

AN ANALYTICAL STUDY OF
URBAN RENEWAL

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by

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ABSTRACT

An Analytical Study of Urban Renewal

The problem explored in this thesis is one of renewing urban areas. The Federal government, through enabling legislation, has various programs that attempt to help solve the problem.

A Federal legislative history of urban renewal helps to show the reader attempts made by the Federal government in this area.

The local agency, in cooperation with the Federal agency, works to help stop urban blight.

From personal observations it was found that many people were dissatisfied with the results of the program in which they were involved. Many of the citizens that were directly affected by the program felt that they should have been left alone by the government.

The idea of renewing our cities is a sound one. They do need to maintain a reasonable level of preservation.

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INTRODUCTION

An Analytical Study of Urban Renewal

The urban society in the United States has changed drastically in the last few decades.

In 1940, the percentage of people living in urban areas in the United States was 56 percent. By 1950, it was 64 percent. Today, over 70 percent of the population resides in metropolitan areas.¹

Urban areas mean different things to different people. The city can be a source of employment and a center for cultural enrichment, or it can be a source of crime and deterioration.

Massive amounts of material have been published on the advantages and disadvantages of living in urban areas. This study is aimed at one metropolitan problem - renewing the urban area.

The idea of renewing urban areas has been with societies from the beginning of social order. Civilizations long past have left records of their attempts at improving their cities. Although the United States has existed almost 200 years, the federal government has given little serious thought towards improving the urban setting until recent years.

During the Spring Quarter of 1974 I was placed as an intern in the Statesville Housing Authority and Redevelopment Commission in Statesville, North Carolina. While serving as an intern, I was introduced to the various ways in which a local agency operates. My

work consisted of trips into the redevelopment areas and an almost daily contact with its residents. While doing my internship it was essential that the various Housing and Urban Development (HUD) manuals be examined. There were also several manuals published by the local agency that were studied. Visits to the regional HUD office in Greensboro were made with the Executive Director. While there, personal interviews were held and the latest HUD publications were acquired. Trips were made to other urban renewal projects that adjoined Statesville. Problems that were shared by both local agencies were discussed.

In addition to these source materials, some of the existing literature on urban housing was examined to supplement the picture of how the local public agency (LPA) worked with the federal government to help house the poor.

Lawrence M. Friedman, in Government and Slum Housing, painted a bleak picture of the relation between the two phases of government. While dealing with slum housing on a large scale, he ignored the many slums that are a part of almost every community.

Scott Greer, through Urban Renewal and American Cities, reinforces many of the basic points made in this paper. He freely admits that his conclusions are assumptions that he has made on the basis of personal observation and opinions that he has gathered.

In Capital Courthouse and City Hall, Lynn W. Ely gives another brief but scattered account of the present laws. He too seems to forget the smaller slum areas and how this applies to the local public agency.

Niles Hansen, in Rural Poverty and the Urban Crisis, gives several good reasons why the poor move to the city, thus adding to the strain on the low income housing market.

All things considered, there still remains a fact that is true in all of the material formed. As Scott Greer puts it, there is only one federal government, one urban renewal administration, and one current housing act. These are controlled variables that one must consider in any study on urban renewal.

For the purpose of this study this paper is divided into four chapters.

Chapter one will explore the various positions that the federal government has taken on the issue of urban renewal. Areas will be discussed such as Federal Demonstration Programs through the 1974 Community Development Act, but the major portion of this chapter will be devoted to the legislative acts that led to federal intervention into what was once considered a local problem. A brief legislative history of federal funding for housing and its results will be included up to the acts passed by the Congress in 1949. Each major act of amendment from 1949 to 1974 will be examined with a synopsis of each act in order to show the evolution of present federal government attitudes.

Chapter two will be a mixture of federal legislation and local action. The legislation that created the Department of Housing and Urban Development (HUD), plus the way the local public agency created the redevelopment commission will be shown. Since this chapter is dealing with federal and local action, the redevelopment director and

his role will be described in order to illustrate the relationship between the community and the federal agency. A brief description of federal grants that are issued through HUD will also be included in this chapter.

Chapter Three is to deal entirely with an explanation of the maps and renderings needed to apply for a federal urban renewal grant. As an example, a grant proposal of an actual project in Statesville, North Carolina is used.

Chapter Four is a case study that was researched while the writer was serving as an intern for the Statesville, North Carolina Housing Authority and Redevelopment Commission. The majority of the case study is devoted to the actual internal operation of a local public agency.

This paper seeks neither to condemn nor condone programs undertaken to rehabilitate urban areas, but only to give an objective viewpoint of the situation as it exists, past and present.

CHAPTER I

FEDERAL LEGISLATIVE HISTORY OF URBAN RENEWAL

Chapter one will be devoted to the major legislative acts passed by Congress on the issue of urban renewal. A brief legislative history of federal action in urban renewal and its results will be included up to the acts passed by Congress in 1949.

From 1949 to 1974 a more detailed evaluation of each major act will be given with a synopsis of each act in order to help show the evolution of governmental attitudes toward urban renewal.

All the acts from 1949 to 1974 Community Development Act were examined but only the ones of major importance were used in this study.

The United States Congress made its first recorded move against substandard housing on July 20, 1892 when a resolution was passed to provide \$20,000 for the Secretary of Labor to investigate slums in cities of over 200,000 persons. The report disclosed poor housing in some United States cities. This study showed a correlation between the large number of saloons and slum buildings in the areas.²

During World War I, the federal government began to see the need in the housing industry for employees of the war-related industry. Twenty-five community projects were built to accommodate over 5,000 families who were employed in war-related industries, such as ship-building and ammunitions factories. An acute regional housing shortage was felt in the areas of war industry. When the war ended, most of these units were purchased by private investors.

In the 1930's, during the depression, home ownership and construc-

tion were at an all time low. To help families own their own homes, the Federal Home Loan Bank Act of 1932 was enacted. This act, through which over one million home loans were made, was the basic legislation for the present building and loan association.

In his first year of office, President Franklin D. Roosevelt helped pass the National Housing Act of 1934 which provided insurance against loss of property - improvement loans, mutual mortgage insurance on homes and low cost housing loans up to 80 percent of appraisal value with up to 20 years for payment of the loan.³

This act gave a large majority of the public a chance to purchase homes with a smaller down payment and with monthly installment payments. The repayment of the loan was guaranteed by the federal government. This stimulated the home ownership market. Because the policies of the government at this time were still geared to the homeowner, no provision was made for public housing.

In later Roosevelt years, the federal government included low-cost housing in the National Industrial Recovery Act, and 21,769 public housing units were built. Eventually this act provided funds for 117,755 units for local housing agencies, and was seen by Congress as economic stimulation instead of social reform.⁴

With the outbreak of World War II, the housing industry saw a spurt in housing growth similar to that of World War I. Nearly 945,000 units were constructed to accomodate the war industry employees.

The 81st Congress was the first legislative body to take a serious look at the housing problem. Title I of the Housing Act of

1949 is the basic law authorizing federal aid for urban renewal:

"The Congress hereby declares that the general welfare and security of the Nation and the health and living standards of its people require housing production and related community development sufficient to remedy the serious sub-standard and other inadequate housing through the clearance of slums and blighted areas, and the realization as soon as feasible of the goal of a decent home and a suitable living environment for every American family, thus contributing to the development and advancement of the growth, wealth, and security of the Nation.⁵

Before 1949, the federal government had not gotten seriously involved in housing. It was felt, however, in 1949 "that the general welfare and security of the nation" were threatened by inadequate housing.

The 1949 Act was designed to authorize federal funds for slum clearance, urban redevelopment, and studies into housing problems.

Under Title I of this Act, over one billion dollars in loans and \$500 million in capital grants were given to localities for redevelopment and slum clearance. Funding also included studies on housing and urban problems. The serious housing shortage during this period was brought about by several factors:

1. During World War II, the building industry was diverted to a "war economy." Instead of new housing, most of the construction was for war related industries.

2. After World War II, many of the returning veterans were ready to settle down and start new families which meant additional strains were placed on a housing industry that had experienced little growth in the previous five years.

3. The veteran was in a position, because he had served his country by fighting a war, to place political pressure on the elected officials. Pressure for new housing was felt by the Truman administration through the newly elected 81st Congress.

The 1949 Act failed in some respects. The slums that were concentrated on in Title I of the 1949 Act were usually low-rent housing that was not owned by the occupant. In the majority of the cases, the slums were in fact cleared but public housing was not usually reconstructed on the rehabilitated sites. The property that the slums previously occupied was located, if not in the heart of the metropolitan area, at least in the fringe - still within the corporate limits. With slum housing disappearing, and little public housing construction, the poor had no choice but to abandon their neighborhood and move elsewhere, not necessarily improving their situation. Since the slum area was now cleared with federal funds, businesses, banks, and shopping complexes paid extraordinary prices for a place in the prime business district.

The Central Business District (CBD) would expand into these areas which were made more attractive by the fact that all of the city's services, such as water, sewer, sanitation, fire, and police protection were already provided. The slum lord would be the person who would reap the most benefit from slum clearance projects.

In a personal interview with a regional Housing and Urban Development (HUD) official, it was learned that in the early programs (1949-1953) the people who owned the slums were also the people who had the greatest influence over policy making decisions.⁶

Tremendous profits were made by the rich, while the poor were made to suffer even more. The acute housing shortage was even more of a problem after the slums were cleared. Title I also failed to have any overall comprehensive plan. Money was mismanaged. Slums were cleared, but housing was not built back in its place. Communities were disrupted with the displaced residents receiving little or no compensation.⁷ Because of these deficiencies Congress amended the 1949 Act by an Act in 1954.

The Housing Act of 1954 authorized Federal aid for residential rehabilitation in addition to the clearance and redevelopment of slums, as well as new mortgage insurance aids for Urban Renewal areas. It also provided for Federal Demonstration Programs to improve urban renewal techniques.⁸

The Housing Act of 1954 was designed to aid in the clearance and redevelopment of slum areas. It was also to supply aid for the residents of urban renewal areas and also help set up a Federal Demonstration Program to improve the urban renewal process.

The Housing Act of 1954 was the first real help for the poor and minorities who were discriminated against. It provided federal aid for residential slum clearance, and improvements. The two most important parts of this Act were the creation of new mortgage insurance aids for urban renewal areas and the creation of a Federal Demonstration Program.

The new mortgage insurance aids which were expanded into the Federal Housing Authority (FHA) helped people who were considered poor credit risks by lending institutions to borrow money to construct new homes. There were also provisions in this Act to lend money to people who

wanted to make improvements to existing property; thus, deterioration of some structures was stopped.

The Federal Demonstration Programs were established to help administer the funds provided by Congress. Before a city could qualify for federal funding, it had to prove that it was in need of these funds. Guidelines were established so that the funding could be controlled with a minimum amount of administrative work. The Federal Demonstration Program also sought to improve the present system, and make recommendations to be considered by later legislators. Under this Act, building codes were set up by local public agencies.

To qualify for federal funds, a city had to have a well developed plan of land use. No longer were cities able to qualify simply because they had slums. A housing code had to be established so that an area could clearly see if it was in need of some sort of federal funds.

The reports prepared by the local agency were local actions prepared without the help of federal agencies. Many of the relocates who were displaced by slum clearance were lost in the avalanche of paper work. Little effort was made to see that they received their full relocation benefits. The housing code was established by the local public agency (LPA). A house that one agency could consider standard would be substandard by another LPA. It was felt that there was a definite need for a more concentrated effort in which the inspection of housing was to be carried out. Also, there was no way to enforce the newly established housing codes. The courts still considered a man's home to be his castle, even if it was a substandard one. One major shortcoming of the

program was the lack of a follow-up study as to the effect of the project in an urban renewal area. There was no way to determine whether a program had been successful or a total administrative failure.

The Housing Act of 1956 and the following amendments to the original 1949 Act were a result of the studies made by the Commission provided for in the 1954 Federal Demonstration Programs. The federal government was now seeking, after a period of seven years, to establish guidelines to improve its urban renewal programs and also to provide uniform enforcement of its rules no matter where the urban renewal project was located.

