

DISCUSSION PAPER

Chicago Conference

Mobilizing Urban Coalitions

Chicago Circle Center, University of Illinois October 17th, 1967

Introduction

With any new national effort such as that being undertaken by The Urban Coalition, it may be expected that organizational structure methods will continue to undergo change. For this reason The Urban Coalition is understandably following a flexible course of action. The ideas set forth in this discussion paper may be expected to undergo further change as they are subject to continuing review by both national and local leadership. The views of those interested in The Urban Coalition are invited and welcome.

Goals

Based upon the Statement of Principles, Goals and Commitments adopted at the August Emergency Convocation, The Urban Coalition's program may be restated as follows:

1. To encourage the Congress to respond affirmatively to the needs of the cities.
2. To encourage public concern with the needs of the cities.
3. To stimulate greater private initiative and effort in dealing with the problems of the cities, including both investment and technical assistance.
4. To stimulate greater support for and interest in ongoing efforts to meet such needs as:
 - job development and manpower training programs
 - open housing efforts
 - urban renewal and reconstruction

--anti-poverty programs

--programs to overcome educational disparities.

Methods

Among the methods that may be followed by The Urban Coalition are the following:

1. Be supportive, not operational. It is expected that The Urban Coalition will support ongoing efforts at both the local and national levels. It may stimulate new undertakings. It will cooperate with such major new efforts as the \$1 billion investment allocation of the insurance industry for center city development. It will give support to local urban coalitions.
2. Stimulate interest in successful examples of action. Through its Task Forces The Urban Coalition will identify, work with, and publicize successful efforts to expand employment, extend lower income housing and equal housing opportunities, new educational programs and the like. The Task Forces hope to serve as catalysts and convenors. They will serve as clearinghouses of local action.
3. Work with the mass media. Through its Task Force on Communications and Public Support and through counterpart committees at the local level, it is hoped that the mass media can be encouraged to focus greater attention on the needs of cities. Broad public understanding of the need for greater resources, of the complexities of the problems involved and the need for urgent action are essential if the goals of The Urban Coalition are to be achieved.

4. To coordinate a national legislative campaign. The Urban Coalition has called upon Congress for action across a broad front to meet the urban crisis. Interpreting and emphasizing the need for national action is as much a local obligation as it is a commitment of the National Steering Committee. Discussions with members of Congress is as much a hometown affair as are appearances before Congressional committees.

Structures

The National Steering Committee at the present time consists of thirty-six members. They are broadly representative of business, labor, local government, religion, civil rights and education. It is expected that two additional members of the Steering Committee will be selected by the Council of Urban Coalitions. As local coalitions are formed they will be invited to designate two representatives to serve on the Council and through this Council provide the National Steering Committee with advice and guidance on matters of national concern. The National Steering Committee has established seven Task Forces and it is expected that local coalitions will develop counterpart units. These are identified and discussed in the attached guidelines. Under consideration for future development is the establishment of a Council of Urban Economic Advisors to assist the Coalition in analyzing the impact of Federal economic, fiscal, tax, and budgetary policies of cities. A second Council of University Urban Studies Centers is being contemplated as a means of channeling the best research ideas concerning urban development into the discussions and plans of both the National Steering Committee and

Page Four

and local coalitions. Further additions and modifications in the organization and structure of The Urban Coalition may be expected as experience is gained.

* * *

CITY OF ATLANTA



October 11, 1967

CITY HALL ATLANTA, GA. 30303

Tel. 522-4463 Area Code 404

IVAN ALLEN, JR., MAYOR

R. EARL LANDERS, Administrative Assistant
MRS. ANN M. MOSES, Executive Secretary
DAN E. SWEAT, JR., Director of Governmental Liaison

MEMORANDUM

To: Mayor Ivan Allen, Jr.

From: Dan Sweat

Subject: Report on Urban Coalition Meeting,
October 9, New York City

The meeting of the Steering Committee of the National Urban Coalition developed into quite a stalemate on the question of whether or not public policy positions should be taken by the group.

Most Mayors present - Lindsay, Cavanagh, Graham and perhaps Naftalin, as well as some Civil Rights, Education and Religion representatives felt the urgent necessity for the Coalition to communicate a policy position to the Congress on such pressing matters as the Welfare Amendments, Poverty Bill, etc.

Business representatives, notably Frederick Close and Gerald Phillippe, felt any policy statements issued as a Coalition on controversial legislation would jeopardize anticipated support for the Coalition by Business.

They were greatly upset by the Coalition's statement on the Clark-Javits Amendment to the Poverty Bill.

After a two hour debate the committee voted to adopt a policy which states: "The Coalition shall take public policy positions except where a substantial or intense disagreement emerges."

Mayor Allen
Page Two
October 11, 1967

What this all amounted to was a stalemate on the question of whether or not the Coalition, as an organization, will lobby for urban legislation.

I feel that it is imperative for the Congress to have an idea of the thinking of a group as potentially powerful as the Urban Coalition, but can understand the problem of the business representatives, who really cannot speak for any business except their own.

The Committee adopted a budget of \$100,000 for the period August 1, 1967 - January 31, 1968. (Copy attached.)

It also heard reports from the Task Forces on Local Coalitions, Communication, Reconstruction and Urban Housing, Equal Opportunity in Housing, Educational Disparities, Private Employment, and Legislation.

The Private Employment Task Force noted it planned to consider setting up pilot meetings in three cities, including Atlanta to consider methods for establishing private business coalitions.

The next meeting of the Coalition is scheduled for December 18, possibly in Detroit.

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BUDGET AUGUST 1, 1967 - JANUARY 31, 1968

Salaries:

Professional Staff (7)	\$43,000	
Clerical (5)	11,500	
Employer Contributions	<u>1,500</u>	
		\$ 56,000

Program Expenses:

Conferences and meetings	\$ 3,000	
Mailings]	2,500	
Publications and printing	8,000	
Consultant fees	<u>5,000</u>	
		18,500

Operating Expenses:

Office Rent	\$ 4,600	
Furniture Rental	3,600	
Equipment Rental	600	
Telephone and Telegraph	1,200	
Office Supplies	1,500	
Insurance	250	
Travel	5,200	
Subscriptions	<u>50</u>	
		17,000

August Convocation		<u>8,500</u>
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TOTAL		<u><u>\$100,000</u></u>
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Executive Committee Sets Urgent Priorities

“We owe it to his memory to end inaction . . .”



The Executive Committee of the unincorporated Urban Coalition, meeting on April 8, prefaced its statement of urgent legislative goals with this tribute to Dr. Martin Luther King, Jr.:

“The Reverend Dr. Martin Luther King, Jr. is no longer among us to challenge our consciences and to press us forward toward fulfillment of a just society. We owe it to his memory and to our society to end inaction in the face of urgent national needs.

“The leadership and organizations which work together as The Urban Coalition mourn the loss of Dr. King as a courageous national leader and as a member of our Steering Committee. We here and now renew our pledge to pursue action at both the national and community level appropriate in character and scale to the crisis confronting the nation.”

Tax Increase Supported To Finance New Programs

The Executive Committee of the unincorporated Urban Coalition met on April 8, four days after the assassination of Martin Luther King, Jr., and adopted a set of high-priority legislative recommendations keyed to the national crisis.

Immediately following the Executive Committee session, Chairman John W. Gardner, accompanied by Andrew Heiskell and Whitney Young, Jr., held a press conference to make the actions public.

The Executive Committee placed the highest importance on passage by the House of Representatives of the Civil Rights Act of 1968, with fair housing provisions. The bill passed the House by a vote of 229 to 195 several days later. It had previously passed the Senate.

The proposed supplemental appropriation for the Office of Economic Opportunity also received urgent endorsement, but was defeated in the House.

The Committee called across-the-board cuts of Federal expenditures “irrational by definition” and strongly opposed them.

Expenditures should be raised

If Congress rises to its responsibilities, the Committee said, “it will increase, not cut, expenditures for essential programs such as jobs, housing, education, and community services.”

To finance such a program the Committee urged the adoption of a tax increase, “pending the accomplishment of the reordering of priorities and the reorientation of our resources in the light of urban needs.”

The committee reaffirmed Coalition support for a public service employment program to create one million meaningful jobs, and public and private housing programs to produce one million units annually.

The newly incorporated Urban Coalition Action Council is actively seeking fulfillment of all these legislative objectives (see page 2).

The Report of the President’s Advisory Commission on Civil Disorders was strongly endorsed, with the pledge that “The Urban Coalition will give the highest priority to bringing it to the attention of leadership at all levels of both the public and private sectors.”

Legislative Goals Outlined at Press Conference



Chairman John W. Gardner talks into an array of television and radio microphones at press conference called to express urgent legis-

lative goals. Also participating were Steering Committee Member Whitney Young, Jr. (left) and Co-Chairman Andrew Heiskell.

Action Council Is Created To Carry Out Legislative Program

On April 8, 1968, with the approval of the Executive Committee, two separate and distinct corporations—The Urban Coalition and the Urban Coalition Action Council—were created to carry out the objectives of the unincorporated, voluntary group previously known as the Urban Coalition.

The new organizations will operate in completely different areas. The Urban Coalition Action Council will be concerned with legislative activities, and The Urban Coalition with non-legislative programs.

The purpose of creating this new corporate arrangement was to facilitate financing by making it possible to secure tax exempt status for the Coalition under Section 501(c)(3) and for the Action Council under Section 501(c)(4) of the Internal Revenue Code. These exemptions have now been secured. This means that contributions to the Coalition are tax deductible. Contributions to the Action Council are not.

John W. Gardner will be chairman and chief executive officer of both corporations. The Steering Committee of the former unincorporated Urban Coalition will serve as the Steering Committee of the new Urban Coalition. The same individuals, acting in separate and distinct capacities, will serve as the Policy Council of the Action Council.

Gardner Calls for Million Public Jobs in Two Years

Chairman John W. Gardner appeared before a Senate Labor Subcommittee recently to urge prompt approval of a public service employment bill.

He generally endorsed S. 3063, the measure under consideration, but noted that its objective of one million public service jobs would not be reached until the third year after enactment.

"It seems to me," Gardner said, "that this pace should be accelerated so that 500,000 jobs are made available the first year and a total of one million the second year. We are in a period of great urgency and should stretch both our fiscal and administrative capacity to the utmost."

He cited a recent study made for the Urban Coalition which shows that at least 141,000 persons could be employed "almost overnight" in 130 cities with populations of over 100,000. Projecting the study to include smaller cities, local governments and non-profit organizations, he added, makes it likely that jobs could be found for 500,000 persons within six months.

All public service jobs, Gardner emphasized, should be meaningful and socially useful—not dead-end, make-work projects.

He said a public service employment program should apply to rural as well as urban areas.

ACTION NOTES . . .

The Urban Coalition has moved into new headquarters in the Federal Bar Building, 1815 H Street, N. W., Washington (20006). Main offices occupy the sixth floor of the building. The new telephone number is Area Code 202, 347-9630.

★ ★ ★

A new booklet containing the major addresses given at the National Action Conference on Equal Housing Opportunities in Chicago in January has been published by the Urban Coalition Action Council and is available on request.

★ ★ ★

The Steering Committee of The Urban Coalition and the Policy Council of the Urban Coalition Action Council will meet at separate sessions on June 10. The first meeting will begin at 7 p.m. in the Tudor Room of the Shoreham Hotel.

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Local Coalitions have now been formed in 33 cities, and several others have expressed active interest. The national Coalition is placing new emphasis on assistance to the locals, hopes 100 will be established by the end of the year.

★ ★ ★

During the period of widespread unrest following the assassination of Dr. Martin Luther King, President Johnson called on the Urban Coalition to play a key role in efforts to reduce tension. In response, Chairman Gardner wired the officials of local coalitions asking that they bring together the leadership of their communities to examine local tensions and needs, and support the pending Civil Rights Act of 1968.

★ ★ ★

In recent issues, the *Wall Street Journal*, *Business Week*, and *Agenda Magazine* have carried in-depth articles on the work of the Coalition. Reprints are available from Coalition headquarters.



