 16 acre parcel of land. This project will include a supermarket, drug store, bank, police mini-station and an office building for the Michigan Department of Social Services. The net earnings from the project will be used to capitalize further improvements in the surrounding neighborhood.

While Flint NIPP is an example of a private, non-profit community development corporation (CDC) that draws its primary support from local government, there are a number of other non-profit developers in the Flint area which are more community-based.

The Salem Housing Task Force is one such community-based CDC. The task force was created by a coalition of six (6) active neighborhood groups whose members were concerned about deteriorating homes in northwest Flint. Salem utilizes a unique program which enables low income families, with a willingness to work, to become homeowners. Once families have been approved for the program, they move into a home on a special rent-to-purchase program. Members of the task force, volunteers, contractors, and other participants join together

to help each family rehabilitate their home.

Begun with a small grant from the Enterprise Foundation in 1984, the task force set out to purchase and repair sub-standard houses in a 132 square block area of northwest Flint. The Salem Housing Task Force, responsible for the rebirth of 20 north-side homes, was cited by the National Community Development Association in 1990 for its efforts. Salem was one of three national recipients to have received an award on April 24, 1990. The others are in Los Angeles and Fitchburg, Massachusetts (Flint Journal 3-29-90).

Another local, non-profit housing developer is the Burton Neighborhood Housing Services (NHS). The Burton NHS is a non-profit corporation created in 1981 by the Neighborhood Reinvestment Corporation (NRC) of Washington, D.C. The NHS program is a national network of locally funded and operated, autonomous, self-help organizations which are successfully revitalizing declining neighborhoods. At the heart of each program is a partnership of neighborhood residents, business leaders and local government officials who make a commitment to each other to provide the resources each has at its disposal: time and hard work, credibility with neighbors, loans and other business services, city services and the capital improvements necessary to revitalize their neighborhoods. (NHS Factsheet 1-1-89).

Burton's NHS district is approximately the same as the Bendle School District -- the area bounded by Hemphill Road on the north, Dort Highway on the east, Maple Road on the south and I-475 on the west (Flint Journal 4-9-89).

Operating revenue comes from a variety of sources including the City of Burton, Genesee County, the Mott Foundation, local banks, private companies and individuals and the Neighborhood Reinvestment Corporation. Housing rehabilitation monies are derived from federal CDBG funds through the city and county, a HUD grant, MSHDA and the NRC (Flint Journal 4-9-89).

In addition to helping homeowners rehabilitate or remodel their own homes, the Burton NHS offers a "sweat equity" project where would-be owners contribute their labor instead of cash for the home's down payment. The NHS holds the mortgages on the homes.

Another program offered by the Burton NHS is a Home Ownership Promotion (HOP). The HOP is a loan program aimed at prospective homeowners who have a good credit rating, ability to make mortgage payments, and the desire to own a home, but are lacking the all important down payment.

In an effort to increase home ownership and complement its other rehabilitation efforts, the Burton NHS can turn around more homes faster. The biggest problem with the HOP is not

getting banks to commit money, but finding people who want to use these loans (Flint Journal 4-9-89).

Recently, three agencies, Flint NIPP, Salem Housing Task Force and the Burton NHS, collaborated to present a proposal for funding to the Federal Home Loan Bank's Affordable Housing Program. Under the auspices of the 'Genesee County Triad' the three agencies, working through D & N Savings Bank, were successful in receiving funds to set up a mortgage loan pool and provide direct subsidies to prospective home purchasers. The project, scheduled to begin July 23, 1990 and run for two years, is expected to provide mortgages for approximately 33 houses, fifteen through FNIPP and nine each through Salem and Burton. The State of Michigan was very well represented in the FHLB funding process with seven of the twelve grants made going to Michigan CDCs. Other groups to receive funding are from Grand Rapids, Kalamazoo, Detroit, Muskegon and Muskegon Heights.

Since these three groups are the area's largest and oldest, it seems obvious that the impact of their program activity is very important to the Flint area's neighborhood improvement efforts. As a result, the table appearing on the following page shows current housing production goals for each of the three agencies.

Table 3 -- Non-Profit Corporation Housing Production Goals

<u>Organization</u>	<u>Date</u> <u>Estab.</u>	<u>No. of</u> <u>Progs.</u>	<u>Time</u> <u>Period</u>	<u>No. of</u> <u>Units/Achieved</u>
Burton NHS	1981	2	12/90-12/91	25/13 (5/31)
Flint NIPP	1977	6	10/90-09/91	132/39 (4/91)
Salem HTF	1984	1	01/91-01/92	18/05 (4/91)

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Source: Agency directors, 4-22-1991



### OTHER GROUPS

Other neighborhood-based housing groups to emerge in Flint recently include OPRHA, the Flint Northern Development Corporation, and the Carriage Town Neighborhood Association.

"Carriage Town" is one of Flint's oldest and most historic neighborhoods, located immediately north of the Flint River. There have been numerous plans for restoring this area to respectability over the years but it's been only recently that an organized effort has been initiated. Led by the Flint Community Development Corporation (FCDC) the rebirth of Carriagetown has begun. The FCDC began its involvement in April 1989 with the receipt of four Michigan Department of Commerce Neighborhood Builders Alliance grants totalling almost \$200,000. The grants supported activities in exterior home improvement loans, security lighting, neighborhood maintenance and purchase, rehabilitation and resale. In cooperation with the Carriage Town Neighborhood Association (CTNA), the FCDC served as the fiscal agent with the neighborhood association providing much of the "self-help" labor. On Jan 15, 1990, the FCDC received \$105,000 from the

state NBA for housing repairs and demolition and for a home equity program (Flint Journal 1-16-90).

Carriagetown was one of three Flint neighborhoods to receive a "COPS" (Community Officers Patrolling Streets) grant August 9, 1990. The grant, through the state, will fund beat officers to walk neighborhoods full-time to fight crime over a two-year period. The grant is part of a \$3.15 million program that will fund 30 community police officers in neighborhoods throughout the state plagued by drug dealing (Flint Journal 8-10-90).

Currently, FCDC is working closely with the CTNA to improve their administrative and fiscal capabilities. Also, a master plan for the neighborhood is being developed. The CTNA has already received tentative approval from NBA for \$20,000 to initiate an exterior neighborhood paint-up, fix-up program.

The Flint Northern Development Corporation (FNDC) like the Carriage Town Neighborhood Association was developmentally assisted by another entity--the Flint NIPP (see earlier remarks). Created in February 1989, FNDC's task is to direct proceeds from the commercial venture called the "Northern Town Center" into the surrounding neighborhood. Originally begun in February 1989 as a 14 member citizen's committee, FNDC has evolved into the development corporation with a chairman being elected in April 1989 (Flint Journal 6-19-89).

On January 15, 1990 the state's Neighborhood Builders Alliance awarded a \$55,000 grant to FNDC to help renovate the Wildanger Field House. The field house is scheduled to be converted into a community center as part of the Northern Town Center project (Flint Journal 1-16-90).

### CHURCH-BASED NON-PROFITS

Concern for those with no homes or with poor homes emerged as the distinguishing 1990 issue for Genesee County churches, according to a December 29, 1990 Flint Journal article. Several churches stepped up their efforts to improve housing in the neighborhoods near them. Their non-profit housing corporations were assisted with state NBA grants. Also, Habitat For Humanity, an international ecumenical organization that builds and rehabilitates homes for the poor, organized here and was given its first two pieces of property.