"The Housing Act of 1956 authorized (1) the preparation of General Neighborhood Renewal Plans (GNRP's) in urban areas too large or complex to be renewed by single projects; (2) special liberalized provisions for projects in areas designated by the President as major disaster areas; and (3) feasibility surveys to determine whether or not the undertaking of an urban renewal project or projects in an area were feasible."⁹

It was felt by the administration that an area needed to develop a comprehensive plan of development. This plan was encouraged by the General Neighborhood Renewal Plan. Now, instead of short term plans which were scattered through the city, the neighborhood as a whole was looked at. A plan of development that could be implemented in several phases and that could take over a period of years could now be applied for. The GNRP allowed the city to plan ahead taking the areas with the most serious problem first, and then working its way to other areas. This helped reduce the administrative size of projects and helped in their success. For many of the cities, this was the first time they were required to take a look at themselves. No comprehensive plan of growth was usually

developed until it became a requirement to qualify for federal urban renewal money.

Entire blighted areas were now able to be rehabilitated blocks at a time. The sizes of the areas to be renewed were now scaled in sections for greater administrative efficiency and control. The areas were renewed in phases, and project areas' boundaries were well defined and planned. This will be dealt with in more detail in the case study (Chapter Four).

Feasibility surveys were another strong point of the Act of 1956. Feasibility surveys served as a tool for an evaluation of a project. They were used to determine if the proposed project did in fact qualify for federal funding. In some instances it was found to be more suitable to rehabilitate the structures than to demolish them. Under these surveys, many communities received a "face-lifting" instead of a total demolition and reconstruction process.

The 1957 Housing Act was enacted to provide lower down payments on houses financed through FHA-insured mortgages. It also had special consideration for the financing of homes for the elderly. Also, communities could apply for federal grants for urban renewal on a three-quarter federal and one-quarter local basis, if the community paid all preliminary planning costs for the project. This simply means that the federal grant would pay for 75 percent of the project while the local public agency had to pay 25 percent of the project allocations.¹⁰

This Act helped to stimulate many communities to apply for federal grants. Urban renewal grants that had been looked upon with suspicion

by local leaders would now be applied for because the community was more involved in the project by paying twenty-five percent of its cost.

States, counties, and municipalities soon began showing more interest in participating in these and other federally sponsored programs. For the most part, their interest seems to have been based on the availability of federal funds on a matching basis, with the state and local share being smaller than the federal share.¹¹

Under the Johnson administration, many attempts were made to beautify the United States. The Housing Act of 1965 extended federal help to concentrated code enforcement projects to assist in the rehabilitation of areas that were presently deteriorating. It also provided funds for projects that included the demolition of structures found to be unsafe and a hazard to the public.

This Act provided funds that were to be used to clean up neighborhoods. Structures that were unsound and deteriorated to the point of being an eyesore could now be acquired by the Local Public Agency. The land could be rehabilitated and put to a better use.

This Act did little for public housing. It appears to have had more effect on community improvement than on housing. Many houses that were substandard were torn down. No relief was provided in the form of housing for the many thousands who were still without standard housing in which to live. The criteria used to determine standard and substandard housing are included in the case study.

Federal assistance was authorized by the Housing Act of 1968 for Neighborhood Development Programs. Under this Act the fight against

slums and blighted areas was stepped up. However, formal federal programs could not arrest the increasing deterioration of the neighborhoods, and programs were stepped up to facilitate more rapid rehabilitation and redevelopment of deteriorating areas.¹²

A neighborhood Development Program consists of urban renewal undertakings and activities in one or more urban renewal areas that are planned and carried out on the basis of annual increments. Financing is based on the amount of loan and grant funds needed to carry out the activities planned during a 12-month period. It also authorized (1) Interim Assistance Programs to provide interim actions to alleviate harmful conditions in slum and blighted areas planned for comprehensive renewal, but in which some immediate public action is required; and (2) Certified Area Programs to provide for rehabilitation of residential properties within areas planned for either urban renewal or code enforcement activities within a reasonable time.¹³

With the help of this Act, the fight against Urban deterioration became more organized. The first and second goals were incorporated into the larger goal of complete community rehabilitation. Projects that had been approved were able to be funded, and urban renewal agencies were established on a yearly budget. Time was very important due to the increasing deterioration of blighted areas.

Due to the growth of population in metropolitan areas and the concentration of persons of lower income in central cities; and inadequate public and private investment in housing resulting in the growth and persistence of urban slums and blight; and the marked deterioration of the quality of the urban environment; the Housing and Community Development Act of 1974 was enacted into public law by the 93rd Congress.

To qualify for federal funds, a community must submit a comprehensive plan of development. The community must show in this plan how the

federal grants will be allocated. One major way that this act differs from other federal acts is in the area of public housing. Before a grant is approved by the Department of Housing and Urban Development, the application must show the existing needs of the community. No money will be appropriated for a community until several factors are met. The community must show by its comprehensive plan the existing conditions of its housing. If a community is in need of low-income housing, then the grant will not be approved for any other project until the existing conditions are alleviated.

A community can qualify for other types of grants to improve its community if public housing has been satisfactorily dealt with. Provisions are made for restoration of historical sites and open space use grants.

It is almost impossible to evaluate the effect of an act that is only now being put into effect. Time and society will be the judge.

Summary

Social programs, such as urban renewal, usually take many years to evolve. In the United States we had the policy shift from housing assistance for war-related industrial employees to its present day position of top priority for community housing assistance. Many variables such as war related economic stimulus, social reform, and beautification helped to bring about present day policies. Attitudes of the public have changed drastically from the beginning of the twentieth century on the subject of urban renewal.

Urban renewal is still one of our major problems, and we are only starting to cope with it. With future legislative support, this problem can be brought under control; each citizen can live in a safe, clean, healthy environment.

CHAPTER II

THE COMMUNITY AND THE FEDERAL AGENCY

In the previous chapter, only the major legislation that dealt especially with urban renewal was examined. In this chapter a mixture of federal legislation and local action will be presented. The legislation that created the Department of Housing and Urban Development, plus the way that the local public agencies created the Redevelopment Commission, will be shown. Since this section is dealing with federal and local action, the Redevelopment director and his role will help to show the relationship between the community and the federal agency. The reader should bear in mind the role conflict of the Project Director as he seeks to bridge the gap between the local government and the federal government.

A brief, but precise description of federal grants will be included in this section. On September 9, 1965 Public Law 89-174 was signed creating the Department of Housing and Urban Development (HUD), the eleventh cabinet-level department. Many of the reasons for a new Executive department were based on the need for managerial improvements and greater efficiency and coordination of programs.¹⁴

"In addition to coordinating the work of all agencies and units, the Office of the Housing Administrator was also charged with studying national housing needs and preparing recommendations for the President and Congress. Specifically, it was responsible for:

Carrying out a program of urban studies and housing research.

Approving programs developed by local communities

to prevent and eliminate slums and certifying federal urban renewal aids as available....

...Administration of grants to public or private organizations to carry out demonstrations of new methods of improving low income housing and housing for the handicapped."¹⁵

The newly established Cabinet Department of HUD was charged with all former existing housing and urban redevelopment programs. It also had the responsibility of instituting new programs that were authorized by the Housing and Urban Development Act of 1965 and later acts.

To be workable, urban renewal must have the cooperation of all the government agencies involved. The Local Public Agency (LPA) technically has only the power of land acquisition and redevelopment and only limited means by which to redevelop whole neighborhoods. The state government, through existing property laws and enabling legislation, sets the basic charter by which the federal program is workable. The state, in a sense, has to give its rubber-stamped approval to projects even though they might not be directly involved in the actions taken by the LPA and the federal government. The federal government has to weed out project applications and approve the ones that meet its criteria. The federal agency must then work with the LPA. The state agency is taken into consideration, but the majority of the work will be carried out between the federal agency and the Local Public Agency.

In most instances, the Local Public Agency or the Urban Renewal Redevelopment Commission is created by the city council or the chief local law-making body. This is the first step, realization of a problem and development of a commission to alleviate the problem. One of the keys to success in urban renewal, as in any organization, is the

employment of a well-trained, experienced administrator.

The executive director is the most important person in the commission. It is his duty, as an expert in urban renewal, to decide which areas of the city would best qualify for redevelopment. On the organizational chart of a city under the city manager plan of government, the executive director would appear as a department head with the city manager in control of the city. In reality, the executive director serves in a capacity that is separate from the municipal government. He answers to the Commission board which is composed of members appointed by the city's chief administrator. The executive director is the city's chief public relations man for urban renewal. He usually has a strong working relationship with the Regional Housing and Urban Development office. The HUD office is the representative of the federal government. The executive director is the representative of the local Commission. In the area of urban renewal, the state bureaucracy is almost totally bypassed. The local agency and federal government work directly with each other on the problem of urban renewal. This is one of the instances in governmental affairs that these two groups are brought directly together in a working relationship.

After a director is appointed, one of his first tasks is to apply for a federal planning grant. This grant will enable the LPA to employ a professional planning consultant. The planner will study the blighted areas of the city to determine what type of federal aid to apply for. He will then work up a Comprehensive Development Plan of the areas in which it is felt that the most successful work can be done. In these plans

such information as soil type, noise level, conditions of the structures and location of the boundaries are determined. Rulings are then made by applying federal regulations as to the acceptability. The sites for public housing are also determined. The proposed project plans will also include a cost analysis of the site after it is cleared and improvements are made.

In one twelve million dollar project in Statesville, North Carolina, the different areas of redevelopment were staged so that they fit together much like a jigsaw puzzle. Each resident in the project area filled out a data sheet with the help of a social worker or relocation official. After the survey was completed, it was determined what type of housing each family would qualify for. Those families who were determined qualified by the LPA and who wanted to move to public housing were placed on the high priority list. Several low income public housing projects had been under construction and were nearing completion. The high priority list was given to the acquisition officer. He, in turn, opened initiation of negotiation for the purchase of the property. The majority of high priority list residents were found to be tenants and not homeowners. By the time the property was purchased, the new public housing units were completed. Relocation of the residents into new housing units and payment of their relocation benefits came next. By this method the residents who needed help in finding suitable housing at a price that they could afford were properly housed, and the new units were put into immediate use without a great deal of wasted time.

In many instances, the owners of unsafe buildings refused to im-

prove the structures to meet the minimum housing codes. The property could then be placed under negotiation, and several unbiased appraisals would be sought. An average of the appraisals would be reached, which would constitute the Local Public Agency or Redevelopment Commission's offer for the property. If it was refused by the owner, the property could be bought by forced purchase under the right of eminent domain. If a structure had deteriorated to a point that was not economical to restore or rehabilitate, it would usually be torn down and the land sold or put to another use. On the other hand, if the structure was still sound in construction and would fit into the city's plan, it would be restored to meet the housing code and sold by the Local Public Agency to generate additional income for use.

As the urban renewal program evolved, it established three goals: first is the goal of a "decent home and suitable environment" for every American family - for every slum house town down, a standard one was to be constructed to replace it; next is the aim of redevelopment of the city with efforts that concentrated on rehabilitation of the Central Business District (CBD); finally, the program developed the general goal of a planned city based upon a community renewal program.¹⁶

"During the planning phase of an Urban Renewal project, the Urban Renewal plan is formulated which outlines the objectives of the project, the treatment to be utilized, and the controls over new land."¹⁷

This plan is submitted to the regional HUD office. North Carolina is in Region III.¹⁸ Thirty-one cities in North Carolina have been awarded a total of eighty-one grants ranging from Neighborhood Develop-

ment Programs to Feasibility Surveys.¹⁹

If the plan is approved, then it receives one of four types of grants: project grants, relocation grants, rehabilitation grants, and supplemental grants.²⁰

1. Project Grants

- a. Urban Renewal Projects - The grant may cover the net project costs for localities up to (1) two-thirds; (2) three-fourths for localities with a population of 50,000 or less, for localities with a population of more than 50,000 in designated redevelopment areas, and for localities that assume planning and administrative costs; (3) nine-tenths for disaster area projects approved under the 1964 amendments to the Alaska Omnibus Act.
- b. Neighborhood Development Programs - The grant may cover the net project costs for localities up to (1) two-thirds; and (2) three-fourths for localities with a population of 50,000 or less and for localities with a population of more than 50,000 in designated redevelopment areas.
- c. Code Enforcement Projects - The grant may cover up to two-thirds of the cost of planning and carrying out the project, including the installation of eligible public improvements. However, in localities with a population of 50,000 or less, it may cover up to

three-fourths of such costs.