Publishers Contribute Part Of Profits From Riot Report

Bantam Books and *The New York Times* recently contributed \$10,000 from the profits from the sale of the Bantam edition of the *Report Of The National Advisory Commission on Civil Rights* to the Urban Coalition. Presenting the check to Chairman John W. Gardner are Tom Wicker (left), Washington Bureau Chief of the *Times*, and Bantam Books President Oscar Dystel. Wicker wrote a special introduction for the book.

New Staff Members Join the Coalition

In recent weeks several staff members have joined the Urban Coalition and are now at work in the new headquarters at 1815 H Street in Washington. They include:

Sarah Collins Carey, an attorney, served as consultant to the National Advisory Commission on Civil Disorders and was associated with the Washington law firm of Arnold and Porter. Mrs. Carey is a graduate of Radcliffe College and received her law degree from Georgetown University.

Margaret Carroll, a graduate of Lawrence College, worked for the past seven years as a researcher, writer and editor for the *Congressional Quarterly News Service*.

John Dean, former Regional Administrator of Office of Economic Opportunity programs in the Southeast, is a graduate of Howard University in Washington, D. C.

Brian M. Duff, a former Washington correspondent,

came to the Coalition from NASA, where he was Director of Special Events in the Office of Public Affairs. He is a graduate of the University of Michigan.

Herbert M. Franklin, former director of the Business and Development Center of Urban America, Inc., and Development Administrator of the city of Middletown, Connecticut, is a graduate of Harvard College and the Harvard Law School.

Peter Libassi, former special assistant to the Secretary of HEW and director of that agency's Office for Civil Rights. Libassi is a graduate of Colgate University and Yale Law School.

Richard S. Sharpe, former Peace Corps Volunteer serving in Ethiopia, was recently Research Assistant, Center for Studies in Education and Development at Harvard. He is a graduate of Wesleyan University and the John F. Kennedy School of Government at Harvard.

Gardner on local coalitions

"No One Segment Can Solve the Problem Alone"

Speaking at the Convention of the United Auto Workers recently, Chairman John W. Gardner discussed the importance of broadly based local coalitions, and areas of activity at the local and national levels. The following is an excerpt from his remarks:

"The need for collaboration is most dramatically apparent in the cities themselves. No one leadership segment can solve the problem alone. City Hall can't go it alone. The business community can't solve the city's problems singlehandedly. All must collaborate.

"Because of this need at the local level, our national organization set out immediately to form local coalitions. We now have 33 and we hope to have 100 by year's end. As in the case of the national, each local organization includes representatives from a variety of leadership segments in the community—the mayor, business, labor, minority groups and religion.

"Now I still encounter leading citizens who say, 'Why try to get all those people into the act? Why don't a few of us get together quietly, and try to solve some of these problems?'

"It's a reasonable suggestion, but hopelessly old-fashioned. It won't work for long in any modern city. We won't re-establish stability in our cities until all significant leadership elements get together, until we bring into the same conversation all the people who exercise significant power—or veto power—in the community.

"This includes ghetto leadership. Nothing is more important to stability in the cities than the creation of

open, continuous and understanding communication between white and black communities. This must be a prime task of any coalition.

"Such communication is not easy. It requires hard work and patience and imagination on the part of every person involved. But it is necessary. Indeed, there is no alternative, unless we are willing to see our cities torn apart.

We Must Work at All Levels

"At both national and local levels the Urban Coalition will work toward the solution of our urban problems. We will be concerned with unemployment, housing, education, race relations and many of the other problems that plague the cities today. We will try to make the public aware of those problems. We will try to bring the nation's best talent to bear on them. We will support constructive efforts to solve them.

"We will seek to supplement and not supplant other efforts. We consider every organization constructively engaged in these matters to be an ally and we will hope to work with them and strengthen them where possible.

"The purpose of the coalition is to enable all of the segments of our national life, represented by those various leaders, to act together toward solutions to the urban crisis.

"I would emphasize the importance of the coalition principle. The woods are full of specialized organizations interested in the urban crisis. Our distinction is that we bring together leadership elements that do not normally collaborate in the solution of public problems."

THE URBAN COALITION

ACTION REPORT

Federal Bar Building
1815 H Street, N.W.
Washington, D.C. 20006

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The Race Problem:

"What Are You Going To Do About It?"

An Address

At the Opening of the Fund-Raising Campaign

for the

"University of Community Involvement"

on April 1, 1968 at

New Rochelle Hospital

New Rochelle, New York

By

SIDNEY P. MUDD

A Citizen of New Rochelle

President of New York Seven-Up



What we need is men of good will. Men who truly care. Men who want to help in the solving of the problem. Men from the white community, men from the black community, and women from both. Can we find one-hundred such in New Rochelle? Can we find fifty? Can we find twenty? What would we call them? It makes little difference. Call them the "Committee of 100," or whatever else. The main thing is to call them together.

Once called together, once engaged in dialogue, once exposed to the hopes, the problems, the needs of the city, as it strives to be what all of us want it to be, I can envision no problem that its members, as true men of good will, could not resolve together. It is the togetherness, the mutual respect and actual understanding that is so obviously lacking now and so obviously needed. And it will take the leadership that only such a committee can provide to do what is needed to be done.

Who can qualify for such a committee, for such leadership? I do not know. I do know that they must come from among the recognized leaders of the city as it now exists, so that, by their good example, others who respect them will be moved to follow. They must be leaders who want to contribute of their special talents to the good of all. In the final analysis they must, I believe, be able to answer "yes" to the three questions that I ask each of you now:

- 1.) If you have a child in school in New Rochelle at present or hope to have one there, be it a public school or private, at whatever level, grade, high-school or college, are you content to have a Negro child seated next to yours?
- 2.) If you are in government, in professional life or in a business are you content to have a Negro as a fellow-worker, a fellow-executive, and, if qualified, as president of your company?
- 3.) No matter where you live in New Rochelle, in any house, on any street, in any section, are you content to see a Negro family move next door tomorrow?

How many men and women can we find to answer yes, and mean it, and live by it, and lead others to follow them? I do not know. The answer is locked in the heart of each of us.

But that is what it will take. It is that simple or that difficult, depending upon what is in our hearts. You will be asked soon to be such a leader. Let there be no embarrassment if you cannot accept because you cannot truthfully answer "yes" to these three questions. You will at least have been honest with yourself.

Since I have proposed this self-examination to be made and answered privately, it seems only fair and proper for me to answer publicly. I do so now, humbly in the presence of so many better men than I, answer "yes" to these three questions.

Is this the impossible dream, is there not enough love in the world, is my life so busy that I am unable or unwilling to hold out my hand to my neighbor?

Perhaps if only a few respond it will be the impossible dream. But, if enough of our leaders are willing to try, with the help of the God, Who made us all, nothing is impossible.

I place this in your hands. I commend it to your hearts.

On the 19th of March, just one day short of two weeks ago, I was asked if I would talk to you today, here in New Rochelle Hospital. Although, like yours, my life and my schedule are filled almost to the brimming, I accepted immediately. I accepted for the strongest of all reasons: my conscience told me to accept. And happily I found myself in full agreement with my conscience. I would be less than fair with you, if I did not tell you why.

When those fleeting moments of reflection permit, I suppose that each of us on occasion talks to himself. On such occasions two voices within us seem to be engaged in a dialogue, voices that ask questions and give answers. Sometimes the questions go like this:

"How well do you think you are doing with your life?"

"You say that you are very busy, busy with earning a living, busy with various outside activities, perhaps a host of them, but are you aware that you could do more, that you could do better?"

"Now, please take a hard look at your life from the viewpoint of what surrounds it and answer this:

"What is by far the greatest problem of your time in your nation, in your city?"

"You know very simply, very clearly and very quickly what the answer is. It is the problem of race. The crying, hurtful, gnawing, frustrating problem, which exists because one man's skin is white and another man's skin is black."

And as you mentally nod "yes, you are right," there follows, as always it must, that awful, final question, that question which strips you of all the trappings of your life up to that moment:

"What are you going to do about it?"

Please note, dear friends, how this question is asked of us. Conscience is not content to know how we feel about it. It stubbornly wants to know:

"What are you going to do about it?"

I said that I would be less than fair if I did not tell you why I am here today. I am here because of that question. I want with all my heart to do something, to make some contribution, small as it may be, to the peaceful and happy solution of the most important problem of our lifetimes together, here in the city for which all of us share so deep an affection. I address you with the greatest of confidence, on a man to man basis, because I know so many of you and have countless reasons to be sure of the goodness in your hearts.

Specifically, we are here today to muster support for the idea and the financing of an infant enterprise called, rather unusually, the "University of Community Involvement." Is this an earth-shaking movement to date? Is it going to solve the race problem in New Rochelle? Has it been without controversy in the past? Certainly not! But the all-important thing is that it is a beginning. A community-beginning, imperfect as it may be, toward the final, searching question:

"What are you going to do about it?"

The "University of Community Involvement" is not even directly positioned as a program *only* for the Negro community. It may have, by past circumstance and realistic fact-facing, been forced to lean that way, but that is not what it envisions. It is ideally directed to black and white, poor and rich, young and old. It is called a "university" for a valid reason: its classrooms are the city streets and city buildings, where living together under love and under law are the subjects taught; its students are the youth of our city, be they black or white; and its faculty are the civic, government and business leaders of the total community. What it needs most of all now is a board of trustees, whose attitude is to support and guide this first small step toward the answer to the question which our consciences ask. In proof of what I have said, let me read the very first line written about this evolving organization: " 'The University of Community Involvement' is in the business of shaping Human Attitudes." Let me repeat: the business of shaping human attitudes.

Now, friends, it is on the subject of "attitude" that I most earnestly want to open my mind and my heart to you and to ask you to search your own hearts and minds, as we consider together the number one problem of our nation and city, *the problem of race.*

Let us suppose for a moment that we could stand far enough removed from the problem so as to view it objectively and without prejudice. Hard to do? Very hard. But just suppose that we could. Certainly God does. Let's at least try it together.

The first reflection we might well make would be to wonder why in the world, when God came to make Man, by far the greatest of all in His series of created things, why in the world did He make some men white and some men colored. (And parenthetically, He made many more colored than He did white.) Didn't He foresee that this was going to lead to trouble? Then why did He do it? Not one of us knows, not even the most brilliant among us. All we know is that He permitted men to be that way.

The second reflection that we might make would be that, even considering the many shadings of religious beliefs, there emerges a very basic formula for solving the problem: love God above all else and love your neighbor as yourself.

Now from our hypothetical, unprejudiced and objective point of view, knowing the problem, and knowing the basic formula above for solving it, it really becomes quite simple to point out three steps, which, if taken earnestly and sincerely by men of good will, would solve the problem in the only way it will really ever be solved.

The three steps should come as no surprise to any thinking man or woman, white or black.

- 1.) Give the Negro the full right and the full opportunity to have the same education as the white man.
- 2.) Give the Negro the full right and the full opportunity to hold any job in any company for which his education and ability qualify him.
- 3.) Give the Negro the full right and the full opportunity to live in any house, on any street, in any city, which he can afford to occupy.

You will note, I believe, the inter-relationship of these three essential steps and the reasonableness of the order in which they are listed.

In preparation for talking and thinking with you today, I felt it not only important but essential to check my thoughts against those of several men of acknowledged importance and competence in our city, both white and Negro. The time with which these men favored me was not a brief matter of minutes. The average time spent in these conversations was a good two hours. I pause for a moment to thank them silently for their generosity to all of us. Whatever good may come from our being together here today will be, in the greatest part, due to their generous help and encouragement.

In each of the conversations with each of these leaders, there was complete agreement that the three steps calling for equal education, equal employment, and equal housing rights and opportunities were basically sound. But it is most enlightening and important to know that, when the point of view of the Negro leaders was expressed, our threefold answer took on a fourth dimension. Please listen carefully to this fourth dimension.

The Negro, with too few exceptions, does not feel himself worthy of these three equalities. How strange this is, how foreign to the way the white man thinks and feels. It was explained to me in this way. Three hundred years of approximate slavery, generation upon generation of a master-servant relationship, lifetime after lifetime of grinding poverty, of ignorance, of brainwashing that what was white was good and virtuous and powerful, while what was black was evil and menial and weak have had their effect, may God forgive it. They have made the black man believe that he is, *in fact*, inferior and thus unworthy of the white man's slowly emerging best intentions.