Three other groups are operating in Flint neighborhoods as Michigan non-profit developers. These three are: Metropolitan Baptist Tabernacle Housing, Christian United Enterprises Housing and Dort-Oak Park Neighborhood (LISC/MHC Newsletter).

An example of a church-related, non-profit housing corporation is the Oak Park Renewal Housing Authority (OPRHA). OPRHA is

one of several church related organizations on Flint's north side that are moving to improve housing conditions in their neighborhood.

OPRHA was organized by the Dort-Oak Park Neighborhood House (see text above), an affiliate of Oak Park United Methodist Church, to provide safe, affordable rental housing in an area bounded by Pierson Road, Industrial Avenue, Wood and Dupont Streets (Flint Journal 2-26-90).

OPRHA hired its first employee, a part-time rehabilitation supervisor in February 1990 after receiving \$26,000 from the state's NBA in February 1989. OPRHA was scheduled to buy and renovate a nearby house during March 1990 (Flint Journal 2-26-90).

The Oak Park Church already owns five houses within a block and the rehabilitation supervisor began his job by doing repairs on one of those houses. His job will also include looking for neighborhood properties to buy and training volunteers (Flint Journal 2-26-90). OPRHA's goal is to provide housing with rents that fall within grants of the Michigan Department of Social Services. Once it has demonstrated its ability to accomplish something, OPRHA hopes to receive more money from the NBA as well as from the Detroit Annual Conference of the United Methodist Church.

A second church-based, non-profit, the Metropolitan Housing Development Corporation (MHDC), is a subsidiary of Metropolitan Baptist Tabernacle. It received \$33,000 in 1990 from the NBA to develop a mini-park with recreational equipment and landscaping. It also will use those funds to beautify an area around the church by doing minor repair work in the neighborhood (Flint Journal 2-26-90).

One other local, non-profit developer which did not receive funds from the NBA in 1990 is the Christian United Enterprise Non-Profit Housing Corporation. It is related to Mt. Calvary Baptist Church.

Finally, the Avery Aldridge Activity Center is a non-profit corporation related to Foss Avenue Baptist Church. The Center received \$45,000 from the state in 1989. Since then, repairs have been done on three nearby houses owned and occupied by low-income senior citizens.

The center expects to purchase a home that had reverted to the federal government and repair and sell it to a low-income family. Plans are being made to buy at least one or two other houses. The work is being done by volunteers consisting of retirees with construction skills (Flint Journal 2-26-90).

## VII. LENDER INVOLVEMENT

Beginning in September 1990, federally insured banks and Savings & Loans were to be publicly evaluated for compliance with the federal Community Reinvestment Act (CRA). Congress passed the CRA in 1977 to encourage banks to invest in their local communities. A radical change in the Community Reinvestment Act kicked in July 1, 1990. From now on, the spotlight will shine on banks that thumb their noses at the 1977 statute (USA Today 7-5-90).

The CRA regulates state chartered banks, bank holding companies, federal S & L associations, federal banks, state chartered savings institutions, S & L holding companies and national banks. The CRA requires four federal financial regulatory agencies to examine these financial institutions and rate them on their records for meeting the credit needs of their entire communities, including low and moderate income neighborhoods. Institutions must prepare a CRA statement at least once a year. The statement must outline the types of credit offered by the institution to the community. The regulating agencies review CRA records during an examination process and may use examination reports during any application process.

A failing grade -- which means the bank isn't doing enough lending in low-income areas -- might result in bad publicity or a backlash from depositors. In the past there were no

penalties. The worst that could happen to a scofflaw: Regulators might make it tough for the bank to expand (USA Today 7-5-90). Increasing public pressure on the regulatory agencies to be more stringent in their evaluation efforts has driven banks to look for economically feasible ways to meet the credit needs of low and moderate income households.

### LOCAL DEVELOPMENTS

NBD-Genesee Bank was the first area bank to agree to increase its lending to low income and minority people. The plan the bank agreed to offers significant help to minorities in financing home improvements and purchases.

NBD's action plan was worked out between itself and the Community Coalition for Fair Banking Practices (Coalition). Under this plan, the bank has agreed to relax many of its loan requirements for low income families. A significant provision of the action plan requires the bank to help develop "innovative uses" of non-profit community development programs. For example, Flint NIPP is one such program it might help so the poor can meet their housing needs (Flint Journal 3-15-89).

Following NBD's lead, D & N Savings Bank also reached an agreement with the coalition in June 1989. Led by State Representative Floyd Clack, D-Flint, the Coalition in late

1988 charged Flint's banks with discriminating against minority neighborhoods for mortgage, home improvement and business loans. In general, D & N's pact with the Coalition mirrors the one approved by NBD that, in part, calls for increased lending in low-income and minority areas (Flint Journal 6-7-89).

The Coalition is presently negotiating with Flint's other two largest lenders, Citizens Bank and Michigan National Bank. On 11-8-90, Floyd Clack said his Coalition may reach a lending agreement with MNB in Flint in a few weeks. The proposed pact with Michigan National, unlike the agreements with the other banks, will include a business-lending plan (Flint Journal 11-8-90).

Four local banks were honored recently for their service to the community by the Flint Neighborhood Improvement & Preservation Project, Inc. The four banks are: MNB, NBD, Citizens and D & N (Flint Journal 11-14-90).

This does not mean to suggest that the lenders' increased outreach efforts are sufficient, merely a start. As a matter of fact, a recent CRA study, according to the National Council for Urban Development in Washington, D.C., indicates that more than twenty years after its passage the CRA still has not come close to reaching its capacity for revitalizing distressed neighborhoods (JOH March/April 1990).



### VIII. THE HOMELESS PROBLEM

A national three-day seminar on "Making the Transition: Moving Families From Homelessness To Permanent Housing" was held November 14-16, 1990 in Arlington, Virginia. Also in November 1990, Genesee County received \$157,000 to assist its homeless population, which experienced an increase of about 1,000 persons in the past two years (according to a Flint Journal article 11-18-90). Both of these events suggest the homeless problem is more than simply a local issue, but one which is national in scope.

On March 15, 1989 the **Flint Journal** reported results of a federal survey on the homeless. In March 1989, a federal survey by the U.S. Department of HUD said the nation is housing more homeless people than ever, particularly families. The study also said since 1984, spending on homeless shelters has increased five-fold to more than \$1.5 billion annually. The number of shelters and shelter beds had nearly tripled since '84 and President Bush called homelessness a "national shame," and vowed to step up the search for solutions (HUD Report 1989).

HUD Secretary, Jack Kemp, said the study "shows that America's efforts to shelter the homeless are beginning to bear results,

and that it is very much a grass roots campaign, characterized by local and private institutions." Nine of every 10 shelters around the nation are operated by private, non-profit groups according to the HUD study. The new study estimated there were 5,400 homeless shelters in the nation in 1988, up from 1,900 in 1984. While both families and unaccompanied men are increasing among the sheltered homeless, families are increasing more rapidly, according to the HUD study. Unaccompanied men no longer represent the majority of the sheltered homeless (HUD Report 1989).

When union workers helped build a shelter for homeless women and children in Lane County, Oregon, they knew they had made a difference, but they also realized the homeless problem "is of such a magnitude that it can't possibly be handled on a local level there just has to be help from the federal government" (Public Employee May-April 1989).