- d. Demolition Projects - The grant may cover up to two-thirds of the cost.
 - e. Interim Assistance Programs - The grant may cover up to two-thirds of the cost or up to three-fourths of such costs.
 - f. Community Renewal Programs - The grant may cover up to two-thirds of the cost.
 - g. Demonstration Programs - The grant may cover up to nine-tenths of the cost. In addition, it may cover the full cost of writing and publishing the reports of the findings of significant reports on similar activities and undertakings.
2. Relocation Grants
- For Urban Renewal Projects, Neighborhood Development Programs, Code Enforcement Projects, Demolition Projects, and Interim Assistance Programs, the grant may also include the full amount of relocation payments, as provided by Federal law. This includes payments for moving expenses and property losses, and special relocation adjustment payments, small business displacements payments, certain property settlement costs, and payments to owner-occupants of residential properties to assist in the purchase of replacement dwellings.

3. Rehabilitation Grants

For Urban Renewal Projects, Neighborhood Development Programs, Code Enforcement Projects, and Certified Area Programs, the grant may also include the full amount of rehabilitation grants to individual property owners, as provided by Federal law, to assist in covering the cost of repairs and improvements.

4. Supplemental Grants

For Urban Renewal Projects and Neighborhood Development Programs the grant may also include the difference in interest cost which results when the Federal loan contract interest rate is lower than the prevailing market rate at the time loans are sold in the private loan market.

Summary

This chapter was designed to help the reader gain a clearer picture of the operation of the Local Public Agency in relation to the federal government. A brief history was given on the creation of the Department of Housing and Urban Development. The executive director of the local urban renewal project and his role were discussed. A brief description of project grants that local agencies qualify for was also included.

CHAPTER III

GRANT PROPOSAL

In the two previous chapters an evolution of the legislative history of governmental policy toward urban renewal was explored. The Department of Housing and Urban Development and its establishment and growth were also discussed.

After HUD established urban renewal guidelines, it became more complicated for cities and towns to apply for federal grants. To help cities complete the complicated grant proposal forms professional planning agencies were enlisted. With the help of planning agencies, cities that could not afford to hire a full time professional planning staff could now use these services - which were usually paid for through planning grants awarded by HUD.

This chapter consists of the maps and renderings that must be included in a proposal for a HUD grant. They do not constitute the entire grant proposal, but are only a supplement to help illustrate the work involved in preparing the grant proposal.

These renderings are from an actual grant proposal approved by HUD. It is now being implemented in Statesville, North Carolina and was prepared by Eric Hill and Associates of Winston-Salem, North Carolina.

In each grant proposal observed by this writer a total of twelve maps were prepared to supplement the original grant proposal. Each map is a separate tool that is used by the Local Public Agency. The maps

that follow are from Project N.C. R-136 in an area that is being re-developed so that existing zones could be changed from residential to commercial.

The first map is the Land Acquisition and Boundary Map as can be seen in Map One, page 28. The heavy dotted lines indicate the project boundaries as defined in January 1973. Each area was divided into different block and parcel areas for administrative purposes.

The shaded areas indicate the land that is to be acquired for public facilities. Area within the project boundaries that were not to be acquired are also indicated. Areas not to be acquired were owned by a church and an adjacent industry.

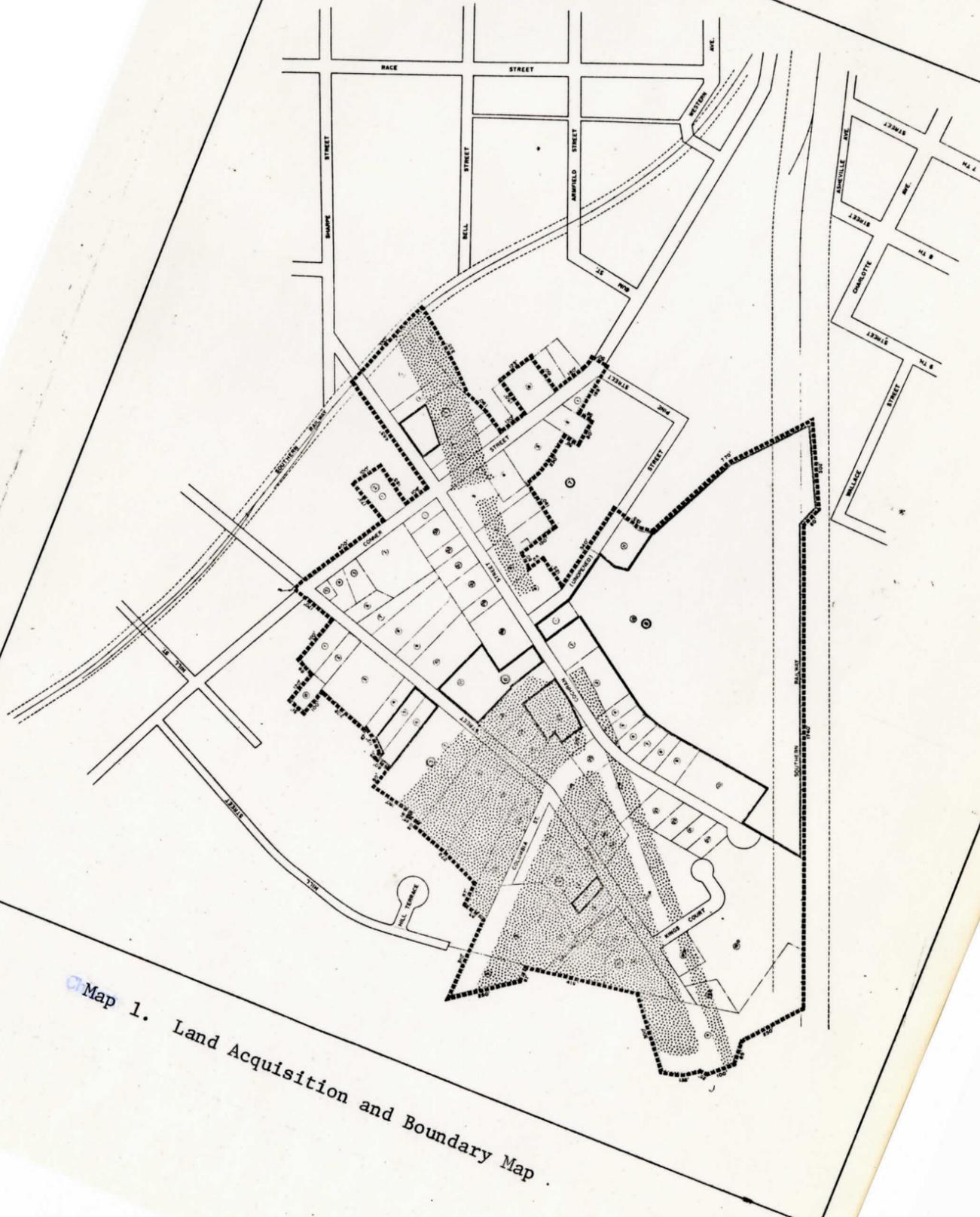
This map would be one of the basic tools of the executive director of the Redevelopment Commission to keep track of the project's progress.

LAND ACQUISITION AND BOUNDARY MAP
 URBAN SOUTHWEST
 THE VENTNALL AREA

LEGEND

- PROPERTY TO BE ACQUIRED FOR PROJECT
- PROPERTY NOT TO BE ACQUIRED
- BLOCK NUMBER
- PANEL NUMBER
- SECTIONAL LINE
- BOUNDARY
- RAILROAD RIGHT-OF-WAY
- RAILROAD TRACKS
- RAILROAD CROSSING
- RAILROAD
- RAILROAD RIGHT-OF-WAY
- RAILROAD TRACKS
- RAILROAD CROSSING
- RAILROAD

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
 OFFICE OF COMMUNITY DEVELOPMENT
 PROJECT NO. 14-1-1-1
 DATE: 10/1/58
 SHEET NO. 1 OF 1

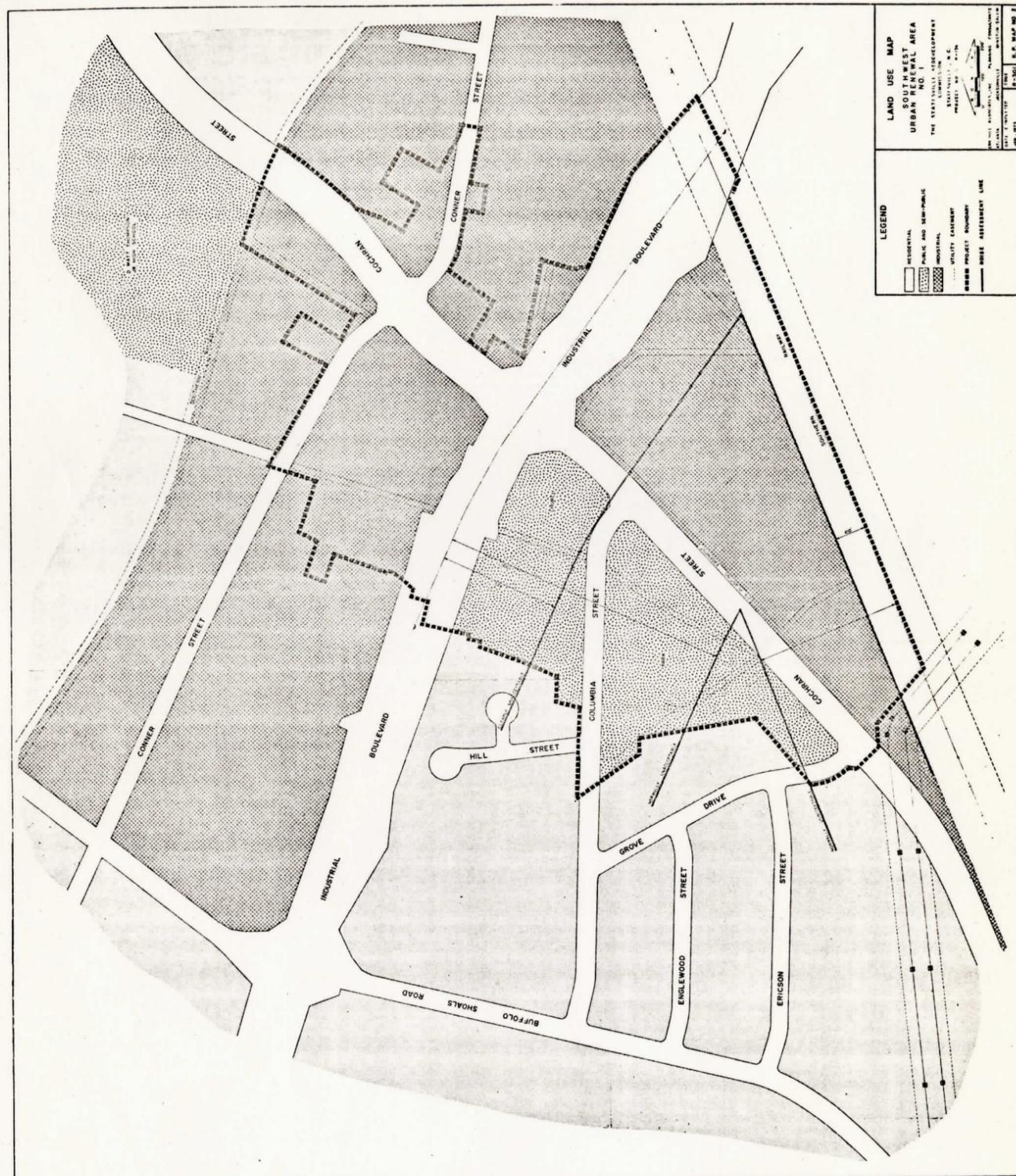


Map 1. Land Acquisition and Boundary Map

The second map is the Land Use Map, as can be seen in Map Two, page 30. This map points out areas that were found to be acceptable for certain types of land use. The different land uses were divided into three areas:

- I. Residential
- II. Public and Semi-Public
- III. Industrial

Several factors are used to determine the acceptability of the proposed use of the land. HUD has strict guidelines that protect the public from living in an undesirable location. The triangles drawn onto the map illustrate this point. These are areas that are normally undesirable and are clearly unacceptable as locations for federally funded housing. The assessment of the noise level of traffic on the industrial boulevard, combined with Southern Railway, makes this site unacceptable. This map is one that is essential in the initial grant proposal.