The Negro is trapped, so *he believes*, in a ghetto society until he is shown that there truly is a way out. Hence the despair, hence the indolence, hence the crime, hence the anger, hence the riot, hence the ever-increasing polarization into a white society and a black society, two Americas, and, in a smaller sense, two New Rochelles. No city, no state, no empire in history has ever been able to exist thus in peace. Not even Rome when it ruled the whole world. It is the obligation of the leaders of the black man and the white man to disprove this myth of unworthiness and apply in its stead the obvious and only true solution which we have discussed above: the three equalities that make a man a man.

Since we are only human beings who live in a practical world, let me be as practical as possible in concluding these remarks to you. I am going to ask you and many other leaders in New Rochelle to give of your substance and of yourself. In plainer words, I am asking for your money, but, more importantly, I am asking for your hearts.

In money, the minimum need is for \$30,000, to be contributed by April 15. This will underwrite the improvement, the extension and the application of the Community Involvement program through the full summer ahead. This is to be raised by and from the business and social communities of New Rochelle both black and white. I consider this sum desirable and entirely reasonable. We ought to be able to over-subscribe it in five minutes right here in this room. It won't be done that way; it will be done by direct contact. I know you will give it. You are both too generous and too practical not to.

But I am much more interested in what is in your hearts. In the final analysis, that is the only place the answer can be found to the question we began with:

"What are you going to do about it?"

EPILOGUE

Subsequent to the occasion on which these thoughts were expressed, the citizens' committee to which they referred was formally named

"The Peoples Assembly
New Rochelle, N. Y."

It will be thus incorporated in the state of New York and any gift to it will be tax deductible. Checks should be drawn to "The Peoples Assembly" and mailed to the above address.

Particular emphasis should be placed upon the important fact that "The Peoples Assembly" in no way seeks to intrude upon the activity of any other committee, commission, or body, be it governmental or private, in the city of New Rochelle.

Its objective is to provide a community-wide gathering of men of good-will, who are dedicated to the peaceful solution of community problems, and, above all, those which spring from our difference of race.

"The Peoples Assembly" belongs to all the people of New Rochelle. It seeks without prejudice the happiness of all. May the God Who made us all guide it to that accomplishment.



Office of the Mayor



TELEPHONE MESSAGE

To _____

Name Nausha Green

Telephone No. _____

- | | |
|--|---|
| <input type="checkbox"/> Wants you to call | <input type="checkbox"/> Is here to see you |
| <input type="checkbox"/> Returned your call | <input type="checkbox"/> Came by to see you |
| <input type="checkbox"/> Left the following message: | |

Urban America, Inc.
1717 Mass. 2 NW
M/ d.c.

Donald Canty

Date: _____ Time _____ a. m. / p. m.

By _____

November 30, 1967

Mr. John Feild
National Coordinator
The Urban Coalition
1819 H Street, N.W.
Suite 220
Washington, D. C. 20006

Dear John:

Some time ago, we discussed the possibility of my obtaining a number of additional copies of the special supplement to CITY entitled "Urban Coalition: Turning the Country Around".

I would be glad to receive any number of free copies that might be taking up shelf space and if there is a change, please let me know how much 250 or 300 would cost me.

Sincerely yours,

Dan Sweat

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MOBILIZING URBAN COALITIONS

January 12, 1968

New York University
Loeb Student Center
New York, New York

8:30 am **Registration:** *New York University
Loeb Student Center*

9:30 am **Opening General Session:**
Eisner and Lubin Auditorium

Presiding: *Andrew Heiskell
Co-Chairman, The Urban Coalition*

Welcome: *Dr. Allan M. Cartter
Chancellor, New York University*

Remarks: *The Most Rev. John J. Maguire
Administrator, Archdiocese of
New York*

Address: *James F. Oates, Jr.
Chairman of the Board — Chief
Executive Officer Equitable Life
Assurance Society of the
United States*

10:30 am **Mobilization Workshops**
*All workshops will deal with the same
series of topics.
The morning workshops will deal with
methods of organizing local coalitions.*

12:15 pm **Luncheon Session:**
Eisner and Lubin Auditorium

Presiding: *A. Philip Randolph
Co-chairman, The Urban Coalition*

Remarks: *Dr. Joseph P. Sternstein
Rabbi of Temple Ansche Chesed
Member, Executive Committee,
New York Board of Rabbis*

Remarks: *Christian A. Herter, Jr.
Chairman, New York Coalition*

Address: *Honorable John V. Lindsay
Mayor of the City of New York*

2:00 pm **Mobilization Workshops**
*The afternoon workshops will deal with the
development of task force activity at the
community level in counterpart to the
national level task forces on specific
urban problems.*

4:15 pm **Concluding General Session:**
Eisen and Lubin Auditorium

Presiding: *Ron M. Linton
National Coordinator,
The Urban Coalition*

Remarks: *Dr. Edler G. Hawkins
St. Augustine Presbyterian Church
New York City, New York
Former Moderator, General
Assembly, The United Presbyterian
Church U.S.A.*

Address: *Whitney M. Young, Jr.
Executive Director
National Urban League*

5:00 pm **Adjournment**

September 28, 1967

NOTICE

TO: Steering Committee and Working Committee Members

FROM: Ron M. Linton and John Feild
National Coordinators, The Urban Coalition

The Urban Coalition has now moved into its new offices. Please send or refer all future correspondence to:

The Urban Coalition
Suite 220
1819 H Street, N.W.
Washington, D.C. 20006
(202) 293-1530

WORKING COMMITTEE

ROSTER

September 27, 1967

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Mr. Ron Linton
(202) 293-1530

Co-Chairmen

Mr. Andrew Biemiller
(202) 628-3870

Mr. George Meany
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815 16th St., N. W.
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Mr. David Cohen
(202) 393-5581

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Msgr. Lawrence Corcoran
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Archbishop John F. Dearden
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Mr. Jack Davies
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Mr. Alfred Eisenpreis
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New York, N. Y.

Mr. Walter Fauntroy
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The Reverend Martin Luther King
President
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Honorable James H. J. Tate
Mayor of the City of Philadelphia
City Hall
Philadelphia, Penn.

Dr. Arthur Flemming
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National Council of Churches
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Ford Motor Company
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Mr. I. W. Abel
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United Steelworkers of America
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Pittsburgh, Penn.

Mr. Andrew Heiskell
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Time, Inc.
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Mr. James Rouse
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Village of Cross Keys
Baltimore, Md.

Mr. Asa T. Spaulding
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Mr. J. Irwin Miller
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Atlanta, Georgia

Mr. Anthony Weinlein
Mr. Richard Murphy
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Mr. David Sullivan
President
Building Service Employees
International Union
900 Seventeenth St., N. W.
Washington, D. C.

Not yet designated

Mr. Roy Ash
President
Litton Industries
9370 Santa Monica Boulevard
Beverly Hills, California

NEWS
from
The Urban Coalition
2100 M Street, N. W.
Washington, D. C. 20037
202/293-7625
(Tom Mathews)

ZMS

FOR RELEASE MONDAY, A.M., NOVEMBER 10, 1969

URBAN COALITION NAMES TOP LEADERS

TO STEERING COMMITTEE

Three businessmen, two mayors, a Texas state senator and a physician were named today as additions to the national Urban Coalition's policy-making Steering Committee.

The new members announced by Urban Coalition Chairman John W. Gardner are:

Ben W. Heineman of Chicago, Chairman of the Board and President of the Chicago and North Western Railway Company. Heineman is also Chairman of the President's Commission on Income Maintenance.

Donald M. Kendall, President of Pepsico, Inc., and Chairman of the National Alliance of Businessmen.

H. I. Romnes, Chairman of the Board of AT&T. Romnes is also Vice-Chairman of the National Industrial Conference Board and is a member of the Urban Coalition's Task Force on Education.

Mayor Erik Jonsson of Dallas.

Mayor Richard Lugar of Indianapolis.

State Senator Joe J. Bernal of San Antonio, Texas. Senator Bernal, an educator and social worker as well as legislator, is

(MORE)

Executive Director of the Guadalupe Community Center in San Antonio.

Hector P. Garcia, M. D., a Corpus Christi, Texas physician and Commissioner of the U. S. Civil Rights Commission. Dr. Garcia was organizer of the American GI Forum, a national group of veterans of Mexican origin.

The appointments bring the total membership on the national Steering Committee to 65.

Mr. Gardner said the Urban Coalition adds to the Steering Committee periodically to assure broad and dynamic representation from the Coalition's constituent elements -- local government, business, labor, minority groups and religion. He said he was delighted that men of the stature of the seven new members had agreed to actively participate in Urban Coalition policy.

The Urban Coalition is a national organization with 48 local coalition affiliates. It brings together diverse groups to work toward the solution of urban problems.

Co-Chairmen of the national Urban Coalition Steering Committee are Andrew Heiskell, Chairman of the Board of Time, Inc., and A. Philip Randolph, International President-Emeritus of the Brotherhood of Sleeping Car Porters.



The Urban Coalition

2100 M Street, N.W.
Washington, D.C. 20037
(202) 293-7625

Chairman John W. Gardner
Co-chairmen Andrew Heiskell
A. Philip Randolph

November 13, 1969

Honorable Ivan Allen, Jr.
Mayor of the City of Atlanta
City Hall
Atlanta, Georgia 30303

Dear Ivan:

I want to urge that you make a special effort to attend the meeting of the Steering Committee on December 10. The agenda will include discussion of the very critical fiscal problems facing our cities and consideration of the role of the Urban Coalition in helping the cities cope with these problems.

I believe the meeting will be an interesting one. I believe also that it will be an important one.

The meeting will start at 3:30 p.m., on Wednesday, December 10 in Washington. We will have dinner and a brief evening session which should adjourn at approximately 9:30 p.m. I do hope that you will be able to be present. Further details will follow.

Sincerely,

Chairman



1819 H Street, N.W.
Washington, D. C. 20006
Telephone: (202) 223-9500

CHAIRMAN: John W. Gardner
CO-CHAIRMEN: Andrew Heiskell / A. Philip Randolph

December 24, 1968

The Honorable Ivan Allen, Jr.
Mayor of the City of Atlanta
City Hall
Atlanta, Georgia 30302

Dear Ivan:

Enclosed is the schedule for 1969 meetings of the Steering Committee of the Urban Coalition. Please note that the next Steering Committee meeting will be Wednesday, February 26th, in Washington.

I am also enclosing several items that may be of interest to you. We can send you any additional copies you may want.

Please let me know if further information will be helpful.

Sincerely,

John W. Gardner
Chairman

1969 Schedule

Steering Committee, The Urban Coalition

(also for the Urban Coalition Action Council)

<u>Date</u>	<u>Time</u>	<u>Place</u>
Wednesday, February 26	6:00 p.m.	Washington, D.C.
Wednesday, June 18	6:00 p.m.	New York City
Wednesday, September 24	6:00 p.m.	To be determined
Wednesday, December 10	6:00 p.m.	Washington, D.C.

**The
Urban
Coalition**

The Urban Coalition Report

December 1968

Community

The following statement is an excerpt from a recent speech by John W. Gardner, chairman of the Urban Coalition:

Today one of the gravest handicaps to the local community, one of the things that prevents it from pursuing any of its purposes effectively, is the fragmentation of the community itself—and the fragmentation of community leadership.

I saw this at first hand when, as Secretary of Health, Education and Welfare, I had to visit all of our major cities—and many not so major. I found that the typical American city was split up into a variety of different worlds that were

difficulty in even formulating their problems? Long before the riots, it was apparent to everyone who studied these matters closely that communities so riven could not weather a storm without cracking wide open.

The storms came—and they cracked wide open. One after another. Like all structures under stress they cracked along the lines of their internal weaknesses. The rift between black and white communities was usually the main issue but when the city tried to pull itself together to face that issue, it found its capacity to do so greatly diminished by the other rifts within the community—between business and labor, between suburb and central city, between police and citizen, between



An Urban Coalition in Your Community

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that would yield only to a total attack. The coalition itself is moving in several areas, if only in small ways.