According to an October 1989 article in USA Today (10-5-89), "The plight of the homeless is spreading across the nation. Experts say there are about three million homeless people across the USA. In a decade, it could hit 19 million, including many families, if low-cost housing isn't provided" (Clay Report 1987).

New York's 70,000 to 90,000 homeless are the largest group in the nation according to a study done in August and September

1989 in 26 communities by the National Coalition for the Homeless. No corner of America is untouched. We have homelessness in small communities you've never heard of (USA Today 10-5-89).

An unrelated study in Philadelphia by the city and Temple University, showed that one person becomes homeless in that city every 15 minutes. Economic issues more than mental illness and substance abuse are behind the homeless problem according to the study (USA Today 10-5-89).

Advocates are seeking solutions in many cities. Four such cities mentioned in an October 1989 USA Today article include; Boston, Seattle, San Diego and Chicago. Chicago has sponsored 16 non-profit initiatives to provide supervised housing and services to people now in shelters. Further, to support six projects and other services, the city recently passed a one-cent-a-pack cigarette tax increase. The revenue is expected to generate \$1.8 million annually according to the article.

#### FLINT'S HOMELESS

A December 6, 1989 Flint Journal article said that Flint's homeless often wait until their housing and medical problems are at crisis levels before seeking aid. Genesee County's homeless population is estimated to be about 5,000 and growing

according to city and county officials. (Flint Journal 11-18-90).

Reasons for this increase in homelessness may include the lingering effects of plant layoffs and Flint's general economic problems in the past decade. (Flint Journal 12-6-89).

Flint and Genesee County's \$58,000 boost in homeless funding through the McKinney Act is not enough according to an 11-18-90 Flint Journal article. The article lists seven agencies that will be sharing a total of \$157,000. Officials quoted in the article say they still need more money due to the fact that:

- 1) the number of homeless has grown,
- 2) unemployment is higher,
- 3) poverty is increasing, and
- 4) people are often turned away due to shelter overcrowding.

A Comprehensive Homeless Assistance Plan (CHAP) has been written which assesses resources for the local homeless population. One problem, according to the article is that no shelter in Genesee County serves an entire family. Instead, families are sent to such downtown hotels as the Berridge.

The article lists at least seven suggestions to meet the needs

of the homeless offered by the Flint/Genesee Committee Concerned with Housing (CCH). These range from sponsoring an annual workshop on housing to implementing a clearing house assistance records management system.

On January 3, 1991, the Flint Journal reported that the 45 member Flint-area Association of Black Baptist Churches voted to establish a shelter for the homeless and abused. According to the article, the shelter is scheduled to open in about two years. It will serve as a temporary home for men, women, and children of all ages and racial groups. (Flint Journal 1-3-91)

It does appear that there is a need to provide increased shelter for the homeless, both locally and nationally. According to Karen Ringheim (Ringheim 1990), evidence shows that the poor are getting poorer and an increasingly visible segment of the profoundly poor has now become homeless, a critical situation that demands our concern and attention.

Recently, the Chicago Tribune's Mike Royko provided some interesting comments on who is to blame for the rise in the homeless. Royko says that 'do-gooders' might be the single worst culprits in the plight of the homeless. He claims it was their idea to tear down the flops and empty the loony bins (Flint Journal 12-30-90).

In order to understand the rise in homeless, one must examine modern urban social history, according to Royko. The city's biggest, most centrally located skid row was demolished thanks to the do-gooders who were offended. They said such blight was intolerable. They had quiet allies in the real estate speculators who could look into the future and figure that land would be worth bigger bucks some day (Flint Journal 12-30-90).

The elimination of the flop houses and skid row resulted in a lack of shelter for many winos and alkie, according to Royko. This happened in cities all over the country and it's one of the reasons why there are so many chronic drunks sleeping outdoors instead of indoors (Flint Journal (12-30-90)).

Royko says that while the do-gooders were eliminating the cheap flops, they also attacked state mental hospitals. They thought it was terrible that harmless, mentally ill people should be cooped up in bleak institutions. Their solution, according to Royko, was to throw open the doors and let them out--at least those who weren't dangerous, which was the vast majority. Those who needed it would be provided with outpatient treatment. However, according to Royko, there weren't enough clinics to provide all that out-patient treatment. Families often slammed the doors on their deranged relatives. The mentally ill couldn't work and support themselves so they wandered the streets and they're still

wandering (Flint Journal 12-30-90).

But, Royko says, all the homeless are not alcoholics or mentally ill, only about 75 percent of them, if you include the crackheads and other druggies. However, he agreed that something should be done.

Ringheim supports Royko's contention that all the homeless are not alcoholics or mentally ill. She states that the homeless population has not only grown larger during the 80s but has become increasingly diverse demographically. The "new homeless" are no longer predominantly middle-aged and elderly, single, white male and alcoholics. Rather, it is comprised of women, children, and minorities younger in age than before (Ringheim 1990).

Further, Ringheim makes the assumption that those who have become homeless have previously been housed and that if the proposed predictors of homelessness are incomes and rents, it is justifiable to utilize the good quality data that exist on housing and to examine the incomes and rents of a population that is "at risk" of becoming homeless (Ringheim 1990).

Thus, Ringheim attempts to account for the increase in number and the change in composition of the homeless population by examining the population of renters who may be considered at risk of homelessness because of the following three factors:

- low incomes,
- very high rent-to-income ratios, and
- lack of alternative low-cost rental housing  
within the metropolitan area (SMSA) of residence.

#### IX. WHERE DO WE GO FROM HERE?

A successful housing strategy must be combined with a community economic development strategy. It is extremely difficult to improve housing without making improvements to the overall community. For example, The State of Michigan under the direction of former Governor, James J. Blanchard, used to fund non-profit housing development organizations across the state through its NBA Program. The NBA was expanded to include other services such as Neighborhood Core Job Training and COPS Programs for neighborhood foot patrol to fight drugs and crime. Thus, housing improvement was augmented with other neighborhood improvement strategies to have more of an impact.

The NBA faces an uncertain future today due to the 1990 election of a new Republican Governor, John Engler. This leaves in doubt the status of two new areas of NBA's proposed expansion. According to Louis J. Glazer, Director of NBA, State of Michigan, these areas are:

- 1) Administrative support for non-profit organizations, 15-20 percent, and up to \$50,000 per year for four years depending upon corporate and foundation



contributions and

- 2) technical assistance to local governments as a priority, creating a new office on neighborhoods or supplementing an existing one (LISC Graduation Seminar - October 1990).

While it remains to be seen what action the State of Michigan will undertake in providing affordable housing, it does appear that local organizations along the lines of the CDC configuration have made and will continue to make an impact. Housing partnerships involving the private sector, CDCs, and government at all levels need to be established and linked to major funding sources to make these partnerships work. There are many fine examples of successful housing partnerships today. The five partnerships previously discussed in Section V. attest to that.

Private sector initiatives such as the National Equity Fund (NEF), are excellent vehicles that can be used to finance homes for low-income families. NEF is a not-for-profit investment vehicle founded in 1987 by LISC. Approximately 70 corporate investors currently contribute money to the NEF (USA Today 11-29-90).

The City of Flint was scheduled to commit funds to upgrade and link computer systems in various departments. These departments include building inspections, community

development and the police department's special operations division. The system should provide a more effective response to deterioration and crime and provide a vital link in curbing housing deterioration (News Journal Nov./Dec. 1990).