Map 2. Land Use Map

The third map, the Project Area Map, shows the condition of each structure denoted by block and parcel number, as can be seen by Map Three, page 32. The structures that are black are dilapidated beyond repair. They cannot be repaired but have to be torn down and removed from the site.

The structures that are gray are structures in need of major repair. In the majority of the cases they also had to be torn down and removed from the site.

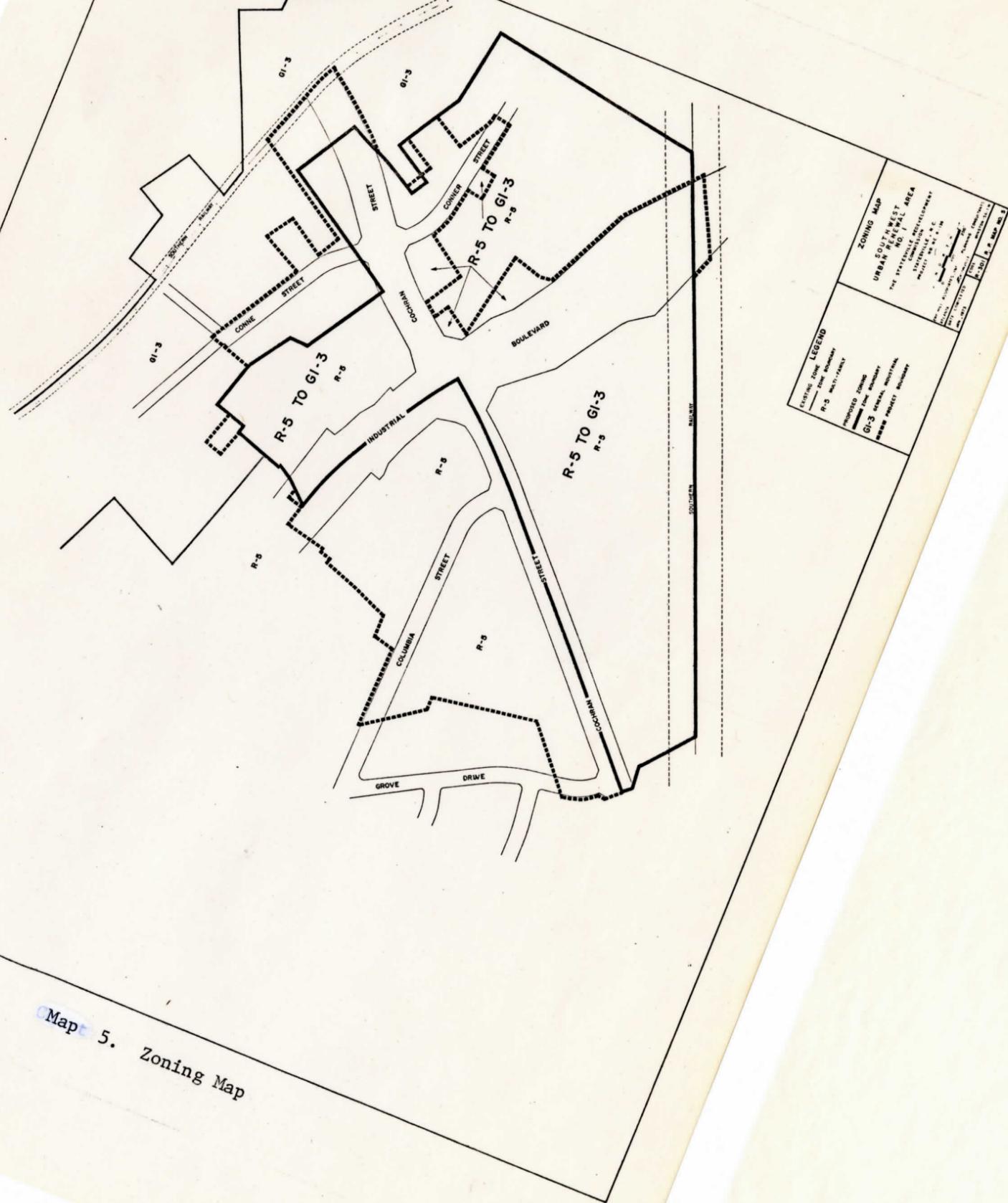
The structures that are white are standard structures or in need of only minor repair. These structures are usually sold and removed from the site to help generate income for the Redevelopment Commission.

This map is helpful to many people working in redevelopment and relocation. Social workers use this map to find the people who need help the most. The acquisition officer uses this map to help him plan his acquisition of property. The areas that were dilapidated could be acquired first and the relocation official could help to locate the residents in standard housing.



Map 4. Preliminary Site Plan

The fifth map is a zoning map, as can be seen by Map Five, page 36. This shows the proposed zoning changes that need to take place after the area is acquired. As the reader can see, the zone goes from multi-family (R-5) to general industrial (GI-3). This map is useful for the planning commission or city manager to help prepare a comprehensive plan of development.

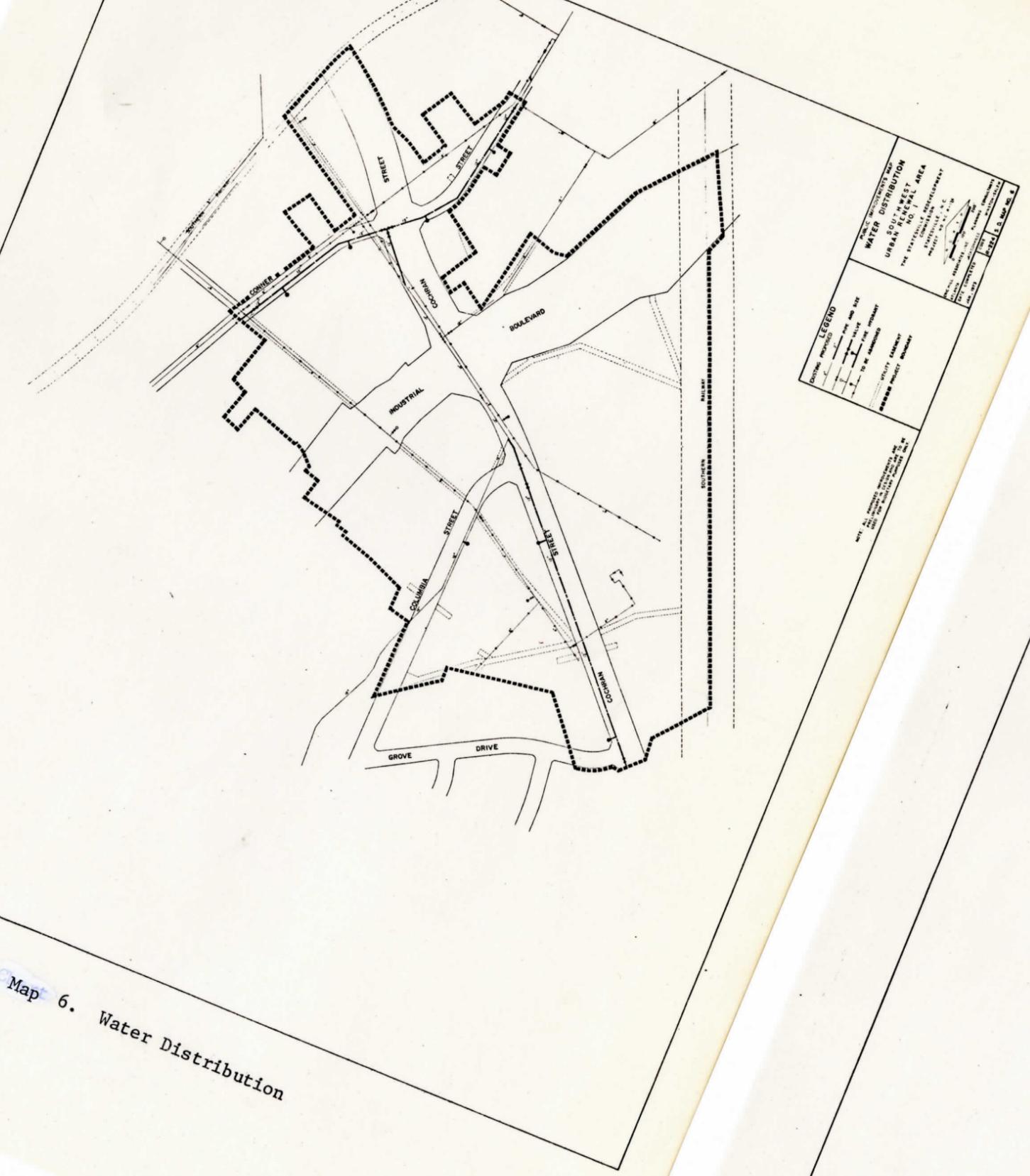


The next five maps are public improvement maps (see Maps Six through Ten, pages 38 through 42). These maps will be used by the public utilities companies and the city's public utility staff. A brief listing follows outlining the different services offered by a city and how they fit into the plan of development.

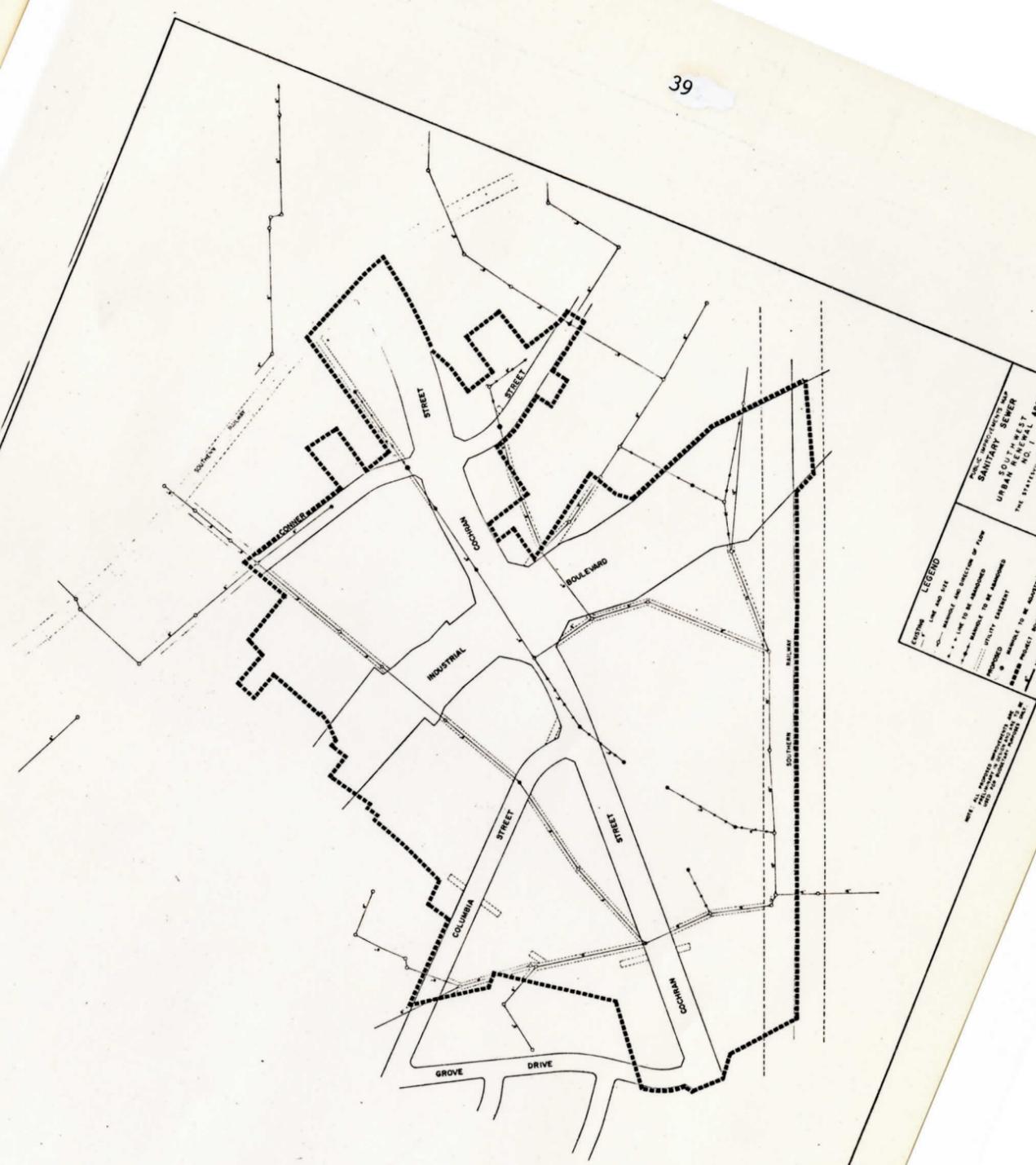
- Map 6. Water Distribution
- Map 7. Sanitary Sewer
- Map 8. Storm Drainage and Grading
- Map 9. Streets
- Map 10. Electrical Distribution