School Aid Disputed

For example, its education division, headed by Dr. James Kelly, an associate professor at Columbia University, is supporting with funds and research a lawsuit that could radically change the method by which most states allocate

Urban Coalition

1815 H STREET N.W., WASHINGTON, D.C. 20006

AREA CODE 202 347-9630



The Urban Coalition
1819 H Street N.W.
Washington, D.C. 20006

**Steering Committee
of The Urban Coalition**

John W. Gardner
Chairman

Andrew Heiskell
Co-Chairman

A. Philip Randolph
Co-Chairman

I. W. Abel
President
United Steelworkers of
America
Pittsburgh, Pa.

Honorable Ivan Allen Jr.
Mayor
Atlanta, Ga.

Joseph H. Allen
President
McGraw-Hill
Publications
New York, N.Y.

Arnold Aronson
Leadership Conference
on Civil Rights
National Community
Relations Advisory
Council
New York, N.Y.

Roy Ash
President
Litton Industries
Beverly Hills, Calif.

Jordan Band
Chairman
National Community
Relations Advisory
Council
Cleveland, Ohio

Honorable
Joseph M. Barr
Mayor
Pittsburgh, Pa.

Honorable
Jerome P. Cavanagh
Mayor
Detroit, Mich.

Frederick J. Close
Chairman of the Board
Aluminum Company of
America
Pittsburgh, Pa.

Honorable John F. Collins
Massachusetts Institute of
Technology
Cambridge, Mass.

Honorable
Richard J. Daley
Mayor
Chicago, Ill.

The Most Reverend
John F. Dearden
Archbishop of Detroit
Detroit, Mich.

Dr. Arthur Flemming
President, National
Council of Churches
President, Macalaster
College
St. Paul, Minn.

Henry Ford II
Chairman
Ford Motor Company
Dearborn, Mich.

Honorable
Milton Graham
Mayor
Phoenix, Ariz.

The Most Reverend
George H. Guilfoyle
Bishop, Diocese of
Camden
Camden, N.J.

Dr. Edler G. Hawkins
Pastor
St. Augustine
Presbyterian Church
New York, N.Y.

Andrew Heiskell
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Time Inc.
New York, N.Y.

John H. Johnson
President
Johnson Publishing
Company
Chicago, Ill.

Joseph D. Keenan
Secretary
International Brotherhood
of Electrical Workers
Washington, D.C.

Honorable
John V. Lindsay
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New York, N.Y.

George Meany
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AFL-CIO
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J. Irwin Miller
President
Cummins Engine
Company
Columbus, Ind.

Honorable
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Mayor
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James F. Oates
Chairman of the Board
Equitable Life Assurance
Society
New York, N.Y.

A. Philip Randolph
President Emeritus
International Brotherhood
of Sleeping Car Porters
New York, N.Y.

Walter Reuther
President
United Auto Workers
Detroit, Mich.

David Rockefeller
President
Chase Manhattan Bank
New York, N.Y.

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The Rouse Company
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Rabbi Jacob P. Rudin
President
Synagogue Council of
America
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Theodore Schlesinger
President
Allied Stores Corporation
New York, N.Y.

Asa T. Spaulding
Director
North Carolina Mutual
Insurance Company
Durham, N.C.

David Sullivan
President
Service Employees
International
Union
Washington, D.C.

Honorable
James H. J. Tate
Mayor
Philadelphia, Pa.

John Wheeler
President, Mechanics and
Farmers Bank
President, Southern
Regional Council
Durham, N.C.

Roy Wilkins
Executive Director
National Association for
the Advancement of
Colored People
New York, N.Y.

Whitney M. Young Jr.
Executive Director
National Urban League
New York, N.Y.

On August 24, 1967, at an emergency convocation in Washington, D.C., a prestigious group of 1,200 persons issued an urgent appeal on the urban crisis to all concerned Americans. They were men and women of diverse, even divergent interests, and yet they joined together in a national effort to mold a new political, social, economic, and moral climate that would help to break the vicious cycle of the ghetto. This effort—heavily dependent on local as well as national action—was the beginning of the Urban Coalition.

The immediate impetus was concern over the mounting violence in American cities, and a realization that the problems confronting the cities were too large and too complex to be solved by a single segment of society acting alone. At the conclusion of the convocation, the participants, who included mayors and leaders in business, religion, labor, and civil rights, agreed on the urgent need for action on a broad statement of principles that became the charter of the Urban Coalition movement.

This is what the statement adopted at the convocation said, in part:

“We believe the American people and the Congress must reorder national priorities, with a commitment of resources equal to the magnitude of the problems we face. The crisis requires a new dimension of effort in both the public and private sectors, working together to provide jobs, housing, education, and the other needs of our cities.

“We believe the Congress must move without delay on urban programs. The country can wait no longer for measures that have too long been denied the people of the cities and the nation as a whole—additional civil rights legislation, adequately funded model cities, anti-poverty, housing, education, and job-training programs, and a host of others.

“We believe the private sector of America must directly and vigorously involve itself in the crisis of the cities by a commitment to investment, job-training and hiring, and all that is necessary to the full enjoyment of the free enterprise system—and also to its survival. . . .

“This convocation calls upon local government, business, labor, religions, and civil rights groups to

Joseph H. Allen



Arnold Aronson

create counterpart local coalitions where they do not exist to support and supplement this declaration of principles."

The work of mobilization began immediately after the convocation ended, under the leadership of two co-chairmen: Andrew Heiskell, chairman of the board of Time Inc., and A. Philip Randolph, president of the International Brotherhood of Sleeping Car Porters. By year's end, communities across the country had responded by forming local Urban Coalitions, each structured to fit the particular needs of its city.

In the spring of 1968, the national Urban Coalition became a non-profit, tax-exempt corporation with John W. Gardner as its chairman and chief executive officer. The Coalition is governed by a steering committee of 38 national leaders representative of the participants in the convocation.

The Urban Coalition Action Council was set up nationally as a separate non-profit organization to engage in direct advocacy of legislation aimed at meeting the problems of the cities. It is responsible for all legislative activities.

What is an Urban Coalition? The key word is "coalition": an alliance of individuals and organizations drawn together for specific purposes. An Urban Coalition is a mechanism through which individual leaders and community groups can collaborate in dealing with the urban crisis.

It is to meet all the complex and interwoven problems of our urban areas that Urban Coalitions are born. The elements of modern industrial society have become so specialized and fragmented, and yet so interdependent, that a new force is needed to pull the pieces together. No single element can solve the problems alone. The solution lies in joining the creativity, resources, and leadership of the private sector with those of the public sector.

Existing Urban Coalitions have already demonstrated their utility as forums for communication among the varied elements of communities and as instruments for community education and action. They have helped to assess community problems, establish goals and priorities, and coordinate program efforts. They have uncovered duplication of community efforts and identified gaps where new services



are needed. They have served as catalysts, marshaling broad community support and stimulating new action programs while not operating them directly. The Coalition movement also provides a channel by which Coalition members and local groups may speak out on legislative issues at the national and state level affecting urban problems. Thus an Urban Coalition is not a new organization, but a process, a means for joint action by the significant and diverse elements of the community.

While the programs and structures of Urban Coalitions may vary to meet local priorities, the Coalitions share four essential characteristics:

1. Urban Coalitions have adopted a statement of principles which parallels that adopted by the organizers of the national Urban Coalition, tailored to the particular local situation. The national statement is broad enough to have received the endorsement of leaders from all major segments of urban society, from businessmen to civil rights activists, yet specific enough to give the Urban Coalition movement its essential form and direction. (For full text of statement, see appendix.)

2. Urban Coalitions, as indicated by the statement of principles, are committed to a comprehensive attack on all of the interrelated problems of their communities—poverty, poor housing, inadequate education, racial tensions. A single-purpose group such as a fair-housing council, even if it has wide community support, must expand its goals to other issues to become an Urban Coalition.

3. In their makeup, Urban Coalitions are broadly representative of the leadership and life of their communities. As with the national Urban Coalition, local Urban Coalitions include representatives of business, labor, local government, religion, and civil rights organizations. Most local Urban Coalitions also include representatives of education, the communications media, and established community organizations. It is essential that all include spokesmen for disadvantaged and minority neighborhoods.

4. Finally, Urban Coalitions must have the resources to do an effective job. These resources include an adequate budget and an able (although not necessarily large) staff.

Joseph M. Barr



Frederick J. Close

The task of an Urban Coalition is a serious and complex one, and it demands a serious commitment of all involved.

How an Urban Coalition Begins

An Urban Coalition can start with one concerned and determined person—the mayor, a businessman, a labor leader—or out of discussions among several individuals or community organizations. As quickly as possible, however, the makeup of the organizing committee for an Urban Coalition should be spread across the entire spectrum of community leadership.

The task of this initial group is to create the Coalition's steering committee, its policy- and program-making body. These are some guidelines, drawn out of the experiences of Urban Coalitions to date, for selection of the steering committee members:

—They need not have been previously identified with civic causes. One task of the Coalition, in fact, is to identify and enlist talent which may not previously have been at the service of the community.

—They should include the community's most influential leadership. The most zealous efforts of churches, community-service organizations, and neighborhood groups will be wasted unless those who hold power in local government, business, labor, and communications are convinced of the need for action.

—It also works the other way around. The best efforts of the holders of power will be frustrated unless decisions are made with, rather than for, the disadvantaged in the community. The increasing drive for self-determination among the minorities and the poor is producing new and often militant neighborhood and youth organizations. If truly representative, the Coalition can provide the essential link between emerging neighborhood spokesmen and the established communitywide leadership. It can thus be a vehicle for both communication and common action, joining resources to needs.

—The Coalition may represent a city, a metropolitan area, even a county. Kansas City, Mo., and Kansas City, Kan., have found it advantageous to form a joint Urban Coalition; the twin cities of St. Paul and Minneapolis have formed sepa-

rate Coalitions. The Washington, D.C., Coalition has a metropolitan base, extending into the suburban counties in Virginia and Maryland. Since most of the problems confronted by a Coalition extend into the metropolitan areas—finding work for the unemployed, for example, requires a look at the job market both in the city and in its suburbs—these tasks are made easier if the Coalition is organized on a metropolitan basis.

—The only criterion for the size of the steering committee is that it be large enough to do the job in the particular community. New York, with the national headquarters of many corporations, banks, and insurance companies and its thousands of small employers, has 150 members, including spokesmen for community-action groups. Detroit, with one dominant industry, has 39. The first order of business before the steering committee is the drafting of a statement of principles. Once this is done and public announcement of the Urban Coalition's formation has been made, action should follow quickly. The community should know that it has

Arthur Flemming



George H. Guilfoyle

Andrew Heiskell



acquired not just a forum for discussion of its problems, but a potentially powerful force for constructive change.

In joining an Urban Coalition, the steering committee members may be working together for the first time, putting their special interests aside for the sake of the community. The better they get to know each other, the more productive their association will be. When the New York Urban Coalition was organizing, some 100 men went off to Tarrytown together on a weekend retreat. On neutral ground, the big insurance executive and the ghetto militant met, listened, and learned from each other.