The United States Congress and President Bush's recent passage of the "National Affordable Housing Act" (NAHA) with its nine titles should help foster efforts to improve housing conditions in our cities and rural areas. It is too early to tell however, since this legislation was only signed by the President on November 28, 1990. The NAHA nevertheless, is the most comprehensive housing bill enacted since the landmark 1974 Housing Act.

The NAHA could turn out to be what Kozol and other housing advocates are hoping for in a national housing policy -- only time will tell.

To quote Roger Jones, Vice-President of The Development Training Institute, one of the nation's premiere trainers of community leaders, "the goal is for people to take responsibility for their own lives! This then will lead to successful neighborhood efforts" (LISC Graduation Seminar October 1990).

Note: For a few ideas put forth by various authors regarding

improvement of the housing situation, please see Exhibit 5. Each of these authors' works appear in the paper's bibliography.

## CONCLUSIONS

This paper examined housing programs in Flint, traced federal housing legislation and explained recent efforts launched by the State of Michigan. Also examined were such issues as housing quality, home affordability and ownership, the homeless problem, affordable housing partnerships, lender involvement, the CDC phenomenon and current and new developments.

Based on the enormous amount of descriptive data presented in this study, a few conclusions can be drawn. First, it should be apparent that the programs presently in place, have not met the need for affordable housing. One only needs to look at the rise in homelessness as proof. Homelessness is a growing problem in every major urban area in this country!

Second, the fragmented nature of the policy arena is ineffective and in fact fosters the lack of affordable housing. A comprehensive approach is needed which would join all three levels of government with the private sector in tackling the housing problem. At least with the recent passage of the "NAHA," the federal government has recognized

that it must take the lead role toward improvement of the current housing situation. If its efforts aimed at empowering the low-income population are successful, this could do a lot to achieving improvement in the current housing situation. The many grass-roots efforts currently underway in Flint and other cities across the country, need to be given support and expanded so they can achieve greater success. If the people are made a partner in this effort, the resulting short-term effects are more likely to lead to long-term improvements.

Finally, long a silent partner, lenders across the nation have realized they can no longer sit back and not become involved in their communities. Especially since the passage of the "CRA" we have seen lenders do some unique things and form some viable partnerships to help solve our nations' affordable housing crisis.

It is hoped that this paper will serve to stimulate lively and intelligent discussion of key issues involved in providing affordable, low income housing and to suggest additional approaches and the development of new or expanded public policies toward improving Flint's housing situation.

# # #

## Vita

Anthony Martin received his B.A. in Urban Studies from the University of Michigan-Flint in January 1978 and enrolled in the Masters (M.P.A.) Program in May of 1983. He has worked in the housing field for the past twelve (12) years, first with the City of Flint and later with the Flint Neighborhood Improvement and Preservation Project, Inc. (NIPP). He was employed with Flint NIPP as a "Housing Project Manager" for eleven plus years and will be joining the Detroit Office of HUD July 1, 1991 as a "Resident Initiatives Coordinator."

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**EXHIBITS**

EXHIBIT 1

*A Century of Federal Housing Programs and Actions*

Date	Legislation/Other	Activity/Authorization
<i>I. Early Studies</i>		
1892	Congressional study commission (Pub. Res. 52-22)	Investigate slum conditions in cities over 200,000 population
1902	President's (Theodore Roosevelt) Housing Commission	Recommended condemnation of unsanitary housing and purchase, improvement, and loan financing by government
<i>II. World War I Responses</i>		
1918	Loans for shipyard workers (P.L. 65-102)	Federal loans authorized for housing for shipyard employees; more than 10,000 units produced
1918	U.S. Housing Corporation (P.L. 149-164)	Build, organize, and manage housing for defense workers; more than 5,000 units produced
<i>III. Depression Era Responses</i>		
1931	President's (Herbert Hoover) Conference on Home Building and Home Ownership	Document inadequacies in the housing industry (e.g., financing, land use controls)
1932	Reconstruction Finance Corporation (RFC) authorized by Emergency Relief and Construction Act of 1932 (P.L. 72-302)	RFC authorized to make loans to low-income/slum redevelopment housing corporations; \$8 million advanced to Knickerbocker Village in New York City, \$15 million for Kansas rural housing
1933	Homeowners' Loan Act of 1933 (P.L. 73-43)	(a) FHLBB authorized to create Home Owners' Loan Corporation (HOLC); HOLC refinanced distressed mortgages with long-term, amortized loans (more than one million loans were refinanced) (b) FHLBB authorized to provide for the organization, operation, and regulation of federal savings and loan associations, which were extended tax and other benefits in return for focusing on local home financing
1933	National Industrial Recovery Act (P.L. 73-67)	Authorized federal financing of low-rent, slum-clearance housing; financed more than 40,000 housing units; NIRA use of eminent domain declared unconstitutional

Date	Legislation/Other	Activity/Authorization
1934	National Housing Act (P.L. 74-486)	Federal Housing Administration (FHA) created and given numerous powers: <i>Title I:</i> FHA insures home improvement loans <i>Title II, Section 203:</i> FHA insures long-term, amortized, high loan-to-value ratio, one-to-four family home loans <i>Title III:</i> Authorizes establishment of national mortgage association (Federal National Mortgage Association [FNMA] chartered 1938) <i>Title IV:</i> Federal Savings and Loan Insurance Corporation created to insure savings accounts
1937	Bankhead-Jones Farm Tenant Act (P.L. 75-210)	Authorized secretary of agriculture to make long-term, low-cost loans for purchasing, refinancing, and/or repairing farm properties
1937	Housing Act (P.L. 75-412)	Authorized public housing program/ U.S. Housing Authority; the latter could make loans or capital grants to local public housing agencies (PHAs)
IV. World War II Responses		
1940	Defense Homes Corporation (DHC) (P.L. 588 and 611)	DHC authorized to provide housing in Washington, D.C., and other defense locations
1940	Landham Act (P.L. 76-849)	Authorized provision of public war housing accommodations; almost 1 million units ultimately provided
1941	National Housing Act (P.L. 77-24)	Title VI added to provide insurance for mortgages on one-to-four-family homes in critical defense locations (Section 603); more than 350,000 units insured
1942	Emergency Price Control Act (P.L. 77-421)	Authorized federal rent controls
1942	National Housing Act (P.L. 77-559)	Section 608 added to Title VI of the National Housing Act to provide mortgage insurance for multifamily rental housing for defense workers (Section 608 was extended after the war for non-defense purposes)
1944	Serviceman's Readjustment Act (P.L. 78-346)	Veterans' Administration authorized to guarantee liberal mortgages made to veterans