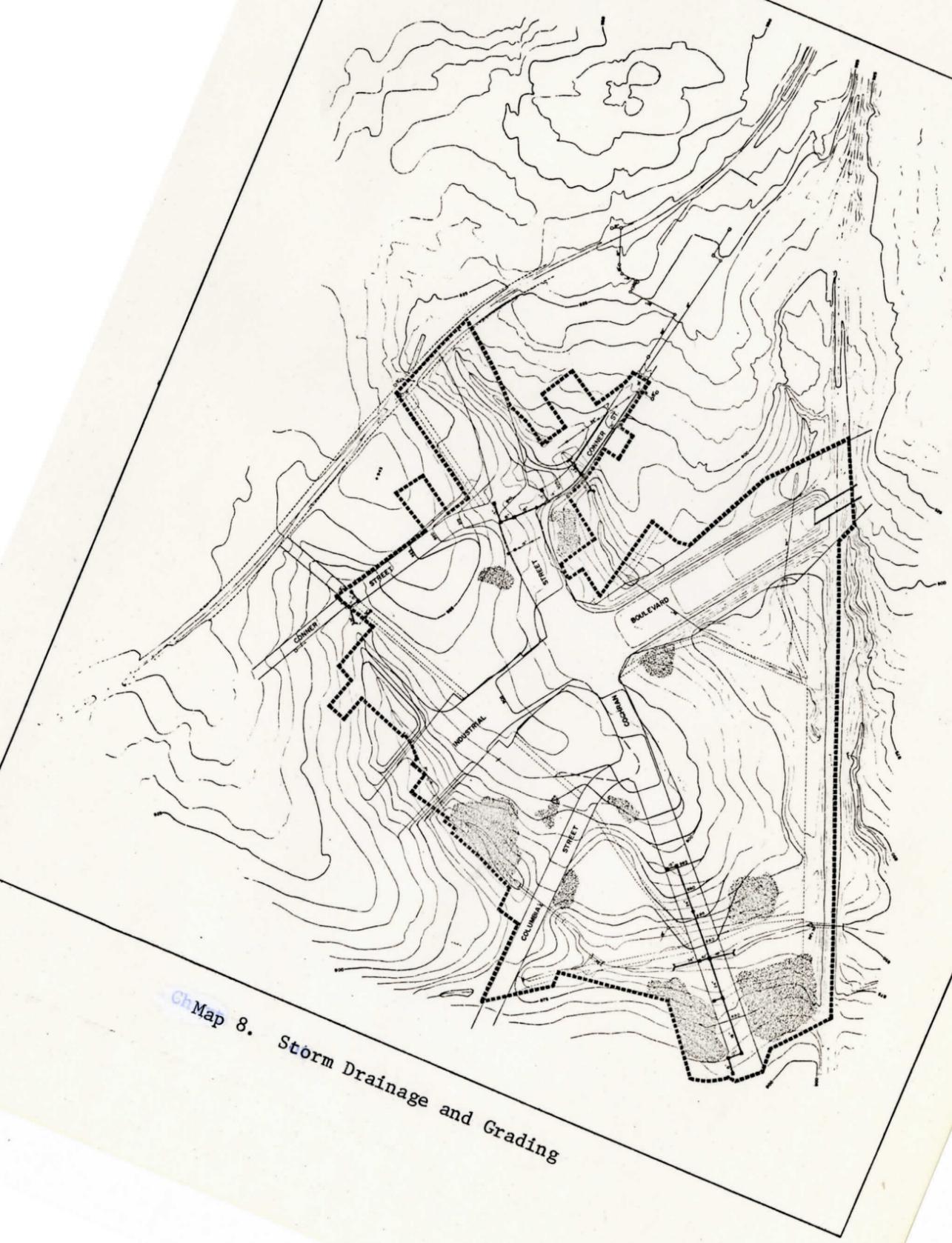
Each of these studies had to show the existing utilities and the proposed route of the new services.

Map 6. Water Distribution



Map 7. Sanitary



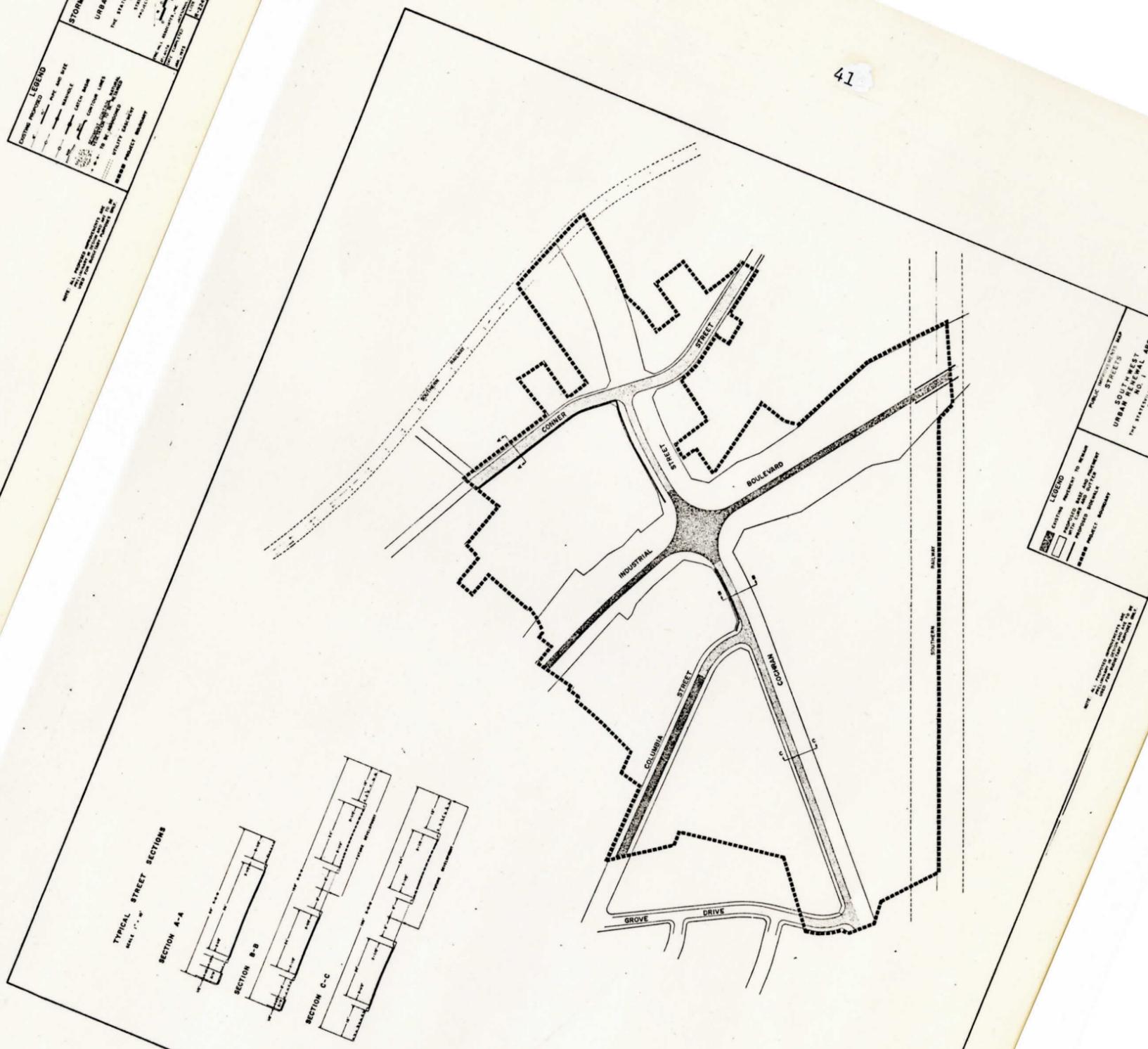


LEGEND

Existing Proposed	Proposed	Proposed	Proposed	Proposed	Proposed
Storm Drainage	Grading	Public Streets	Private Streets	Industrial	Residential

STORM DRAINAGE & GRADING
 URBAN DEVELOPMENT
 THE SOUTHWEST
 THE SOUTHWEST
 THE SOUTHWEST

ChMap 8. Storm Drainage and Grading



TYPICAL STREET SECTIONS

SECTION A-A

SECTION B-B

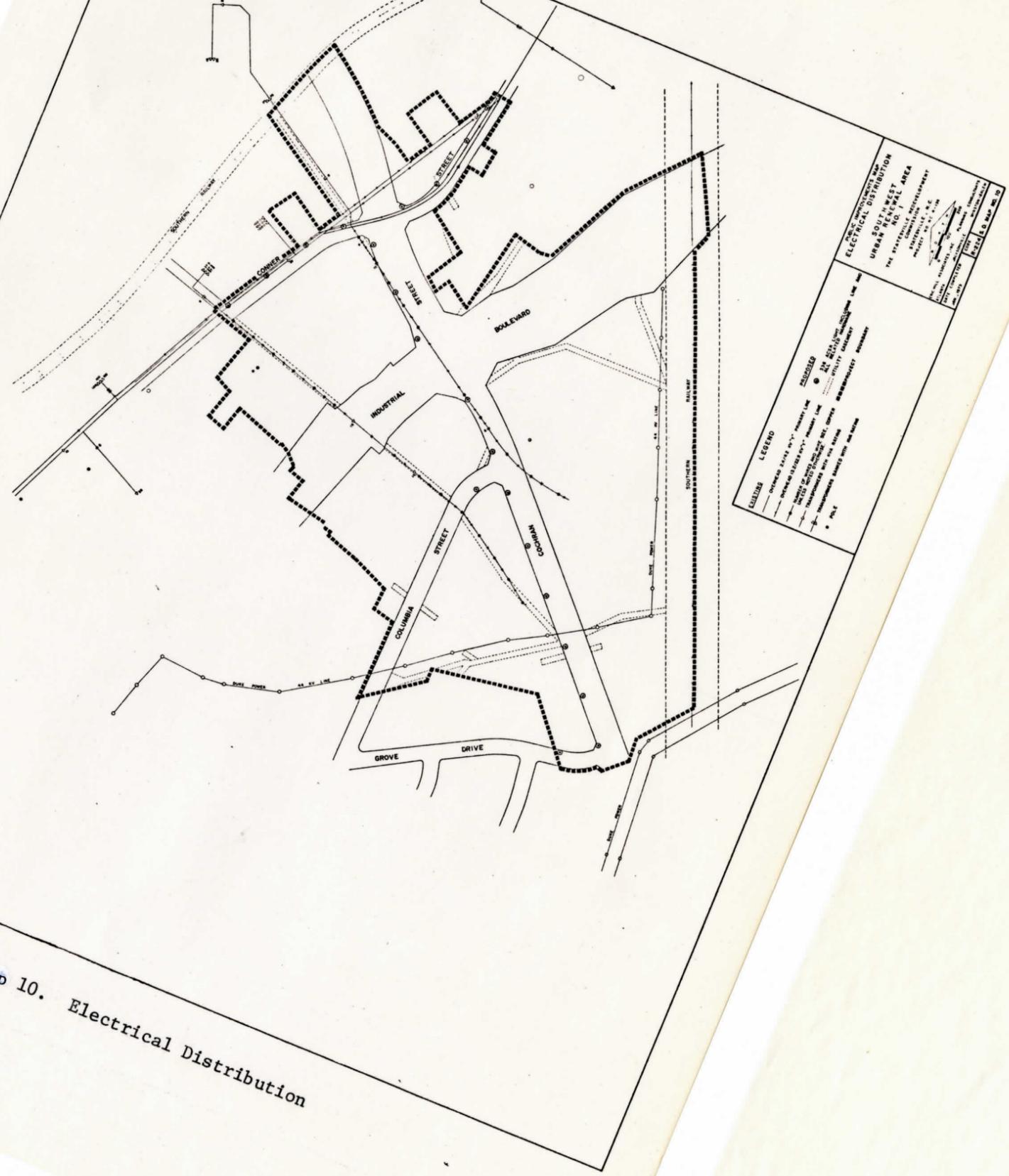
SECTION C-C

LEGEND

Existing	Proposed	Proposed	Proposed	Proposed	Proposed
Storm Drainage	Grading	Public Streets	Private Streets	Industrial	Residential