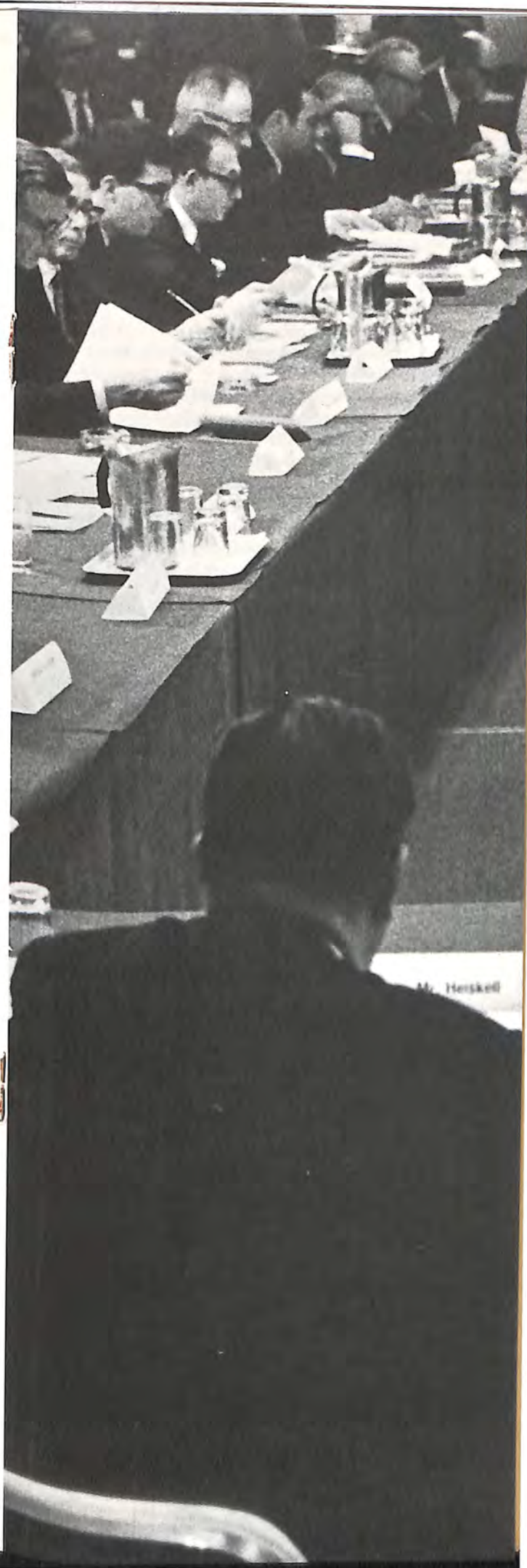
To get a program underway, the Coalition needs both money and staff. Initial funds may come most readily from business and labor members, or the city government may make an interim contribution. In Minneapolis, the 14 business executives who had attended the August convocation each contributed \$1,000 to get their program organized. The fund was used to hire two part-time professionals to help analyze objectives, organization structure, and feasibility of Coalition action.

Permanent funding should come, however, from all segments of the Coalition. If one segment is unable to contribute money, it might provide services instead: staff members can be loaned to the Coalition, office space contributed, stationery and supplies furnished.

In developing their programs, Coalitions have found that it is important to meet where the problems are. Visiting slums in Harlem helped set priorities for action by the New York Urban Coalition. Philadelphia leaders saw things "they would not believe" when the mayor took 200 of them to visit the city's pockets of poverty.

The Urban Coalition in Action

Given the variations in needs from city to city, the range of program possibilities for Urban Coalitions can best be described by specific examples. In most cases, programs are planned by task forces in the areas of most pressing concern. Most Urban Coalitions have started with task forces on employment, housing, and education; others have been added on economic develop-



ment (with the focus on encouraging entrepreneurship among ghetto residents), youth, problems of the aging, and communications.

These are some of the programs that Urban Coalitions have launched around the country:

Concentrating its strongest efforts on helping the ghetto's small businessmen, the *Baltimore Urban Coalition* has formed a business task force to help establish a Small Business Investment Corp.—a high-risk venture capital program with a projected \$1 million operating fund. The task force has pulled together the talents of the Greater Baltimore Committee (a 102-member business organization) to advise on the creation of business cooperatives, and local associations of accountants, lawyers, and retail merchants to give technical assistance to inexperienced ghetto entrepreneurs.

In the middle of its organizing process, the *Washington, D.C., Urban Coalition* came into instant, full-grown existence in response to the April disorders which rocked the capital following the shooting of the Rev. Dr. Martin Luther King Jr. The Coalition appointed emergency committees on food, housing,



John V. Lindsay



George Meany

employment, and financial assistance; they made available 1,400,000 free meals, developed 1,000 job offers, found 800 dwellings for riot-displaced persons and collected \$146,000 in emergency aid funds. This emergency effort was followed by a call to provide logistical support to the Poor People's Campaign: delivering food to Resurrection City three times a day and providing medical care, a recreational program, and community service volunteers.

Jobs have been the chief focus of the *Minneapolis Urban Coalition*, working with the National Alliance of Businessmen and the Chamber of Commerce. The results have included pledges to the NAB for 1,100 summer jobs and the waiving of education-level requirements for line work by one of the area's major employers, Honeywell Inc.

The *Riverside (Calif.) Urban Coalition* developed a Job Opportunities Council and persuaded eight of the city's largest employers to participate. With funding from the eight firms, the Council was to find and get in touch with hard-core unemployed persons. It would provide or obtain necessary training to qualify these applicants to meet lowered minimum hiring standards, then refer them to the firms. The eight companies planned to hire a number equivalent to 4 per cent of their present work force.

A housing seminar sponsored by the *Gary (Ind.) Urban Coalition* led to the decision by two churches to sponsor the construction of lower-income housing under federal mortgage guarantees. Along with these efforts by the non-profit sponsors, the area's major employer, U.S. Steel, announced its intention to build about 300 moderate-income housing units in the city.

The *Bridgeport (Conn.) Urban Coalition's* acting Task Force on Education formed an educational consortium to ensure a college education for all qualified students in the Bridgeport area. The consortium includes the three presidents of private universities who make up the Task Force and the presidents of four other institutions of higher learning in the region. A committee of admissions officers from the seven participating schools screens each applicant and arranges for his admission to one of the colleges.

J. Irwin Miller



A. Philip Randolph

pressing their views on national and state legislative issues. Because most Urban Coalitions seek tax-deductible contributions from such sources as community foundations, some have chosen to establish a separate organization, as the national group has, to carry out legislative programs on the scale needed. The Urban Coalition Action Council will provide assistance to others choosing this course.

The tasks of an Urban Coalition will not be easy, for they reflect the scale and complexity of the crisis situation facing the country. The search for solutions involves major commitments at every level—national, state, and local—and by all segments of society, public and private alike. Substantial public resources must be forthcoming if solutions are to be found, but so must significant private leadership.

“Out of past emergencies, we have drawn strength and progress,” said the founders of the Urban Coalition movement. “Out of the present urban crisis we can build cities that are places, not of disorder and despair, but of hope and opportunity.”



Appendix

Principles

Goals

Commitments

*Statement adopted at the Emergency Convocation, August 24, 1967, Washington, D.C.**

We are experiencing our third summer of widespread civil disorder. In 1965, it was Harlem, and the disaster of Watts. In 1966, it was the Hough area of Cleveland, Omaha, Atlanta, Dayton, San Francisco, and 24 other cities. This summer, Newark and Detroit were only the most tragic of 80 explosions of violence in the streets.

Confronted by these catastrophic events, we, as representatives of business, labor, religion, civil rights, and local government have joined in this convocation to create a sense of national urgency on the need for positive action for all the people of our cities.

We are united in the following convictions:

We believe the tangible effects of the urban riots in terms of death, injury, and property damage, horrifying though they are, are less to be feared than the intangible damage to men's minds.

We believe it is the government's duty to maintain law and order.

We believe that our thoughts and actions should be directed to the deep-rooted and historic problems of the cities.

We believe that we, as a nation, must clearly and positively demonstrate our belief that justice, social progress, and equality of opportunity are rights of every citizen.

We believe the American people and the Congress must reorder national priorities, with a commitment of resources equal to the magnitude of the problems we face. The crisis requires a new dimension of effort in both the public and private sectors, working together to provide jobs, housing, education, and the other needs of our cities.

We believe the Congress must move without delay on urban programs. The country can wait no

*At the national level, two separate organizations have been created: the Urban Coalition and the Urban Coalition Action Council. The Action Council is responsible for the implementation of legislative goals and objectives expressed in this statement.

longer for measures that have too long been denied the people of the cities and the nation as a whole—additional civil rights legislation, adequately funded model cities, anti-poverty, housing, education, and job-training programs, and a host of others.

We believe the private sector of America must directly and vigorously involve itself in the crisis of the cities by a commitment to investment, job-training, and hiring, and all that is necessary to the full enjoyment of the free enterprise system—and also to its survival.

We believe the sickness of the cities, including civic disorder within them, is the responsibility of the whole of America. Therefore, it is the responsibility of every American to join in the creation of a new political, social, economic, and moral climate that will make possible the breaking of the vicious cycle of the ghetto. Efforts must be made to insure the broadest possible opportunity for all citizens and groups, including those in the ghetto, to participate fully in shaping and directing the society of which they are a part.

This convocation calls upon the nation to end once and for all the shame of poverty amid general affluence. Government and business must accept responsibility to provide all Americans with opportunity to earn an adequate income. Private industry must greatly accelerate its efforts to recruit, train, and hire the hard-core unemployed. When the private sector is unable to provide employment to those who are both able and willing to work, then in a free society the government must of necessity assume the responsibility and act as the employer of last resort or must assure adequate income levels for those who are unable to work.

Emergency Work Program

This convocation calls upon the federal government to develop an emergency work program to provide jobs and new training opportunities for the unemployed and underemployed consistent with the following principles:

—The federal government must enlist the cooperation of government at all levels and of private industry to assure that meaningful, productive work is available to

everyone willing and able to work.

—To create socially useful jobs, the emergency work program should concentrate on the huge backlog of employment needs in parks, streets, slums, countryside, schools, colleges, libraries, and hospitals. To this end an emergency work program should be initiated and should have as its first goal putting at least one million of the presently unemployed into productive work at the earliest possible moment.

—The program must provide meaningful jobs—not dead-end, make-work projects—so that the employment experience gained adds to the capabilities and broadens the opportunities of the employees to become productive members of the permanent work force of our nation.

—Basic education, training, and counseling must be an integral part of the program to assure extended opportunities for upward job mobility and to improve employee productivity. Funds for training, education, and counseling should be made available to private industry as well as to public and private non-profit agencies.

—Funds for employment should be made available to local and state governments, non-profit institutions, and federal agencies able to demonstrate their ability to use labor productively without reducing existing levels of employment or undercutting existing labor standards or wages which prevail for comparable work or services in the area but are not less than the federal minimum wage.

—Such a program should seek to qualify new employees to become part of the regular work force and that normal performance standards are met.

—The operation of the program should be keyed to specific, localized unemployment problems and focused initially on those areas where the need is most apparent.

Private Employment, Assistance, and Investment

All representatives of the private sector in this Urban Coalition decisively commit themselves to assist the deprived among us to achieve full participation in the economy as self-supporting citizens. We pledge full-scale private endeavor through creative job-training and employment, managerial assistance, and

basic investment in all phases of urban development.

The alternatives to a massive and concerted drive by the private sector are clear. They include the burden of wasted human and physical potential, the deterioration of the healthy environment basic to the successful operation of any business, and the dangers of permanent alienation from our society of millions of citizens.

We propose to initiate an all-out attack on the unemployment problem through the following steps:

—In cooperation with government, to move systematically and directly into the ghettos and barrios to seek out the unemployed and underemployed and enlist them in basic and positive private training and employment programs. We will re-evaluate our current testing procedures and employment standards so as to modify or eliminate those practices and requirements that unnecessarily bar many persons from gainful employment by business or access to union membership.

—To create a closer relationship between private employers and public training and emergency employment programs to widen career opportunities for our disadvantaged citizens. To this end, we will proceed immediately to promote "Earn and Learn Centers" in depressed urban areas that might well be the joint venture of business, labor, and local government.

—To develop new training and related programs to facilitate the early entry of under-qualified persons into industrial and commercial employment.

—To develop large-scale programs to motivate the young to continue their education. Working closely with educators, we will redouble our efforts to provide part-time employment, training, and other incentives for young men and women. We also pledge our active support to making quality education really accessible to deprived as well as advantaged young people.

—To expand on-the-job training programs to enhance the career advancement prospects of all employees, with particular emphasis on those who now must work at the lowest level of job classifications because of educational and skill deficiencies.

We pledge to mobilize the man-

agerial resources and experience of the private sector in every way possible. We will expand part-time and full-time assistance to small business development. We will strive to help residents of these areas both to raise their level of managerial know-how and to obtain private and public investment funds for development. We will work more closely with public agencies to assist in the management of public projects. We will encourage more leaders in the private sector to get directly and personally involved in urban problems so that they may gain a deeper understanding of these problems and be of greater assistance.

We pledge our best efforts to develop means by which major private investment may be attracted to the renovation of deteriorating neighborhoods in our cities. We will explore and encourage governmental incentives to expedite private investment. We will develop new methods of combining investment and managerial assistance so that the residents may achieve a leadership position in the development of their areas.