Date	Legislation/Other	Activity/Authorization
<i>V. Early Postwar Responses</i>		
1949	Housing Act (P.L. 83-560)	<p><i>National Housing Policy and Goal:</i>  <u>Declared importance of providing</u>  sound housing and realization of that goal through private enterprise  <i>Title I:</i> Authorized \$1 billion in loans and \$500 million in grants to aid local slum clearance programs  <i>Title II:</i> Increase in Title II Federal Housing Administration (FHA) mortgage insurance authorized  <i>Title III:</i> Increase in public housing (to 800,000 units) authorized  <i>Title IV:</i> Secretary of agriculture authorized to establish programs to improve farm housing</p>
1953	Advisory Committee on Government Policies and Programs (E.O. 10486)	Committee recommends that government expand efforts to deter housing deterioration and foster rehabilitation
1954	Housing Act (P.L. 83-560)	<p>Among other changes (e.g., restrictions on Section 608 to curb abuses), the Housing Act introduced programs to encourage rehabilitation/upgrading in urban renewal areas. A "workable program" requirement was introduced to foster planning, which would now be assisted by Section 701 grants. Section 220 authorized FHA insurance for one-to-four-family dwellings in urban renewal neighborhoods; Section 221 insured mortgages on sister multifamily projects. To foster a secondary market for these new mortgages, Federal National Mortgage Administration (FNMA) was authorized to provide "special assistance functions (purchases)." (These special assistance functions ultimately became the responsibility of the Government National Mortgage Association [GNMA] when GNMA was split from FNMA in 1968.)</p>
1959	Housing Act (P.L. 372)	Section 202 authorized direct low-cost loans for rental housing for the elderly

Date	Legislation/Other	Activity/Authorization
<i>VI. New Frontier—Great Society Responses</i>		
1961	Housing Act (P.L. 70)	Section 221 program broadened to include low- and moderate-income, not just displaced families; Section 221(d)(3) program authorized to provide below-market-rate mortgages for rental housing; new home improvement loan programs—Section 220(h) and 203(k)—authorized in urban renewal areas
1964	Housing Act (P.L. 88-560)	Section 312 low-cost loans authorized for rehabilitation
1965	Housing Act (P.L. 89-117)	Rent supplements for privately owned housing authorized. The supplement would pay the difference between the fair market rent and one-fourth of the tenant's income. Section 23 also authorized public housing authorities to lease private units.
1966	Demonstration Cities and Metropolitan Development Act (P.L. 89-754)	Authorized demonstration programs for upgrading inner-city neighborhoods
1967	National Commission on Urban Problems (Douglas Commission)	National commission appointed by President Lyndon Johnson
1968	Housing Act (P.L. 90-448)	The act authorized many new housing programs and established a ten-year housing production goal of 26 million units with about one-fifth allocated to low- to moderate-income families. Section 235 subsidized low-income rental projects; Section 236, multifamily. Both programs provided mortgages with interest rates as low as 1 percent. The existing FNMA was partitioned into two separate corporations—FNMA, which would continue market operations, and GNMA, which would focus on special assistance functions. In addition, the Housing Act authorized a National Housing Partnership, riot insurance, and flood insurance, and guarantees of obligations issued by new community developers.
1969	Housing Act (P.L. 91-152)	Rent in public housing limited to one-fourth of tenant income (Brooke Amendment)
1970	Emergency Home Finance Act of 1970 (P.L. 91-432)	Purchase authority of FNMA extended to conventional mortgages; new secondary market institutions—Federal Home Loan Mortgage Corporation (FHLMC)—created
1970	Housing Act (P.L. 91-609)	Secretary of the Department of Housing and Urban Development (HUD) authorized to conduct experimental housing allowance programs

Date	Legislation/Other	Activity/Authorization
<i>VII. Reappraisal and New Directions</i>		
1973	Impoundment of housing subsidy and community development funds	Effective January 1973, a moratorium on housing/community development assistance was imposed
1973	<i>Housing in the Seventies</i> study	HUD report criticized equity and cost of existing housing subsidies. (This report was critiqued by the Congressional Research Service.)
1974	Housing Act (P.L. 93-383)	Title I replaced many categorical housing/community development programs with Community Development Block Grants. A new Section 8 program replaced the Section 23 leasing subsidy. Section 8 provided payments equal to the difference between the fair market rent and the amount affordable by low-to moderate-income families (first 25, then increased to 30 percent of gross income). Section 8 could be applied for new, existing, and rehabilitated housing.
1977	Housing Act	Urban Development Action Grants (UDAG) authorized communities in "distress" to submit applications and compete for UDAG awards, UDAG can be used for both residential and nonresidential purposes
1983	Housing Act (P.L. 91-181)	Section 8 voucher demonstration program authorized as well as Rental Rehabilitation Grants and Housing Development Grants (new construction and substantial rehabilitation)

Sources: U.S. Congress, House of Representatives, Committee on Banking, Currency and Housing, Subcommittee on Housing and Community Development, *Evolution of the Role of the Federal Government in Housing and Community Development: A Chronology of Legislative and Selected Executive Actions, 1892-1974* (Washington, D.C.: U.S. Government Printing Office, 1975); Barry G. Jacobs et al., *Guide to Federal Housing Programs* (Washington, D.C.: Bureau of National Affairs, 1982).



EXHIBIT 2

Flint/Genesee  
Committee Concerned  
With Housing

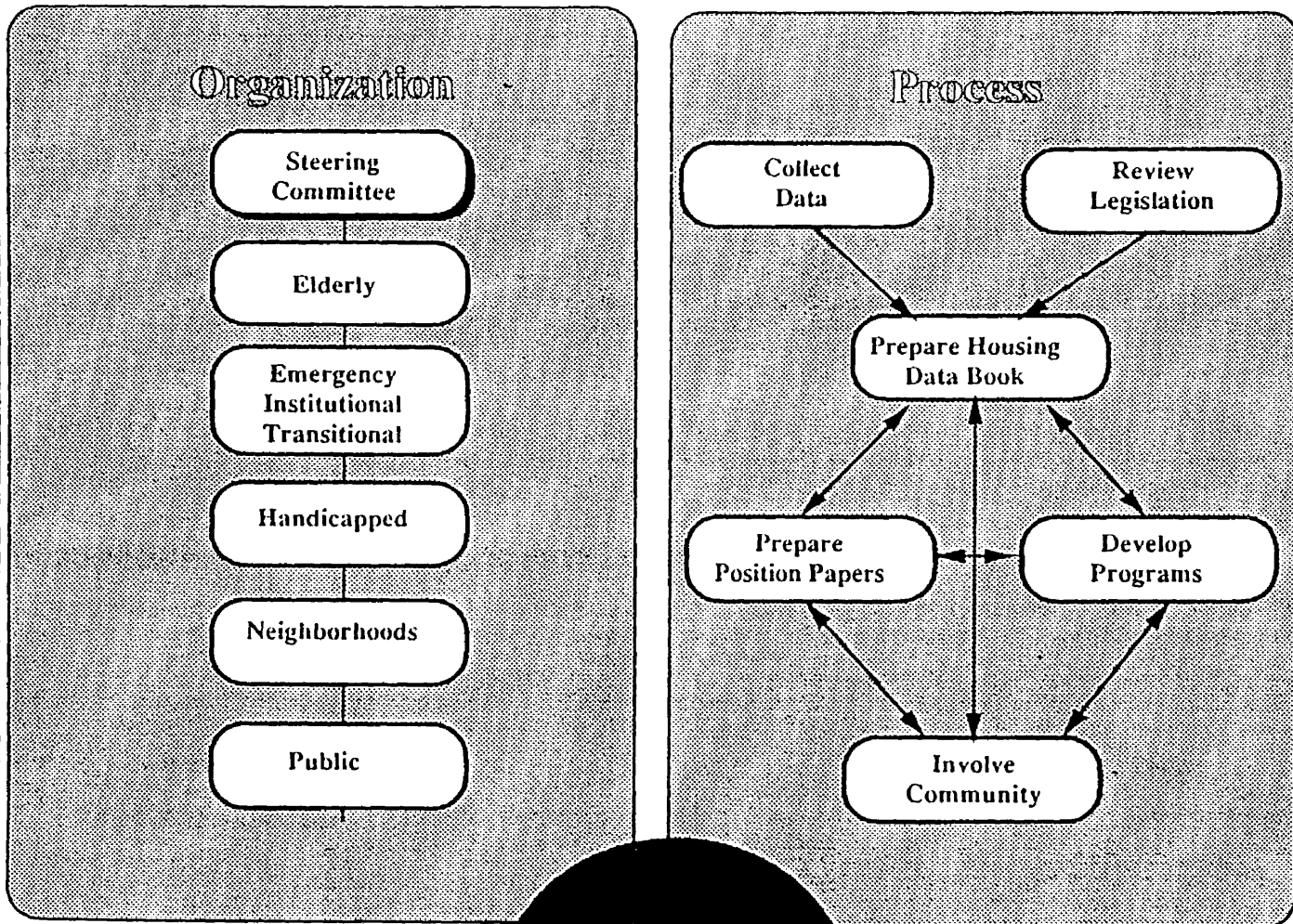
Recommendations  
to  
Matthew S. Collier, Mayor  
on  
Flint's Housing Stock and Neighborhoods  
1988