STORM DRAINAGE & GRADING
 URBAN DEVELOPMENT
 THE SOUTHWEST
 THE SOUTHWEST

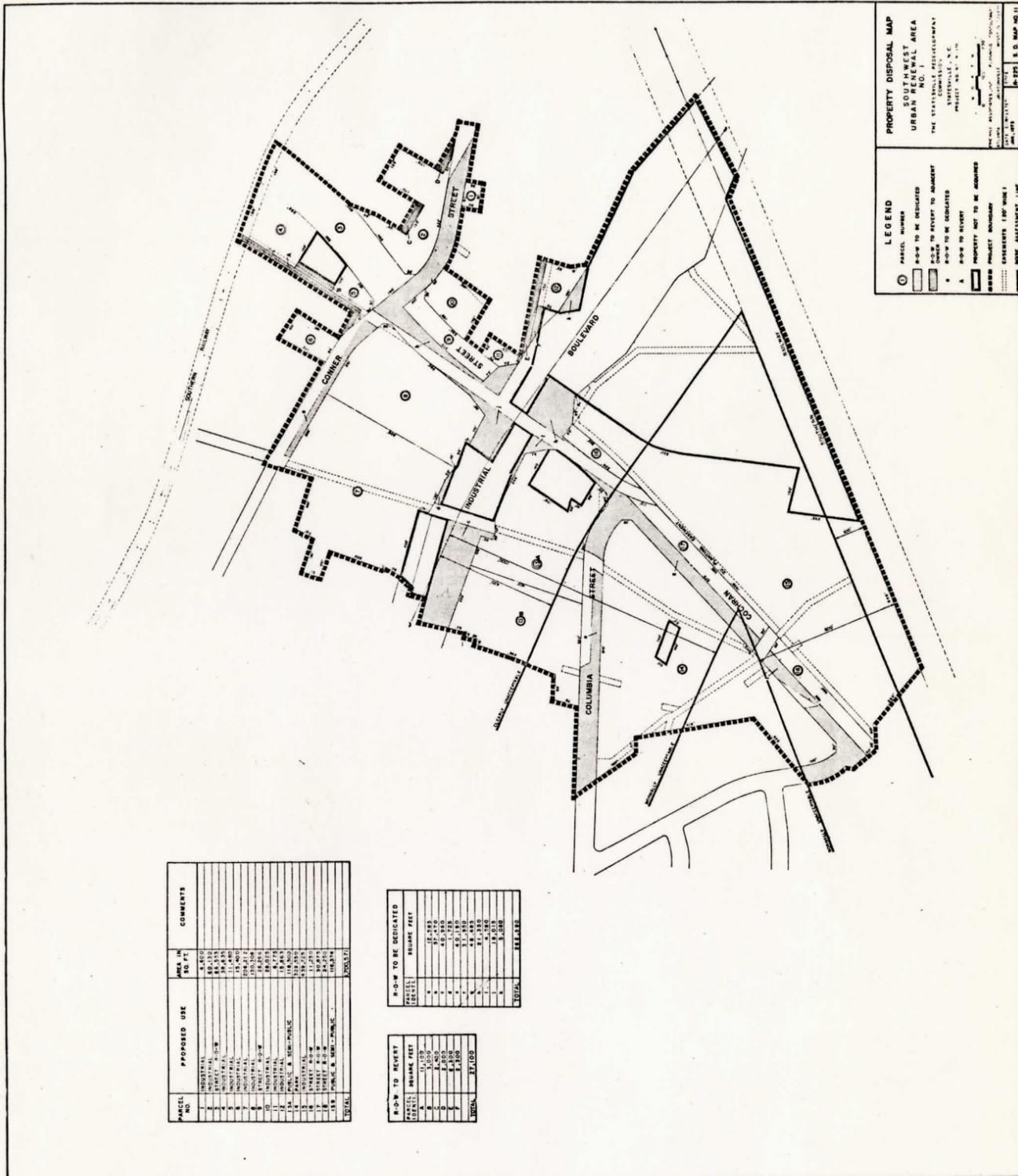
ChMap 9. Street



Map 10. Electrical Distribution

The last two maps are the Property Disposal Map (see Map Eleven, page 44) and the Property Map (see Map Twelve, page 45). The Property Disposal Map shows the amount of land that will be available and its exact location for future buyers. The acquisition officer also serves in the capacity of disposal official. He is charged with the sale of the site areas after the sites are ready to be sold.

The Property Map shows a complete listing of property owners and the amount of property owned by each person or business. The acquisition officer relies on these maps to keep a check on the area that he needs to acquire and dispose of.

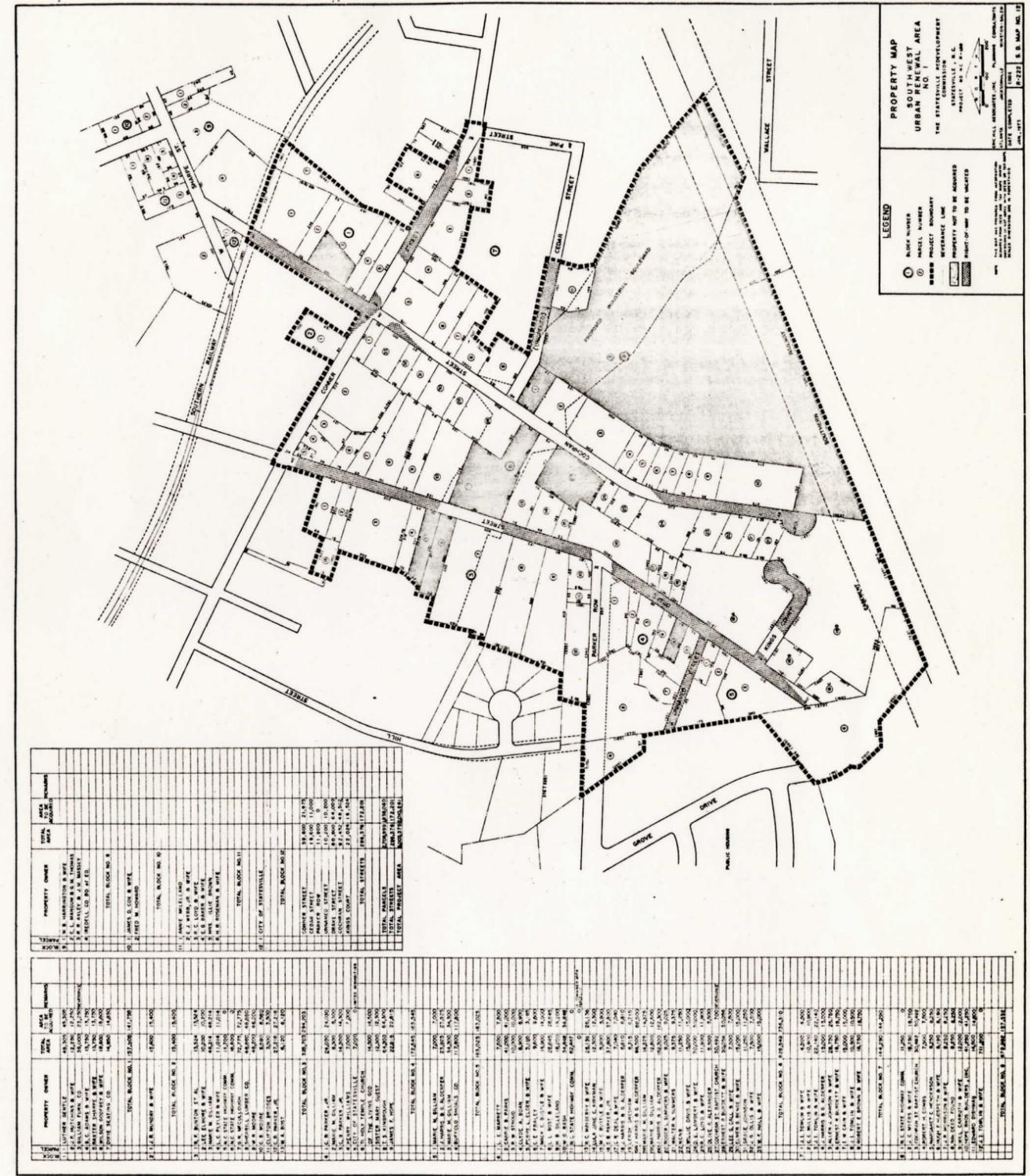


PARCEL NO.	PROPOSED USE	AREA IN SQ. FT.	COMMENTS
1	INDUSTRIAL	4,650	
2	INDUSTRIAL	8,000	
3	INDUSTRIAL	10,000	
4	INDUSTRIAL	10,000	
5	INDUSTRIAL	10,000	
6	INDUSTRIAL	10,000	
7	INDUSTRIAL	10,000	
8	INDUSTRIAL	10,000	
9	INDUSTRIAL	10,000	
10	INDUSTRIAL	10,000	
11	INDUSTRIAL	10,000	
12	INDUSTRIAL	10,000	
13	INDUSTRIAL	10,000	
14	INDUSTRIAL	10,000	
15	INDUSTRIAL	10,000	
16	INDUSTRIAL	10,000	
17	INDUSTRIAL	10,000	
18	INDUSTRIAL	10,000	
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22	INDUSTRIAL	10,000	
23	INDUSTRIAL	10,000	
24	INDUSTRIAL	10,000	
25	INDUSTRIAL	10,000	
26	INDUSTRIAL	10,000	
27	INDUSTRIAL	10,000	
28	INDUSTRIAL	10,000	
29	INDUSTRIAL	10,000	
30	INDUSTRIAL	10,000	
31	INDUSTRIAL	10,000	
32	INDUSTRIAL	10,000	
33	INDUSTRIAL	10,000	
34	INDUSTRIAL	10,000	
35	INDUSTRIAL	10,000	
36	INDUSTRIAL	10,000	
37	INDUSTRIAL	10,000	
38	INDUSTRIAL	10,000	
39	INDUSTRIAL	10,000	
40	INDUSTRIAL	10,000	
41	INDUSTRIAL	10,000	
42	INDUSTRIAL	10,000	
43	INDUSTRIAL	10,000	
44	INDUSTRIAL	10,000	
45	INDUSTRIAL	10,000	
46	INDUSTRIAL	10,000	
47	INDUSTRIAL	10,000	
48	INDUSTRIAL	10,000	
49	INDUSTRIAL	10,000	
50	INDUSTRIAL	10,000	
51	INDUSTRIAL	10,000	
52	INDUSTRIAL	10,000	
53	INDUSTRIAL	10,000	
54	INDUSTRIAL	10,000	
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56	INDUSTRIAL	10,000	
57	INDUSTRIAL	10,000	
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63	INDUSTRIAL	10,000	
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65	INDUSTRIAL	10,000	
66	INDUSTRIAL	10,000	
67	INDUSTRIAL	10,000	
68	INDUSTRIAL	10,000	
69	INDUSTRIAL	10,000	
70	INDUSTRIAL	10,000	
71	INDUSTRIAL	10,000	
72	INDUSTRIAL	10,000	
73	INDUSTRIAL	10,000	
74	INDUSTRIAL	10,000	
75	INDUSTRIAL	10,000	
76	INDUSTRIAL	10,000	
77	INDUSTRIAL	10,000	
78	INDUSTRIAL	10,000	
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89	INDUSTRIAL	10,000	
90	INDUSTRIAL	10,000	
91	INDUSTRIAL	10,000	
92	INDUSTRIAL	10,000	
93	INDUSTRIAL	10,000	
94	INDUSTRIAL	10,000	
95	INDUSTRIAL	10,000	
96	INDUSTRIAL	10,000	
97	INDUSTRIAL	10,000	
98	INDUSTRIAL	10,000	
99	INDUSTRIAL	10,000	
100	INDUSTRIAL	10,000	