Housing, Reconstruction, and Education

This convocation calls upon the nation to take bold and immediate action to fulfill the national need to provide "a decent home and a suitable living environment for every American family" with guarantees of equal access to all housing, new and existing. The Urban Coalition shall, as its next order of business, address itself to the development of a broad program of urban reconstruction and advocacy of appropriate public and private action to move toward these objectives, including the goal of rehabilitation and construction of at least a million housing units for lower-income families annually.

This convocation calls upon the nation to create educational programs that will equip all young Americans for full and productive participation in our society to the full potential of their abilities. This will require concentrated compensatory programs to equalize opportunities for achievement. Early childhood education must be made universal. Work and study programs must be greatly expanded to enlist those young people who now

drop out of school. Financial barriers that now deny to youngsters from low-income families the opportunity for higher education must be eliminated. Current programs must be increased sufficiently to wipe out adult illiteracy within five years.

This convocation calls upon local government, business, labor, religions, and civil rights groups to create counterpart local coalitions where they do not exist to support and supplement this declaration of principles.

This convocation calls upon all Americans to apply the same determination to these programs that they have to past emergencies. We are confident that, given this commitment, our society has the ingenuity to allocate its resources and devise the techniques necessary to rebuild cities and still meet our other national obligations without impairing our financial integrity. Out of past emergencies, we have drawn strength and progress. Out of the present urban crisis we can build cities that are places, not of disorder and despair, but of hope and opportunity. The task we set for ourselves will not be easy, but the needs are massive and urgent, and the hour is late. We pledge ourselves to this goal for as long as it takes to accomplish it. We ask the help of the Congress and the nation.

The Urban Coalition
1819 H Street N.W.
Washington, D.C. 20006

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'Exiles' From Government Heading National Urban Coalition

By JOHN HERBERS

Special to The New York Times

WASHINGTON, Dec. 4 — Some of the ablest innovators and mechanics of the New Frontier and Great Society are to be found two blocks from the White House in the offices of the National Urban Coalition. This private agency has become the vehicle for the special talents and persuasion of John W. Gardner, the former Secretary of Health, Education and Welfare.

The kind of ferment and excitement that pervaded the Government in the Kennedy Administration and early part of the Johnson Administration is present to a degree within the coalition, which occupies two floors of an office building at 1819 H Street.

Many on Mr. Gardner's staff of professionals are, in effect, exiles from the Government and have transferred their hope for a better society from the public to the private sector.

A Commitment Sought

They show less optimism about the possibility of quick change and less self assurance than was evident in Washington in the days before the big city riots. But they are finding America to be a little wiser about its urban predicament and are moving to achieve a national commitment in that area.

The force that Mr. Gardner has assembled in the last seven months has two main objectives: To organize a massive lobbying effort to obtain the



The New York Times

John W. Gardner

legislation that the coalition considers essential for the cities and to activate local leadership, especially the business community, through local affiliates.

Mr. Gardner said in an interview that the coalition's annual budget at the national level was \$3.5-million but that the overall cost, including that of 39 local coalitions, would be about \$20-million. The money is provided by contributions from individuals, businesses and foundations.

Three years ago President Johnson described the adverse forces faced by Negroes in the slums as a "seamless web"

that would yield only to a total attack. The coalition itself is moving in several areas, if only in small ways.

School Aid Disputed

For example, its education division, headed by Dr. James Kelly, an associate professor at Columbia University, is supporting with funds and research a lawsuit that could radically change the method by which most states allocate school funds, so as to give inner-city schools a larger share.

The suit, brought by the Detroit Board of Education against the State of Michigan, charges that the system of appropriating the same amount per child in both rich and poor districts is inherently unfair to the slum child. The case, now in a state court in Detroit, is expected eventually to be decided by the United States Supreme Court.

Other "problem solving" projects are under way in the fields of employment, education, housing, economic development of the slums, legal services and health—all under the general heading of program development.

The coalition was founded by a group of private citizens in August, 1967, after the nation had been raked by riots. It brought together business, religious, labor and civil rights leaders in an effort to reorder national priorities in the urban crisis.

Its stated objectives was to bring about expanded Federal

efforts to provide jobs, an adequate income, decent and nondiscriminatory housing and improved education for the poor.

There was considerable skepticism about what it could accomplish, and for a time it appeared that the coalition would disappear for lack of leadership, staffing and coordination. Mr. Gardner became its chairman the following spring and has been steadily building his staff.

"The staff was assembled from two sources: persons who had worked with Mr. Gardner in government and those who beat on the doors to get in," according to a coalition spokesman.

The latest high-level official to arrive is George A. Silver, who had been deputy assistant secretary for health and scientific affairs in the Department of Health, Education and Welfare and who will head up a health program for the coalition. Dr. Silver was an idea man for the Government ("it would take several trucks to haul away my unused memos," he says) and hopes to be the same at the coalition.

Health Crisis Seen

In an interview amid packing boxes in his new office, Dr. Silver said there was a crisis building in most communities regarding health services, due in part to a lack of understanding among the classes of people and professional groups involved. He hopes to build "communications bridges" between them.

Following is a sample of others who have joined the staff: M. Carl Holman, formerly deputy staff director of the United States Commission on Civil Rights, and now the coalition's vice president for program development.

Bryan Duff, who was on the public affairs staff of the National Aeronautics and Space Administration and is now vice president for communications.

Lowell Beck, who was on the

staff of the American Bar Association and is executive director of the Urban Coalition Action Council, the coalition's lobbying arm.

A visitor gets the feeling that if Mr. Gardner were to leave, the coalition might fall apart. This is due in part to the fact that he has the respect of liberals because of his commitment to Federal action, and of conservatives because he is a Republican with a wide following in the business community.

The emphasis is on getting business leaders and others with "clout" in their communities involved. John Dean, a Negro who had been southeastern director for community action programs under the Office of Economic Opportunity, is overseeing the formation of local coalitions in the same area.

It is a slow, difficult task, he acknowledged, but the first step is to interest business and other community leaders in establishing a coalition. The blacks, he said, are no longer interested in meeting just with the white liberals who mean well but have little power. "They want to meet with the people who can get something done," he said.

Mr. Gardner believes the greatest failure has been at the community level. As Secretary of Health, Education and Welfare, he was assured by his own staff and other leaders in some communities that there would be no riots just before the riots broke out. In some cities white leaders still do not know who the real Negro leaders are.

Performance Varies

"We have talked a great game of community leadership, but we haven't lived up to it," he said. "The Federal Government can only give the communities the pieces [in grants and programs], and it is up to them to put the pieces together."

The performance of the local coalitions has varied widely. Many are still in the formative

stage. The Minneapolis Coalition is cited as the good example. It has sponsored such things as "Anti-Racism Week" for the education of suburban whites. White leaders ventured into the slums and were exposed to such remarks as: "Did you see what the honkies did? They raised \$5-million for the Minneapolis Symphony."

Stephen Keating, president of Honeywell, Inc., and chairman of the coalition, withstood outrage and insults in "confrontations between the powerless and the powerful."

But cities like Minneapolis, New York and Detroit are exceptions. Some cities whose Mayors are members of the national steering committee—Chicago, Pittsburgh and Phoenix—did not even have coalitions as of last month.

Mayor Richard J. Daley of Chicago has said his Democratic organization provides the same service, and in cities like Atlanta progressive leaders who have traditionally met in private and decided what is best for the community are reluctant to give up that prerogative.

Because of the coalition's emphasis on private initiative, Mr. Gardner is hopeful of having the cooperation of the incoming Nixon Administration. Members of the steering committee are to meet soon with the President-elect, and Mr. Gardner already has held meetings with several of Mr. Nixon's advisers.

He is pleased with the list of persons he has been told Mr. Nixon is considering for the Secretaries of Health, Education and Welfare and Housing and Urban Development.

But there is skepticism within the coalition about the use of tax credits, which Mr. Nixon has proposed in an effort to enlist private enterprise in rebuilding the slums and providing employment. Mr. Gardner says the proposals must be made more specific and studied carefully before his organization will decide on their merit.



NEW SYMBOL of Urban Coalition makes "U" and "C" the links of a chain. Sandgren & Murtha, Inc., designed it.

New York Coalition Scoring Its First Dramatic Gains in Slums

By SYLVAN FOX

A grimy foundry in Harlem changed ownership recently, and with the transaction, all the talk about giving Negroes a "piece of the action" took a small but profound step toward reality.

The foundry, at 402 West 126th Street, was sold by its two white owners, Frieda Bogorod and Ernest Kruezer, to the Harlem Commonwealth Council, a Negro economic development corporation.

Behind the sale lies an important part of the story of what the New York Urban Coalition is all about; for it was with the help of the coalition—a group of some 160 business, labor and community leaders who believe life in New York's slums can be improved by private effort—that the deal was accomplished.

The story of the coalition also lies in the help it gave to a Negro man who wanted to open a shoe store in Harlem.

And it lies in the dedicated activities of the city's street academies, which seek to salvage high school dropouts from lives of ignorance and degradation.

Not An 'Illusion'

It even lies in a little vacant lot on 118th Street and Park Avenue, which in a few months will become the first of dozens of miniparks created with coalition aid.

"We're not under the illusion that the private sector can turn the city around," said Saul Wallen, the president of the New York Urban Coalition, as he reviewed its first-year accomplishments. "But we can have an impact."

Except for the trumpeting of its slogan — "Give a damn" — the coalition has operated quietly during the year, possibly because it did not seek

publicity for its first tentative steps and avoided controversial areas until this week.

But on Monday the coalition purchased newspaper advertisements strongly backing school decentralization under the headline: "If it works in Scarsdale, it can work in Ocean Hill." The text of the advertisement included a decentralization resolution approved by the group's board of directors after some vigorous private debate.

Officials of the United Federation of Teachers said yesterday that the union was preparing a statement "rebutting some distortions" in the advertisement.

A Dramatic Step

The sale of the Acme Foundry to the Harlem Commonwealth Council is, perhaps, the most dramatic tangible step the coalition has yet made toward changing things in the depressed black and Puerto Rican communities.

The Harlem Commonwealth Council was organized 18 months ago by Roy Innis, now the national director of the Congress of Racial Equality and a firm believer in black economic development. Mr. Innis is also a member of the New York Urban Coalition, which is the local arm of the National Urban Coalition.

His simultaneous role in both groups made it natural for the Urban Coalition and the Harlem Commonwealth Council to cooperate, and when Miss Bogorod and Mr. Kruezer informed the coalition they wanted to sell their foundry, the wheels were quickly set in motion.

The price the foundry owners had set was \$45,000 plus about \$70,000 in cash on hand, accounts receivable and inventory.

The coalition marshaled the needed assistance to complete the deal. Allen Herzig of Kidder, Peabody & Co., the investment banking firm, did a financial analysis of the foundry. Stuart Goldman, a Wall Street lawyer, handled the legal work involved in the purchase.

The Abex Corporation, a manufacturer of control equipment and the owner of several foundries, agreed to provide technical aid and arranged for the new president of the foundry, Rozendo Beasley, to attend a training course given by the American Foundrymen's Society.

Loans Are Granted

Through the efforts of the coalition, the Morgan Guaranty Trust Company lent the Harlem Commonwealth Council \$50,000. The coalition's Venture Corporation—one of two economic development corporations it has established to help black and Puerto Rican business enterprises—put up \$20,000, and the Episcopal Diocese of New York provided a loan of another \$20,000.

Under its new ownership, the foundry employs 27 persons and does a gross business of \$500,000 a year.

But Negro ownership of the plant, while an important step, is just the first, according to Mr. Beasley, a dynamic, mustached 33-year-old business administration graduate of Michigan State University.

When the foundry has paid off its \$95,000 debt, he explained, the Harlem Commonwealth Council plans to sell shares to Harlem residents at a price they can afford to pay.

"Our aim is economic development," he said, "spreading the equity within the community. That's what we're shooting for."

As a corollary objective, he said, the Harlem Commonwealth Council hopes to prove that Negro businessmen can run an enterprise so successfully that investment will be attracted to other black-operated businesses.