# Flint/Genesee Committee Concerned with Housing (CCH)

CCH's mission is working with any means to increase the availability, accessibility and maintenance of *clean, affordable and safe housing* (C.A.S.H.). Our concern is long-range housing needs and development of opportunities.

CCH is a coalition of housing services providers and advocates. It was formed in May, 1987 to encourage better coordination and stewardship of resources to assist those affected by plant closings.

CCH is a member of the Human Services Network.



**Flint/Genesee  
Housing  
Opportunity  
Plan**

Product

# Flint/Genesee Committee Concerned With Housing

The Committee Concerned with Housing (CCH) commends the City of Flint's plans to develop a Community Action Plan on Flint's Future. Recognizing that the planning process is in its initial phases, we are presenting recommendations for your consideration.

We hope you will direct the appropriate departments to follow through. Implementation of our recommendations will improve housing and neighborhood conditions.

## BACKGROUND AND STATEMENT OF NEED

Of an estimated 58,000 housing units in Flint, about 35 percent were built prior to 1940 with construction near stand still in the last 20 years. Concurrently, housing conditions in many of these older areas have deteriorated as the housing ages, lower income residents increase, and related housing values decline. There are over 16,000 sub-standard units of which over 3,000 may be beyond the value of economic repair.

Adequately addressing the housing stock condition and housing needs of people requires the concerted resources of groups and individuals in the next 10 to 20 years. The task includes continuing analysis, inspection, education, maintenance, rehabilitation, removal, conversion, replacement and household support.

## RECOMMENDATIONS

1. Review the Flint housing code and compare it to Section 8 standards, Housing Law of Michigan and other codes and recommend changes for application to all housing inspections.

### Rationale:

The more restrictive the code, the higher the cost of repair. Affordable housing for low income is a problem. The target of this goal is to maintain affordable housing without sacrificing reasonable standards of safety.

2. Evaluate the workload (total structures to inspect) for the Building and Safety Inspections Division for all housing inspections, including fee structure, feasibility for private sector inspections, the clarity or lack of clarity of violation notices and enforcement.

Rationale:

Alternative inspection methods and/or resources may be required to identify and bring substandard units to code in a reasonable period of time (5 years or less). Violation notices must be written for the owner's understanding and the courts must be sensitized to the importance of good housing as a condition for keeping and attracting residents.

3. Recommend a plan of action to identify the location and status of all vacant structures and develop a program strategy for the immediate disposition of each structure: preservation or demolition.

Rationale:

Until the magnitude and estimated costs of the problem are known, a realistic program cannot be developed.

4. Develop a strategy for the immediate demolition of severely burned and hazardous structures.

Rationale:

This program is needed now to protect the safety and integrity of neighborhoods.

5. Recommend inclusion of appropriate housing and neighborhood plans and programs with measurable outcomes when the revised Comprehensive Plan of Policies are considered for the city's 1990 budget.

Rationale:

Without measurable outcomes and financing, there is no accountability.

6. Review the FY '90 city budget recommendations to ensure that funding for the preservation and development of housing stock and neighborhood integrity has been properly identified for consideration by City Council.

Rationale:

If housing needs are to be addressed, resources must be appropriated.

7. Advocate for state and federal legislation aimed at preserving housing stock, neighborhood stability and expansion of housing rehabilitation programs.

Rationale:

An effective housing program requires that all resources be used to their maximum feasible potential.

8. Develop a plan for effective bulk pick-up.

Rationale:

Environmental blight in neighborhoods can be reduced or eliminated. Residents must know how to access the service. The city must provide the level of service for timely disposal of items.

9. Develop a plan for the maintenance and disposition of vacant lots.

Rationale:

Neighborhood maintenance and beautification requires more resources than the city has allocated. Innovative approaches must be developed to supplement city efforts.

10. Develop an inter-departmental review process to coordinate housing and neighborhood service deliveries and develop responsive programs.

Rationale:

Coordinating and targeting city services will have greater impact.

11. Develop a data base on housing and neighborhood conditions and an evaluation system to determine needs and programs.

Rationale:

Without housing and neighborhood standards and information about conditions, the city cannot wisely allocate resources.

EXHIBIT 3

Flint/Genesee  
Committee Concerned With Housing

Membership

Bill Adkisson  
Labor & Com. Services  
United Way of Genesee & Lapeer

Rev. Avery Aldridge  
Concerned Pastors for Soc. Action

Janis Alexander  
Shelter of Flint, Inc.

Rosia Anderson  
Flint Human Relations Comm.

Richard Armitage  
Faith Tabernacle

Barbara Bard

Howard Bearup  
Quality Analyst  
Genesee Co. Dept. of Soc. Ser.

Olive Beasley

Captain Margaret Bell  
Dir. Special Services  
Salvation Army Adult Rehab. Ctr.

Everett Blakely  
Sociology Dept., UM-Flint

James Bodnar  
Assoc. Executive  
United Way of Genesee & Lapeer

Judy Bordeaux  
Customer Services  
Consumers Power Company

Margaret Box  
Housing Counselor  
Urban League of Flint

Beverly Brewer  
Program Technician  
Valley Area Agency on Aging

Michael Brown  
Director  
Flint Government Relations

Charlotte A. Bruce  
Manager  
Credit Counseling Center, Inc.

Patricia Bryant  
Flint Housing Commission

Sister Claudia Burke  
Catholic Outreach

Calvin Burnett  
Canaan Baptist Church

Norma Burns  
President  
Genesee County Adult Foster Care

Sr. Joanne Chiaverini  
Dir./Administrator  
St. Francis Prayer Center

Ola Clemons

Benjamin H. Davis III, President  
Urban Coalition of Greater Flint

Lydia Edwards  
Christ the King Catholic Church

Brenda Evans  
Cong. Kildee's District Office

Debra Fields  
Voluntary Action Center

Linda Fleming  
U of M-Flint/PURA

Ruth L. Goins  
C.S. Mott Foundation

Janice Gooley  
Hsg. Services Coord.