AREA TO BE DEDICATED	
PARCEL NO.	AREA IN SQ. FT.
1	10,000
2	10,000
3	10,000
4	10,000
5	10,000
6	10,000
7	10,000
8	10,000
9	10,000
10	10,000
11	10,000
12	10,000
13	10,000
14	10,000
15	10,000
16	10,000
17	10,000
18	10,000
19	10,000
20	10,000
21	10,000
22	10,000
23	10,000
24	10,000
25	10,000
26	10,000
27	10,000
28	10,000
29	10,000
30	10,000
31	10,000
32	10,000
33	10,000
34	10,000
35	10,000
36	10,000
37	10,000
38	10,000
39	10,000
40	10,000
41	10,000
42	10,000
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86	10,000
87	10,000
88	10,000
89	10,000
90	10,000
91	10,000
92	10,000
93	10,000
94	10,000
95	10,000
96	10,000
97	10,000
98	10,000
99	10,000
100	10,000

AREA TO BE RETURNED	
PARCEL NO.	AREA IN SQ. FT.
1	10,000
2	10,000
3	10,000
4	10,000
5	10,000
6	10,000
7	10,000
8	10,000
9	10,000
10	10,000
11	10,000
12	10,000
13	10,000
14	10,000
15	10,000
16	10,000
17	10,000
18	10,000
19	10,000
20	10,000
21	10,000
22	10,000
23	10,000
24	10,000
25	10,000
26	10,000
27	10,000
28	10,000
29	10,000
30	10,000
31	10,000
32	10,000
33	10,000
34	10,000
35	10,000
36	10,000
37	10,000
38	10,000
39	10,000
40	10,000
41	10,000
42	10,000
43	10,000
44	10,000
45	10,000
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82	10,000
83	10,000
84	10,000
85	10,000
86	10,000
87	10,000
88	10,000
89	10,000
90	10,000
91	10,000
92	10,000
93	10,000
94	10,000
95	10,000
96	10,000
97	10,000
98	10,000
99	10,000
100	10,000

Map 11. Property Disposal Map



PROPERTY OWNER	TOTAL AREA ACRES	TOTAL AREA SQ. FT.
1	10,000	10,000
2	10,000	10,000
3	10,000	10,000
4	10,000	10,000
5	10,000	10,000
6	10,000	10,000
7	10,000	10,000
8	10,000	10,000
9	10,000	10,000
10	10,000	10,000
11	10,000	10,000
12	10,000	10,000
13	10,000	10,000
14	10,000	10,000
15	10,000	10,000
16	10,000	10,000
17	10,000	10,000
18	10,000	10,000
19	10,000	10,000
20	10,000	10,000
21	10,000	10,000
22	10,000	10,000
23	10,000	10,000
24	10,000	10,000
25	10,000	10,000
26	10,000	10,000
27	10,000	10,000
28	10,000	10,000
29	10,000	10,000
30	10,000	10,000
31	10,000	10,000
32	10,000	10,000
33	10,000	10,000
34	10,000	10,000
35	10,000	10,000
36	10,000	10,000
37	10,000	10,000
38	10,000	10,000
39	10,000	10,000
40	10,000	10,000
41	10,000	10,000
42	10,000	10,000
43	10,000	10,000
44	10,000	10,000
45	10,000	10,000
46	10,000	10,000
47	10,000	10,000
48	10,000	10,000
49	10,000	10,000
50	10,000	10,000
51	10,000	10,000
52	10,000	10,000
53	10,000	10,000
54	10,000	10,000
55	10,000	10,000
56	10,000	10,000
57	10,000	10,000
58	10,000	10,000
59	10,000	10,000
60	10,000	10,000
61	10,000	10,000
62	10,000	10,000
63	10,000	10,000
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70	10,000	10,000
71	10,000	10,000
72	10,000	10,000
73	10,000	10,000
74	10,000	10,000
75	10,000	10,000
76	10,000	10,000
77	10,000	10,000
78	10,000	10,000
79	10,000	10,000
80	10,000	10,000
81	10,000	10,000
82	10,000	10,000
83	10,000	10,000
84	10,000	10,000
85	10,000	10,000
86	10,000	10,000
87	10,000	10,000
88	10,000	10,000
89	10,000	10,000
90	10,000	10,000
91	10,000	10,000
92	10,000	10,000
93	10,000	10,000
94	10,000	10,000
95	10,000	10,000
96	10,000	10,000
97	10,000	10,000
98	10,000	10,000
99	10,000	10,000

Summary

This collection of maps was part of the effort made by the Local Planning Agency to apply for a federal grant. They do not constitute the entire grant proposal but are only a supplement to help illustrate the original grant proposal. Without the help of professional planning agencies many areas that are in need of redevelopment would be neglected and would only continue to deteriorate.

CHAPTER IV

CASE STUDY ON THE
STATESVILLE URBAN RENEWAL REDEVELOPMENT COMMISSION

Chapter Four will examine an urban renewal project that is presently in effect in Statesville, North Carolina. During the Spring Quarter of 1974 the writer was placed as an intern in the Statesville Housing Authority and Redevelopment Commission.

Much of the data given in this case study was collected while the writer was in the field. HUD manual publications and on-the-spot interviews make up the bulk of the material. Since the writer has no axe to grind it is hoped that all prejudices will be put aside and each item examined with objectivity.

During the Spring and Summer of 1974 I worked with the Statesville Housing Authority and Redevelopment Commission. As an intern, I was placed in a training position to learn the basic and fundamental ways in which the Housing Authority and Redevelopment Commission operates.

Statesville is a medium-sized town in North Carolina with a population of 20,380. It is located at the intersection of Interstate 40 and Interstate 77. The availability of adjacent farmlands, linked with these two important arteries for transportation, makes Statesville a focal point for future development.

Statesville's past development has been relatively slow, though. The 1960 United States Census gives the population as 19,844. The 1970 census showed only an increase of 500 persons. Statesville is the home

of Mitchell College which was just converted from a private institution to a Junior College for the State of North Carolina. On the fringe of Statesville, still in the same county of Iredell, lies Union Grove, where millions of people have clogged to the tunes of Blue Grass bands. Also in Iredell, one will find an old western town with wooden sidewalks and dirt streets. It is named Love Valley with Andy Barker as chief lawmaker, mayor, and owner.

As one approaches the outer fringe of Statesville, one will find the glitter that has plagued so many other towns. The shopping center, restaurants, and motels - all seek to pull one to their business, which is located, by the way, outside the city limits. By being located outside the city, they are exempt from higher city taxes. Merchants contribute heavily to the tax base of a city. When they leave the city for the shopping centers, they place the tax burden on the ones left behind. The city is left to decay. The vacant shops and decaying buildings seem to stare at one when he walks down the now deserted streets.

The Central Business District is not the only one to suffer. Houses and hotels are now left to the people who can afford to live in decay, the lower income groups. In Statesville, as in most cities, the poor are not scattered around the whole town. They are located in one major section. For the purpose of this study, the type of structure that a person or family lives in will be used to determine his social condition. The criteria established by the Statesville Redevelopment Commission will be used to determine the condition of the structure. For example, a

structure may be ruled sub-standard if any or all of the following conditions exist.

First, the structure must not be dilapidated to the point that it is an eyesore. In other words, the structure must pass an outside visual test.

Second, it must be of sound construction and must be weather-proof. Basically, this means that the roof should not leak, and the winds should not blow through holes in the walls or through the windows.

Third, the structure must be provided with sanitary conveniences such as an indoor toilet, bath, and hot water. It must also have adequate plumbing for the number of people living there.

Fourth, the structure must be electrically wired to meet the standard building code, with at least two electrical outlets in each room and a connection for a washer and dryer.

Fifth, some type of heat must be provided.

Sixth, the structure must be in good physical shape inside as well as outside, with adequate room lighting, and adequate ventilation.

The structures have been and are being inspected by the building inspector for the city and by Urban Renewal officials. Statesville city ordinance requires that a structure that is vacant must be inspected by the building inspector before it can be rented again.

In an inspection by the Statesville Urban Renewal officials in an area that was later to become the Southeast Urban Renewal Area project number 118, a total of 148 out of 163 structures were found to be sub-standard to the point that they warranted clearance.

In a study of urban renewal there are a few things that cannot be denied no matter what the variables are: (1) No matter what the setting is, Urban Renewal is a project funded by the federal government; (2) Urban Renewal comes under federal control by the latest housing act, the 1974 Community Development Act; (3) Urban Renewal will work only as well as the people involved will work.

The Statesville Housing Authority and Redevelopment Commission was established in 1968 by the Statesville City Council. The Executive Director of the Urban Renewal projects in Statesville is James R. Taylor. When he was employed by the city a little over five years ago, he was handed a legal pad by the city manager and told, "Go to work." The projects that were once an idea are now almost 60 percent completed. Even though Statesville is not a large city, James Taylor was able to solicit over twelve million dollars in Federal and other project grants to finance the reconstruction of slum areas in Statesville. Statesville was one of the last cities to receive a federal housing grant before the major cutback by the federal administration in 1969.

The Housing Authority and Redevelopment Commission are two separate agencies even though they have the same Executive Director. First, I will explain the purpose of the Housing Authority giving the way it is set up, the way it works, and the role it plays. Next, I will explain the purpose of the Redevelopment Commission, the chain of command, the way in which it works, and the role it plays.

The Housing Authority is an independent agency from the Redevelopment Commission in several respects. It is set aside from the Redevelop-

ment Commission in its function and administration, though the Housing Authority would not exist without the help of the Redevelopment Commission. This is so that the Housing Authority will continue to exist after the Redevelopment Commission has completed its purpose. The main purpose of the Housing Authority is to administer low-income housing for the city. A city must adopt policies set up by the Department of Housing and Urban Development to qualify for low income housing. These policies are standardized by the federal government to promote unity of administrative policies and to do away with discrimination in housing.

The Housing Authority and the Redevelopment Commission share the same person as Executive Director so that the work will be co-ordinated. A Director of Housing is usually appointed to administer the Housing Authority serving in the capacity of a department head in an administrative pyramid. Next, one finds social workers who work full-time with the Housing Authority. The administrative staff is made up of receptionists, typists, clerks, and maintenance men.

The Housing Authority is in theory an organization that provides housing for those who cannot afford to live in safe, sanitary housing. The rental rate is not determined by the size of the unit rented, but by the income of the occupants. The rental rate is 25 percent of the family's adjusted monthly income. They are allowed deductions for illness and number of dependents. The elderly are given additional deductions.

A person who is an Urban Renewal dislocatee is given top priority in the rental of a public housing unit. If he or she prefers to live

in a certain area every effort is made to see that they are placed there. Unlike slums, low-income housing is scattered through the residential sections of a city so that they are in easily accessible locations, conveniently located to outlets of consumer goods. In Statesville, the city's mass transit system was extended to include scheduled stops at the units. Most of the low-income housing in Statesville is of the townhouse design with the entrance hall downstairs and bedrooms upstairs. The utilities are included in the rental rate paid by the occupant. The majority of the units are multi-family dwellings with the units situated on the land to form a courtyard or commons in the center of four units.

The units the writer visited were very impressive. They did not appear to be low-income housing. If placed on the open market, the rental for these units would be at least \$200 per month and could go as high as \$300, depending on the size.