"A lot of financial institutions say there are no businesses in ghettos worth investing in," Mr. Beasley said. "We want to prove that is wrong. A lot of financial institutions say there isn't enough black managerial talent available in the ghetto. We want to prove this wrong, too."

"Our main function is to get in there and make dough."

Cooperation between the Harlem Commonwealth Council and the New York Urban Coalition has also led to the establishment of a shoe store under Negro ownership at Lenox Avenue and 134th Street. The Tru-Fit Stride Rite store, which is owned by Al Jackson, opened in September.

Mr. Jackson, who had been the manager of a Miles shoe store in Harlem, was chosen from among eight possible owners whose names were submitted to the Green Shoe Company by the Harlem Commonwealth Council. The Green Shoe Company put up about 90 per cent of the needed investment, Mr. Jackson the rest.

The New York Urban Coalition helped Mr. Jackson refurbish the store, provided legal assistance in the preparation of his tax and insurance papers and is providing managerial and technical assistance through its Development Corporation.

Companies Back Academies

Another aspect of the New York Urban Coalition's work is evident at a street academy at 259 West 64th Street, where 30 youngsters who have dropped out of high school are getting an education.

The first street academies were established by the New York Urban League several years ago to deal with the problem created by the grow-

ing number of high school dropouts.

Recently the New York Urban Coalition moved in, convinced businesses to invest in the education of high school dropouts, and won pledges from 15 companies of \$50,000 a year each to support a street academy. Twenty-three are now in operation or soon to be opened.

'Beautiful Communication'

Among the companies recruited by the coalition to support street academies are McGraw-Hill, American Airlines, Pan Am, International Business Machines, Time Inc., Celanese Corporation, Sinclair Oil Company, Union Carbide, First National City Bank, Chase Manhattan Bank, Burlington Mills and American Express.

At the McGraw Hill Street Academy on West 64th Street, five teachers work with 30 youngsters. McGraw-Hill found the site for the academy, provides teaching material, puts up the money that is needed to run the school and conducts regular conferences with members of the academy staff to discuss the work being done there and to sound out the teachers on how educational materials and textbooks can be improved.

"We've become, in a sense, a laboratory for them," David Rathbun, a 26-year-old teacher at the academy, said of McGraw-Hill. "There's a very healthy, beautiful kind of communication."

At 118th Street and Park Avenue, a small lot lies vacant. Next to it stands an abandoned five-story building slated for demolition. In a few months, it is hoped, the site will be transformed into a minipark.

Again, the New York Urban Coalition has been the catalyzing agent behind the project. Last summer the Amalgamated Clothing Workers of America gave the coalition \$40,000 for the construction of miniparks.

The coalition turned about \$27,000 of this money over to the Upper Park Avenue Com-

munity Association, which has been working on a neighborhood rehabilitation program. The community association bought the lot and commissioned plans for the minipark. It is expected to be completed in early spring.

These are a few of the coalition's activities. There are others. In the South Bronx, the New York Urban Coalition has given the United Bronx Parents, Inc., \$50,000 to conduct a training program, now in progress, on school decentralization. After serious internal debate, the coalition strongly endorsed the program.

News Jobs Filled

Last summer, with coalition financial help, 20 Negro and Puerto Rican young people attended a course in radio and television journalism at the Columbia University Graduate School of Journalism. All have been placed in news jobs.

The coalition has committed \$150,000 for four housing projects that needed money to go ahead with their construction plans. It has provided \$20,000 to the East Harlem Skills Training Center, which is conducting a training program in the printing trades for at least 200 Negroes and Puerto Ricans. The coalition has obtained, in conjunction with the National Alliance of Businessmen, pledges of 19,000 jobs for hard-core unemployed, and already has filled 9,000 jobs.

The National Urban Coalition was formed in August, 1967, by a group of private citizens who were convinced that private business, labor and community leaders could make a significant contribution to improving life in the nation's slums.

John Gardner, the former Secretary of Health, Education and Welfare, heads the national organization, and Mayor Lindsay and Andrew Heiskell, chairman of Time Inc., are co-chairmen of its steering committee.

(cont. back page)

(continued)

Slow, Substantial Gains

The New York Urban Coalition was organized last October with Christian A. Herter Jr., vice president of the Mobil Oil Corporation, as its chairman, and Mr. Wallen, a labor mediator, as its president.

At first, progress was slow. It still does not come at breakneck speed, but Mr. Wallen attributes this to the organization's "democratic character" and to the complexity of the problems it confronts.

Yet there have been some substantial gains in this first year—both of a tangible and an intangible nature, Mr. Wallen says.

"One of the major accom-

plishments," he said as he sat the other day in his 35th-floor office at coalition headquarters, 60 East 42d Street, "is maintaining a continuing dialogue between blacks and Puerto Ricans, business and labor. We don't have anything like that anywhere else in the city.

"And we've built an organization and conducted a public-relations campaign that articulated the concern of the white establishment about ghetto problems.

"A year ago, when the coalition was founded, it was an idea. Now we're starting to emerge."

The coalition, which has 48 full-time clerical and professional employees and about 100 volunteer workers, raised \$4-

million in a fund drive this year. It hopes to raise between \$6-million and \$10-million next year, Mr. Wallen said.

A third of its income has been earmarked for Mayor Lindsay's summer program. But short-term racial peace is not the main objective of the New York Urban Coalition.

"I can't say we can take any credit for keeping the summer cool," Mr. Wallen said. "As a matter of fact, that isn't even our purpose.

"We hope to involve the private sector in some of the basic problems of preventing urban blight, and that's going to transcend the summer. It's a long-term, long-pull proposition."

Businessmen Are Urged to Join 'Frontal Assault' on Cities' Ills

Special to The New York Times

PHILADELPHIA, Dec. 4 — The nation's urban problems are too great to yield to "haphazard and limited solutions"; they require a "frontal assault that will not work without business participation," Andrew Heiskell, chairman of Time Inc., said in a speech tonight.

Businessmen, Mr. Heiskell said, must find ways to intensify their interest, broaden their perspectives and enlarge their commitment to the nation and its people.

Businessmen, he said, can no longer afford to be specialists.

"Our society, which is now largely urban," he declared, "will not continue to function if those of us in the private sector do not become public men as well."

Mr. Heiskell is chairman of Urban America, Inc., and co-

chairman of the Urban Coalition, an organization of business, labor, civic and civil rights leaders formed to help find solutions to the problems of the cities.

Mr. Heiskell was the speaker at an alumni dinner of the University of Pennsylvania's Wharton School of Finance and Commerce, held at the Bellevue-Stratford Hotel. He was awarded the Wharton Gold Medal, presented annually since 1950, for "personal contribution to the progress of American business."

Mr. Heiskell told the group that perhaps the single most important thing corporations could do was to encourage the young men who work for them "to find out about the problems of the community and to become as expert at some aspect" of them as they are at production or marketing processes.

The Urban Coalition

1819 H Street, N.W. • Washington, D. C. 20006



Agenda For Positive Action: State Programs in Housing & Community Development



Prepared by
The Housing Staff of
The National Urban Coalition



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The Urban Coalition**

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**An Agenda
For Positive Action:
State Programs in Housing
& Community Development**

November 1, 1968

A Report Prepared by
the Urban Coalition's Task
Force on Housing, Reconstruction
and Investment

Preface and Acknowledgements

On July 9, 1968, the Urban Coalition Task Force on Housing, Reconstruction and Investment met in New York City. At that time the Task Force members discussed the potential role of the states in helping cities meet urban needs.

The discussion soon revealed that a few states had begun innovative programs, many of which show promise of bringing better living conditions to an increasingly urbanized population. The Task Force accordingly requested the staff of the Urban Coalition to draw together and analyze legislative actions that had been taken, and which could feasibly be taken, so that states considering enacting housing and community development programs might have guidelines for action. This report is the result of that survey and analysis, and was prepared with the goals of the Urban Coalition in mind. The Task Force reviewed and commented on the paper in draft form and at its meeting on September 23, 1968, approved its publication.

The report is intended to enable those in each state responsible for administering, recommending and drafting housing programs to ask relevant questions and to be aware of possible patterns for state involvement. The paper describes an assortment of weapons in the armory of state action which can be combined to achieve overall objectives. The Task Force believes each of the tools described in this paper is worthy of serious consideration. It further believes that no recommendations for state action in housing and community development can be deemed complete without their consideration.

Although responsibility for the judgments in this document remains with the Urban Coalition housing staff, helpful suggestions were received from many sources. Chief among them were Seymour Baskin, Esquire, of Pittsburgh; Ralph Brown and Michael Herbert, Department of Community Affairs, State of New Jersey; Joel

Cogen of Joel Cogen Associates, New Haven; Mrs. Glenda Sloane, National Committee Against Discrimination in Housing; and Stephen Ziegler, Esquire, of New York City. Each attended discussion meetings and critically reviewed the draft in detail.

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References

Introduction

A Decent Home and Suitable Living Environment

At its Emergency Convocation in August 1967, the Urban Coalition called upon the nation to take bold and immediate steps to fulfill the national goal to provide "a decent home and suitable living environment for every American family" with guarantees of equal access to all housing, new and existing.

This goal requires a national effort vastly larger than anything done in the past. The Coalition set an objective of building or rehabilitating one million housing units a year for lower-income families. The National Advisory Commission on Civil Disorders later recommended construction of an average of 1.2 million units a year for low- and moderate-income families over the next five years. The Housing and Urban Development Act of 1968 set a goal of six million units in the next decade—an annual average of 600,000 units.

These goals exceed by a wide margin the current annual rate of production of less than 100,000 housing units for low- and moderate-income families.

Why State Action? State action must be part of any national program to provide the housing to meet the very real needs and expectations of millions of Americans.

The states have abilities and legal authority unavailable to the other levels of government. If these resources are withheld from national programs, the federal government, the cities and the private sector will be seriously hampered in carrying out their roles. If the states apply their

authority and abilities creatively, they can enhance the effectiveness of the other partners in programs aimed at providing a decent environment for the residents of our communities.

States have authority to assist cities in modernizing governmental patterns and to amend laws that impede new programs for urban progress. States have great flexibility to experiment with a wide variety of instruments and incentives closely tailored to local conditions and requirements. States, moreover, have the capacity to respond directly to urban problems as they arise, and to work with cities in supplementing federal and local programs and to adapt them to the individual challenges each city faces.

A few states have already enacted their own housing and community development programs covering a wide variety of problems. But these programs are not as well known as they should be at a time when many states are seeking new avenues through which to enlarge their assistance to local communities to improve the quality of housing and community facilities.

The Purpose of This Report. This report on possible state programs has been prepared by the Urban Coalition's Task Force on Housing, Reconstruction and Investment as a guide for those in the public and private sectors concerned with greater positive action by the states to assist cities in housing and community development.

The programs for state action outlined here are designed to meet problems which fall into eight categories:

- I. Increasing the Housing Supply
- II. Increasing Housing Choice
- III. Improving Building Codes
- IV. Improving Relocation Assistance
- V. Equalizing Landlord-Tenant Relations
- VI. Enhancing Community Development
- VII. Developing New Communities
- VIII. Centralizing Administration of Housing and Community Development Programs

Programs in each of these categories are prefaced by a brief statement of needs and potentials in the area. And federal programs are related to state programs where a relationship exists.

The programs cited are designed to spur swift and effective action. This report does not envision establishing at the state level another set of complex administrative requirements alongside the existing federal regulations. *To the greatest feasible extent, where states supplement or relate to federal programs, the federal approval should be the principal criterion to obtain the additional state aid. Duplicating and possibly conflicting state requirements may only delay or frustrate needed action.*

Cities have built up a body of experience dealing with federal aid procedures, however complicated these rules may be. States must master the same procedures before they can work effectively to improve them. A state administration truly intent on helping cities through these programs will develop its own experienced and capable staff. It will, consequently, find its voice significantly strengthened in shaping the course of federal action. Strong voices are indeed needed, because in the last analysis increasing the effectiveness of federal efforts, backed by the far larger potential financial resources of the federal government, will prove crucial. States should join with their cities in working to channel these resources into urban needs.