Annie Guevera  
Dist. Executive  
Michigan Dept. of Civil Rights

**Martha Guynn**  
Salvation Army Social Services

**Terry Hanson**  
Terry Hanson Realty

**Elizabeth Harris**  
Housing Rep.  
New Jerusalem Baptist Church

**Alice Hart**  
Director  
Project-Urban & Regional Affairs

**Joanne Hartranft**  
Mayor's Office - Aging & Handicap.

**Shirley Hillaker**  
Director  
Burton Neighborhood Hsg. Ser.

**Julie Hinterman**  
Associate Planner  
Genesee County Community Dev.

**Rev. F.O. Hockenfull**  
First Trinity Miss. Bapt. Church

**Steve Jacobson**  
NBD Mortgage Co.

**Mary Jamison**

**Jacqueline Jordan**  
Proj. Dev. Director  
GOCAA

**Judy Kasle**  
Flint Jewish Federation

**Gary Kautz**  
Burton NHS Board of Directors

**Rev. Charlie Keller**  
Assistant Director  
Carriage Town Mission

**Harriet Kenworthy**  
Chairperson  
Human Services Network

**Leon Knott**  
Owner & Operator  
ERA-Genesee Valley Realty

**Ann Kraft**  
Urban Coalition of Greater Flint

**Bill Kyles**  
Flint Building Inspection Dept.

**Barbara Logan**  
Gatewood Realty

**Edith McDonald**  
Housing Specialist  
Michigan Housing Dev. Authority

**Harold McIntyre**  
National Caucus on Black Aged

**Gregory McKenzie**  
Flint Department of Community Dev.

**Lloyd Miller**  
Genesee Landlords Association

**Jacquie Mitchell**  
Flint Housing Commission

**Howard Morton**  
Genesee Landlords Association

**Lucille Newhart**  
Greater Flint Council of Churches

**Olie Olson**  
Olson & Associates

**Maureen Ottney**  
Outreach of Fenton

**Rev. Jerry Peaster**  
Carriage Town Mission

**Yvonne Penton**  
YWCA Safehouse

**Robert Piper**  
Piper Realty

**Shirley Prajer**  
Buick Local 599 UAW



Roy Preslar  
Community Housing Resource Bd.

Rev. Lewis Randolph  
Antioch Miss. Bapt. Church

Gayle Reed  
Senior Citizens Services

Retirement Ctr. Plng. Group  
First Presbyterian Church

James Richardson  
Director  
Planned Parenthood Association

Jane Richardson  
Salem Housing Task Force

Beverlie Ringle  
Executive Director  
Love, Inc.

Lillian Robinson

Margaret Robinson  
Homemaker Coord.  
Family Ser. Agency-Gen. Co.

Sharon Roepke  
Director  
YWCA Safehouse

Ronald P. Roland  
Flint NIPP

Mary A. Rolfe

Peppy Rosenthal  
GCCAA Neighborhood Ser. Ctr.

Francis X. Rosica

Margueretta Ryals  
Metropolitan Baptist Church

Doris Sain  
Court Street Village Inc.

Rhonda Sanders  
The Flint Journal

Rev. Philip Schmitter  
Sacred Heart Parish

William Sharpe

Rev. LeRoy Shelton  
Concerned Pastors  
Christ Fellowship Baptist Church

Barry Simon  
Home Builders Assoc. of Flint

Jennifer Smith  
Director  
Genesee Indian Center

Rev. Granville Smith  
Chairperson  
Human Relations Commission

Larry Southwell  
Sr. Vice President  
Citizens Bank, Mortgage Dept.

Helen Stanley  
United Welfare Rights Organ.

Shirley Stevens  
Greater Flint Council of Churches

Robert Stewart  
Mortgage Department  
D & N Savings Bank

Elnor Taylor  
Legal Services of Eastern Michigan

Hiwatha Terry-Greene  
Director  
Flint Human Relations Comm.

Stuart Trosch  
Coordinator  
Homeless Outreach, Mental Health

Orogene Truss  
National Council of Negro Women

Delores Vaughn

Bob White  
Sociology Dept., UM-Flint

Larry Whiteside  
Office of Senator Riegle

Leon Whitfield  
GCCAA

Edith Withey  
YWCA

Cleora Yarbrough  
Housing Ctr. Manager  
Flint NIPP

Gloria Young  
Shelter Advisor  
Hasselbring Senior Center

11/1/88

1900

1930

1940

1950

Rural Development

COUNTRY LIFE

EXTENSION SERVICE

'33 NIRA

'35 FERA

CONSERVATION

AG TECH

FmHA

DEPOPULATION

SUBURBANIZATION

AG BUS

HIGHWAYS & PUBLIC WORKS

Human Services

SETTLEMENT HOUSES

NEIGHBORHOOD SERVICES

YOUTH GANGS

JUVENILE JUSTICE

STREET WORKERS



HOUSING CODES

'34 HOUSING ACT - FHA

'37 HOUSING ACT - PUBLIC HOUSING

'38 HOUSING ACT - FNMA

'44 VA MORTGAGES

'49 HOUSING ACT - NATIONAL GOAL

'54 HOUSING ACT - PRIVATE \$

FOR FNMA

Redevelopment

URBAN REDEVELOPMENT (SLUM CLEARANCE)

SPECIAL MORTGAGE IN URBAN RENEW

"WORKABLE PR"