One of the services performed by the Housing Authority was the creation of workshops to help the residents to gain insight into their new environment. These workshops covered a variety of topics from How to Buy Insurance to the use of the appliances and fixtures in the new housing units. A surprising number of persons did not know how to set a thermostat for the proper heat control. These workshops were a great help to the people who took advantage of them.

The Housing Authority is an asset to any community that wants to help its poor. It provides housing at a low cost to people who would otherwise not be able to afford it. It helps people to get back on their feet when otherwise they might not be able to do so. It teaches

people to live in the new environments that they are placed in. Instead of living in the slums, the poor are provided with a house they can truthfully call home.

The Redevelopment Commission is in charge of defining slums, acquisition of property, site improvement, and construction of new housing.

As stated earlier, the Redevelopment Commission and the Housing Authority share the same Executive Director.

There is also a project manager or assistant director to help coordinate the programs. A full-time real estate officer is employed to negotiate the purchase of the property in the project areas. There is the usual cross section of office employees such as receptionists, typists, accountants, and bookkeepers. In addition to the above, Statesville has a site office which is located in one urban renewal project area that is staffed by relocation officials. Their duties are to make sure the urban renewal residents receive full dislocation payment. This will be discussed further when a detailed analysis of the relocation office is given.

The aim of the Redevelopment Commission is somewhat different, though, from the Housing Authority. Broadly speaking, the objective of the Redevelopment Commission is to define sub-standard dwellings, rehabilitate if feasible, if not feasible, to demolish said structure, and clear the site for better land use.

Statesville has two major Redevelopment sites that encompass over one hundred acres. One site will have Public Housing constructed on it

after it has been acquired. The other site will be zoned industrial, and sold to industries that are located in the area for future expansion. The site that will be zoned industrial was found to be unacceptable for housing because of the high noise level from the nearby industry, highway and railroad. The other site was found to be acceptable for the construction of public housing.

But, before Public Housing can be built, much work has to be done. The site areas were chosen by the Executive Director on information received from a combination of sources. Public input was felt through the elected board of commissioners and the mayor. The need for urban renewal had been brought to the attention of the public. The city manager helped to define this input. A professional planning staff was called and they defined the areas in need of help. They also helped to write grant proposals after an area had been accepted by the director and city manager as an Urban Renewal Area. The planning agency finalized the plan with renderings, budgeting and an overall comprehensive plan of development. The comprehensive plan is a general outline that aids in the process of development and growth.

Next came approval of the grant by the Department of Housing and Urban Development. One clause in the grant was to have a twenty-five percent matching grant by the city. This matching grant is based on the size, measured by population, of the city at the time of application. This can include goods and services provided by the city, such as street, sewer, and water construction. It does not have to be all cash. The city approved the grant, and the areas that were to be Urban Renewal

Areas were announced. They were not announced in advance to prevent speculation by some people in the area.

The staff that works on redevelopment projects has to be in a continuous training program. They must keep informed of the changes made by HUD. The project is divided into different stages so that the majority of it is nonrepetitious. To give an example of this, I will list the different phases of the project in Statesville with an explanation to follow.

- I. Define Project Boundaries
- II. Acquisition of Property
- III. Relocation of Residents
- IV. Demolition of Structures
- V. Rehabilitation of Land
- VI. Disposition of Property

The different stages of a project overlap so that two or three phases of the project can be underway at any one time. At the present time, the project in Statesville is technically still in the acquisition stage, but over 50 percent of the residents have been relocated and 25 percent of the structures demolished and the sites cleared.

The acquisition officer must first, after the project area has been defined, go to the county courthouse and research the deeds to the property in the area. In some cases, he must go back several decades before he finds the registered owner. If it is an old deed and the owner or the heirs still cannot be found, the attorney for the project takes the case before the court and the court awards the deed to the Redevelopment

Commission. The appraised value of the land is placed in trust in case anyone should have a legal claim to it. If, after a period of two years, no one has claimed this money, it is donated to the University of North Carolina.

The value of the property to be acquired is determined by an average value reached by two independent appraisal firms. For example, appraisal firm A determines a tract of property is valued at nine thousand dollars. Firm B felt that it would bring ten thousand dollars for the tract if placed on the open market. The Redevelopment Commission would then be committed to pay the average price of nine thousand five hundred dollars for the tract of land. Before negotiations for the purchase of the property are begun, a third firm is called to check the price reached by the other two firms. They determine if it is a fair market price for the property. A few of the larger owners of slum property have sought to capitalize on their holdings by asking extremely high prices for their property. When negotiations break down, and the owner refuses to sell his property, the courts are then used. The Redevelopment Commission has the right of eminent domain, so, the court rules in their favor. In the cases taken to the courts, the judgment has been the original offer made by the Redevelopment Commission. Since the courts awarded the amounts offered by the Redevelopment Commission, this is a measure of the effective evaluation of property values.

After the property has been acquired by the Redevelopment Commission, the Relocation staff takes over to determine the benefits of the residents. First of all, the Relocation official determines the amount

of rent to be paid by the resident to the Redevelopment Commission until they have been relocated into standard housing. The rental rate that the resident was paying or twenty-five percent of his adjusted income, whichever ever is the lowest, is charged. Many of the residents pay their rent on a weekly basis because of their inability to accumulate the amount of cash needed to pay a month's rent at one time.

The relocation benefits paid to the residents are different for almost every case. Each case has to be analyzed in several different ways to determine the best benefits for the residents involved. To give examples of this, I will use several different cases and will illustrate the manner in which the Relocation Manual, published by HUD, suggests that the benefits be based.

Case I.

Albert Cooke was a homeowner in project 118. His two bedroom home was purchased by the Redevelopment Commission for a price of nine thousand dollars. There were no mortgages against his home, so he was paid the full amount. If Albert had owed any money on his home, the mortgage would be paid, and this amount deducted from the amount the homeowner would receive. The Cookes decided to build a new home with approximately the same floor space. The total cost of their new home was twenty-two thousand dollars. To compensate the Cookes for their move and to replace their home, the Redevelopment Commission paid the Cookes an additional thirteen thousand dollars, this being the difference in the buying price of their home and the replacement value. The Cookes would also receive an additional two hundred dollars as a moving expense allotment

to offset the cost of moving to their new home.

Case II.

Bob Black, a textile worker, rented his home. His rent, plus utilities such as heat and electricity, was twenty dollars per week. He found a house outside Statesville with the help of the Relocation Officer. The rent on this house plus utilities came to seventy dollars per week. The Redevelopment Commission paid Mr. Black a fifty dollar rental supplement for forty-eight months in one lump sum payment of twenty-four hundred dollars. Mr. Black would also receive his moving expenses or a flat two hundred dollars to cover the cost of his dislocation.

Case III.

Richard Edwards and Cindy Smith did not receive their full benefits from the Redevelopment Commission.

Richard Edwards moved, against the advice of the Relocation Officer, before his property was acquired. He forfeited the allowance that would have been due to him if he had stayed until the owner sold his property.

Cindy Smith moved into a house outside Statesville that the Commission ruled sub-standard. Since the owner refused to make the recommended repairs, and the building inspector was powerless to enforce the repairs since it was out of his jurisdiction, Cindy Smith did not receive any rental assistance.

In both of the instances above, the dislocatees did qualify for a

two hundred dollar moving expense allotment.

By these examples, one can determine that the Relocation Officer has many duties. A Relocation Officer is the primary person who deals first-hand with the public. His office is in the Project Area, so that he is always convenient to the public that he serves. He helps each resident so that they will benefit fully from Urban Renewal. Above all, he is responsible for the relocation of hundreds of persons who are displaced by Urban Renewal.

The next step after the residents have been relocated, is the demolition of the structures. The contract for demolition of the structures was awarded to the lowest bidder on the basis of sealed bids submitted to the Redevelopment Commission in answer to an ad placed in public newspapers. After a structure is vacated by the occupants, the Redevelopment Commission notifies the utility companies to have the utilities disconnected. After the utilities have been disconnected, the structure is turned over to the demolition contractor for demolition and site clearance. The structure is then removed from the site, and the site is cleared of all debris.

At the completion of the demolition phases, the project area should be free of the now existing structures.

The old streets, water and sewer lines will be abandoned, and new ones constructed as outlined in the comprehensive plan of development. The sites will now be ready for new land use, whether it be the construction of public housing or the home of a new industrial plant.

This case study is how one urban renewal program works in one

specific situation. As emphasized earlier, a project is only as successful as its administration. This particular project seems to be highly successful in terms of project goals.

1. Definition of project area,
2. Study of condition of structures and occupants,
3. Acquisition and relocation,
4. Site clearance,
5. New land use put into effect.

Now since these goals are being met, new ones have to be established.

New studies have to be developed in relation to the county and city comprehensive plan of development.

When present goals are met new goals have to be developed to keep pace with future development.

Summary

As an intern, the writer was exposed to the many phases of the Housing and Redevelopment Commission. The field experience gained while actually working in a local public agency has proved to be invaluable.

As a whole, one could say that the Statesville project has been a success. It has been ahead of the timetable established by HUD in almost every phase. For the most part, the really bad structures have been demolished and the residents relocated. The site area is presently being prepared for future land use.

It is hoped by the writer that the internship program continues to help bridge the gap between the university and the real on-the-job situation.

CHAPTER V

CONCLUSION

By studying this research paper, the reader may gain insights into public policy-making relating to the field of Urban Renewal. To help the reader develop a background into Urban Renewal legislative acts relating to redevelopment were presented. Each major act was listed and its major advantages and shortcomings listed. Public input helped to bring about legislative action. Interest groups, such as veterans of World War II and others who were poorly housed helped to bring about governmental changes.

These changes in policy developed for the most part over a thirty year period. Before the Federal Housing Act of 1949, the only consideration given to Urban Renewal was in the area of war-related industries. Today, under the 1974 Community Development Act, the federal government shows Urban Renewal is one of its top priorities.

This paper is designed to help the reader understand Urban Renewal and its application to the general public. The majority of the acts passed by Congress on Urban Renewal did not in fact serve any large majority of people. They did for the most part accomplish the goals established by the programs. Since the majority of the goals were so generalized, it was hard to measure the degree of success, if one uses goal attainment as a measure of the success of a program.

Urban Renewal has been a problem in the United States for a long period of time. The programs have met conflict and criticism

from the people they were to help. It is such a massive program most of the minorities have had direct contact with at least one of the federal programs. From personal observations it was found that many people were dissatisfied with the results of the programs they were involved in. Many of the citizens that were directly affected by the programs felt that they should have been left alone by the government.

Slums do not develop over night. It takes many years before an area falls into deterioration. In this period of time a community develops with many of the same social priorities established by affluent or middle class communities. Family ties are very strong in the slums. They are almost a necessity for survival. For the most part this is an area with social rejects and misfits that do not meet the criteria to belong in middle class society. They depend heavily upon each other. Almost everyone in the slums knows everyone else. Visualize a close-knit community such as this being condemned and all the residents being helped by governmental officials to relocate elsewhere. The residents are given liberal monetary benefits to help adjust to their new communities. How much is a community worth in which the residents were poor but had a social structure? How many generations does it take before social order is as it was?

The idea of renewing our cities is a sound one. They do need to maintain a level of general maintenance. It is hoped that future projects will take into consideration the people who are being helped. Not everyone can be middle class, nor do they desire to be.

Communities are the backbone of our society. Communities that

live and work together are needed. The writer hopes that in the future communities will be left to develop while plans for model housing developments as they exist today remain on the drawing board.

Footnotes

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2. Ibid., p. 5.
3. Ibid., p. 8.
4. Ibid., p. 10.
5. U.S. Congress, The Housing Act of 1949, as amended through June 1961. (Public Law 171, 81st Congress), Section 2.
6. Personal Interview conducted April 1974, Regional Department of Housing and Urban Development Office, Greensboro, North Carolina.
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12. Urban Renewal Directory, 1969, p. 136.
13. Ibid., p. 137.
14. Ibid., p. 22.
15. Ibid., pp. 42-43.
16. Scott Greer, Urban Renewal and American Cities. (Indianapolis: Bobbs-Merrill Company), 1965, p. 118.
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19. Ibid., pp. 74-78.
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21. Eric Hill and Associates, Feasibility Study. Winston-Salem, North Carolina, 1971.

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