Civil Rights

URBAN LEAGUE

NORTHERN MIGRATION

WAR JOBS

CORE

HISPANIC MIGRATION

'57 C' RIG

NEGRO RENAISSANCE

LULAC

RACE RIOTS

EDUCATION SERVICES

MINORITY ELECTION VICTORIES

ANTI-LYNCHING

GI FORUM

SCHOOL DESEGREGATION

SOUTHERN NEGRO RIGHTS BLACK CHURCHES/NAACP

REFORM JIM CROW LAWS

SOUTHERN ORGANIZING

Organizing

CRAFT UNIONS

BLACK UNIONIZATION

TRADE UNIONS

NEGRO JOB ACTIONS

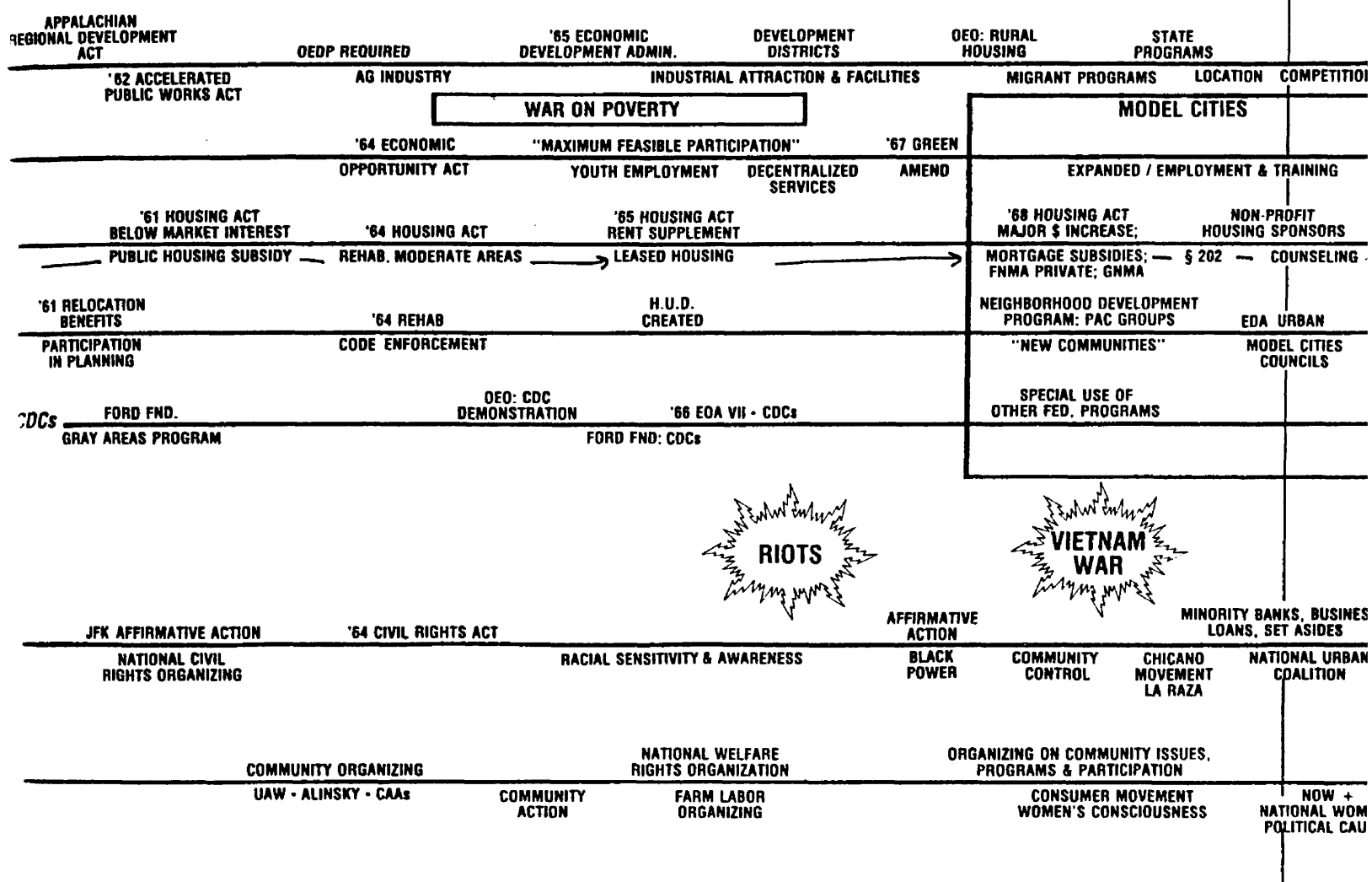


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# HISTORY OF COMMUNITY DEVELOPMENT POLICY IN THE US

1960

1971



# 1980

N BELT DEVELOPMENT	FmHA EXPANSION	PLANNING FUNDS CUT	FARM SUBSIDY	RESOURCE ECONOMY CRISIS
STATE LOCATION SUBSIDIES		"MAIN STREETS"		FARM COMMUNITY REVITALIZATION
2 INSTITUTIONAL PROGRAMS	'76 LEAA	NEW IMMIGRANTS	FEDERAL CUTS	ECO DEV & HOUSING BY SERVICE AGENCIES & CONSTITUENCY GROUPS
DISMEMBERING OEO(CSA)	BLOCK GRANTS (CSBG)	JTPA REPLACES CETA		
CETA CONSOLIDATES MANPOWER PROGRAMS		FEDERAL CUTS (80%)	HOUSING PARTNERSHIPS	NATIONAL HOUSING TASK FORCE
'74 HOUSING ACT: SECTION B	'76 HOUSING ACT: TARGETING REFORM	NON-PROFIT DEVELOPERS	MCKINNEY HOMELESS ASSISTANCE	HOUSING
'74 CDBG	UDAG	EDA STOPS LOANS (GUARANTEES OK)	'86 LIHTC	'88 UDAG ENDED - REPAYMENT
CONSOLIDATION	CDBG TARGETING	DROP CDBG REVIEW LOCAL DESIGN	TARGETING/ELIMINATION FIGHT	
NEIGHBORHOOD DEVELOPMENT ORGANIZATIONS	NEIGH SELF-HELP DEV	CDC GRANTS COMPETITIVE NSHD ENDED	NEIGH. DEVELOPMENT DEMONSTRATION ACT	
NHS EXPERIMENT	NEIGH REINVESTMENT CORP		NHS DIVERSIFICATION	NHSA & LISC SECONDARY MARKETS
Neighborhood Revitalization	NEIGH STRATEGIES	INTERMEDIARIES LISC • ENTERPRISE • DTI		PRIVATE & LOCAL-STATE GOV'T RESOURCES
	'75 HMDA '76 CRA '77 NATIONAL COMMISSION ON NEIGHBORHOODS	BANK CDCS CD CREDIT UNIONS	'87 HMDA PERMANENT	CRA IN BANK POWERS BILL
OMBE-MESBICS	CONSOLIDATED M8DO	SBA GUARANTEES		
ATIVE AMERICAN MOV'T	BLACK ELECTED OFFICIALS		BLACK CHURCH OUTREACH	"UNDERCLASS ISSUE"
ETHNICS & "OUTER RING" NEIGHBORHOOD ORGANIZING	"RED LINING"	DECLINE IN ORGANIZING SUPPORT	CITY WIDE COALITIONS	CRA PROTESTS
ANTI-WAR PROTESTS	'76 EDOA ERA ENVIRONMENTAL MOVEMENT		CONSTITUENCY ORGANIZING	REVIVAL OF FUNDING INTEREST IN ORGANIZING

## EXHIBIT 5

### IDEAS FOR IMPROVEMENT

- \* Development code enforcement programs to maintain areas for the longest life cycle possible.

- \* Develop homeownership programs, but only for those who can afford maintenance.

- \* Recapture the dollars from suburban development to use for affordable housing.

Source: Charles L. Farris, JOH 7/8 '89.

- \* Develop housing partnerships - public, private and non-profit involving the essential partner--the federal government.

- \* Utilize housing bonds as a private revenue source to raise money for affordable housing - they have been used successfully in other parts of the world.

- \* Create a housing fund to produce and rehabilitate affordable housing without reducing other federal programs or raising federal taxes. Source: Tom J. Berkshire, JOH 9/10 '89.

- \* Shared housing with its characteristics of affordability and adaptability, offers a practical solution. Source: Diana T. Myers, JOH 11/12 '89.
  
- \* Homesteading for use in our core cities to use marginal housing for vacant property and homelessness. Can even use municipally owned houses to triple units available to the income-stable poor. In states and cities with receivership capacity, could recover as many as 25 times the units provided now.  
Source: Jerome I. Weinstein, JOH 5/6 '90.
  
- \* Planning in identifying substandard units (See Alachua County 1990 Study) using a computer automated methodology. Source: Richard H. Schneider and Paul D. Zwick, **Computers, Environment & Urban Systems**, Vol. 14, No. 4, 1990.
  
- \* Penalize owners of unoccupied properties.
  
- \* City to pay back rents--cheaper to do before a family gets displaced.
  
- \* Rehabilitate all vacant, city-owned apartments.
  
- \* Foreclose on landlords who owe back taxes.
  
- \* Restore semi-vacant and deteriorating public housing.

- \* Construct new housing as "in-fill" rather than massive clusters isolated in the least attractive neighborhoods.
  
  - \* Develop linkage policy where proceeds from property sold by city agencies is tied to funding low-income housing.
- Source: Jonathan Kozol, *Rachel & Her Children*, 1988.