Except for a suggested commission to revise complex laws for zoning and land use, no proposals are made that require extensive research. A suggestion is advanced for centralized state administration, but with one exception, no attempt is made here to deal with long-range constitutional or fiscal reforms. Though such organic and fiscal change is unquestionably vital, to maintain a sharp focus this report concentrates on specific measures which can be readily taken. Indeed, most of the measures described are already being undertaken in some form in one or more states.

In many states constitutional limitations may make it difficult to enact some of the provisions

described here. States with restrictive constitutions are, however, already undertaking many of these programs by the use of responsible and imaginative legal counsel, financing devices and careful draftsmanship. Before a sensible course of action is discarded because of assumed constitutional difficulties, the statutes of other states should be carefully examined for possible solutions to the constitutional problem.

The primary objective of the majority of these programs is to attract greater federal aid—to bring in several federal assistance dollars for each state assistance dollar. A number of the programs also act to attract wider private sector involvement and to overcome legal and political impediments to swifter and more effective progress. In many cases, state assistance can be seen substantially to improve the scope and efficiency of federal and private programs.

No model legislation for these programs is included since such legislation must necessarily be drafted to fit the circumstances in each state. However, citations to existing state programs and other relevant sources are given in the references at the end of this report. These citations are intended to be illustrative rather than exhaustive. The staff of the Urban Coalition is prepared to provide further information and assistance to those interested in carrying out any of these programs in their states.

Each state is urged to review these suggested programs carefully within the framework of its own needs, priorities and resources. The programs outlined here could be combined or considerably altered to fit particular circumstances, and there is still certainly a great need for experimentation. Each housing and community development project, moreover, should be related to an ongoing local or metropolitan comprehensive planning effort. Ideally, each state should seek to combine new concepts and existing programs into a well-coordinated and effective effort.

It is a time to decide. It is a time to act. To justify the role of the state as an innovator—a laboratory for imaginative approaches to urban problems—state leaders must dramatically increase state assistance to urban communities.

Enactment and adequate funding of a comprehensive state housing and community development program which in some measure includes the specific programs described in this report would dramatize an important commitment that states could make to their own people.

I. Increasing the Supply of Low- and Moderate-Income Housing

Program 1

Interest-Free Seed Money Loans and Technical Assistance to Limited-Profit and Nonprofit Developers of Low- and Moderate-Income Housing; Grants to Nonprofit Developers of Low- and Moderate-Income Housing.

Federal and state low- and moderate-income housing assistance programs rely heavily upon nonprofit housing sponsors.*

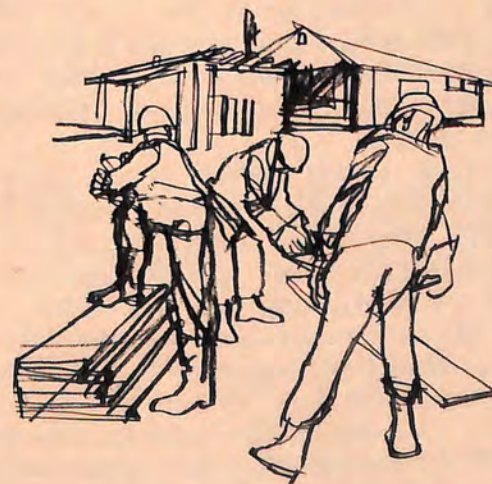
Nonprofit housing sponsors are either broadly-based housing development corporations aiding or sponsoring a number of housing projects in the community or individual project sponsors, such as churches, charitable foundations, settlement houses, labor unions, fraternal organizations and other civic-minded groups.

As landlords or as organizers of cooperatives, these groups are likely to follow enlightened policies. As sellers, they are likely to help lower-income buyers adjust to homeownership. The social motivation of many nonprofit corporations, moreover, causes them to undertake the often risky, tedious and difficult task of building or rehabilitating housing in inner-city or "gray areas," where many private profit-motivated developers will not enter.

Experience has shown, however, that too many nonprofit groups are long on social dedication but short on money and skills. Thus, the difference between good intentions and housing in place is often assistance to nonprofit housing corporations in the forms of:

- seed money loans (advances from a revolving loan fund needed to cover initial costs, such as preliminary architectural fees, engineering fees, site options, tenant surveys, market analyses, and legal and organizational expenses during the project development stage, which are recoverable from the proceeds of the FHA-insured mortgage);
- grants for administrative costs, social services and other necessary expenses which are important to the success of the organization and the project, but which may not be recoverable from the mortgage proceeds;
- interim financing (construction loans needed when private construction loans are not available as described in program 5 below), and
- technical assistance (expert aid needed to train personnel, develop projects, secure project approval and oversee construction).

* As used in this paper references to nonprofit developers or nonprofit sponsors include nonprofit cooperatives as well as other nonprofit entities.



The availability of grant money is particularly important to housing development corporations. These broadly based nonprofits need start-up and operating money that will not be recaptured from the proceeds of housing project mortgages.

Seed money loans interim loans and technical assistance might also be made available to limited-profit housing developers in need of this assistance.

The federal Housing and Urban Development Act of 1968 (hereafter the 1968 Housing Act) provides similar assistance to nonprofit developers of low- and moderate-income housing. It directs the Department of Housing and Urban Development (hereafter HUD) to provide information, advice and technical assistance. It also authorizes HUD to make 80 percent interest-free seed money loans to nonprofit corporations from a small, newly created revolving fund. It creates a government-chartered, nonprofit, private corporation known as the National Homeownership Foundation to encourage private and public organizations to provide increased homeownership and housing opportunities for low- and moderate-income families.

A state assistance program, however, would provide an additional and more flexible source of aid to developers of low- and moderate-income housing. A state program could be used to give encouragement to the formation of limited-profit and nonprofit housing groups within the state, when federal assistance is not available.

A state program, moreover, might put more emphasis on making non-recoverable grants, rather than recoverable seed money loans—the thrust of federal aid. Grants, rather than loans, are needed to help finance housing development corporations and pay for the extra costs of housing low-income people, such as the provision of important social services.

Program 2

State-Developed Low- and Moderate-Income Housing.

Developing housing for low- and moderate-income families requires a great deal of expertise. The services of a lawyer, real estate agent, builder, banker and administrator at a minimum are generally required. In many smaller communities it is difficult to find people who are both qualified and willing to render these services to a housing sponsor.

Thus, as a logical alternative to state or federal technical assistance to help local groups become qualified to develop housing projects, the state may wish itself to develop either public housing

or moderate-income housing. It should only do so where there is no functioning local public housing authority or moderate-income housing developer to build the housing.

To produce public housing, the state would establish a public housing authority which could provide the necessary public housing anywhere in the state. Recent changes have added great flexibility to the federally assisted public housing program. A public housing authority can now lease as well as build or purchase housing, and can sell the housing to its tenants. State-wide public housing authorities are eligible to receive federal public housing assistance.

To build moderate-income housing, the state could create a nonprofit housing development corporation to develop this housing anywhere in the state. The corporation generally would serve as developer of the project. It would only serve as sponsor (i.e., the owner and maintainer of rented housing) in the absence of a local group which could serve as the sponsor.

In developing either public housing or moderate-income housing, the state would act in close cooperation with local public and private groups. And the state would not itself construct the housing; construction would be done by a private contractor under the "turnkey" system.

Program 3

Below-Market-Interest-Rate Mortgage Loans to Limited-Profit and Nonprofit Developers of Low- and Moderate-Income Housing.

States may use their power to borrow cheaply through the issuance of tax-exempt bonds to finance moderate-income housing projects at mortgage interest rates several percentage points below commercial rates. On long-term mortgages (usually forty years), this lower interest rate can be of substantial assistance in reducing the cost of housing. New York pioneered this assistance with its highly successful "Mitchell-Lama" program.

Federally assisted moderate-income housing programs also aid the production of housing by reducing interest rates. The FHA section 221(d) (3) program, for example, provides financing at a three percent interest rate. Nevertheless, at least five states have enacted their own below-market-interest-rate programs to supplement the federal programs.

There are many good reasons for states to establish their own below-market-interest-rate housing programs.

Comprehensive Program. A state agency may find it difficult to undertake a comprehensive

program for encouraging the development of moderate-income housing without itself being able to assist in the mortgage financing of this housing. Without its own below-market-interest-rate mortgage program, the important decision of whether to finance a proposed housing project would be made exclusively by the Federal Housing Administration.

Flexibility. Many FHA programs can only be used to assist housing developers in communities which have enacted a "workable program for community improvement"—an overall plan of action for meeting problems of slums and blight, and for guiding community development. This "workable program requirement" greatly restricts the use of important FHA programs in many states where such a program has not been adopted by a locality. A state program would not be subject to this restriction.

The FHA allows a maximum six percent book return to limited-profit housing developers. To encourage greater participation, a state program may allow a greater maximum return, such as the eight percent return allowed under the New Jersey program.

Less Complex Administration. FHA processing of moderate-income housing proposals is complex and generally time-consuming. An adequately staffed state program may be able to simplify its rules and regulations and thus speed processing time. And based on its own experience, it may be able to suggest improvements in FHA regulations.

Experimentation. States may wish to innovate with their own programs, such as Illinois, Massachusetts and New Jersey are doing with "rent skewing." Through rent skewing, rents in a majority of apartments are raised slightly to allow larger reductions in the rents of a minority of apartments. Rent skewing allows a wider range of tenants' incomes in a housing project than would be possible without skewing.*

Program 4

Interest-Free Loans to Limited-Profit and Nonprofit Developers to Enable Them to Fall Within Federal Cost Limitations on Low- and Moderate-Income Housing.

Federal programs have almost exclusively assisted housing by reducing financing costs through mortgage loans, mortgage insurance and interest subsidies. The 1968 Housing Act expands these programs. Due to the existence of substantial federal assistance some states may not wish to engage in the same form of assistance. (As described in Program 3 above.)

Substantial reasons still remain, however, for states to make supplemental loans to developers to enable them to qualify for federal assistance when they otherwise would not.

The FHA and the Housing Assistance Administration (HAA) continually have under consideration proposals for housing projects which have been slowed or found infeasible because proposed costs exceed maximum federal cost limits. In many cases federal cost limitations simply may not adequately reflect local cost factors. Costs per unit for a project might, for example, exceed the federal maximum by as little as five to ten percent; yet, as the developer spends perhaps months redesigning his project to bring unit costs in line (often sacrificing desirable design features in the process), increases in construction costs during the redesigning period might well consume whatever other savings were managed. This tedious process causes many units of badly needed housing to die on the drafting boards.

State assistance can remedy this and similar cost problems. To reduce the total federal mortgage assistance amount to within maximum federal cost limits, the state could provide an interest-free loan to the developer of up to ten percent of his cost to supplement his FHA-insured financing. Repayment of the state loan would be deferred until after the federal mortgage loan is paid off or refinanced.

The state loan is secured by a state lien on the project. The loan is subordinated to the FHA-insured mortgage. It becomes a first lien after the

* To lower rents, Illinois, Massachusetts and New Jersey also have enacted state rent subsidy programs to pay the difference between the amount a low-income family can afford to pay and the rents on state-assisted projects.

Other states, however, may wish to delay initiating rent supplement programs until they see how two new sections of the 1968 Housing Act are administered.

Section 202(b) allows federal rent supplement payments to be made to state-assisted projects.

Section 236(b) allows the new federal interest reduction payments to be made for state-assisted housing. These payments will make up the difference between normal rents on a state-assisted project and the rentals which tenants can afford to pay if they pay 25 percent of their income for rent. The payment cannot exceed an amount which would lower the effective interest rate on the project mortgage paid from the rentals to less than one percent.

These combinations of state mortgage loan and federal rent supplement or interest reduction payments give promise of housing families of low income in state-assisted housing.

It does not appear, however, that in many cases the state below-market-interest-rate mortgage loan and the federal interest reduction assistance will combine to reduce rents below the amount they would be if the mortgage were FHA-insured at market-interest rates under the federal program, and not state-assisted at below-market-interest rates.

The federal interest reduction payment may not exceed the amount a mortgagor "is obligated to pay under the mortgage" and the amount he "would be obligated to pay if the mortgage were to bear interest" at the rate of one percent. To the extent this one percent limitation on federal assistance comes into play, the state below-market-interest-rate mortgage loan would simply reduce the federal subsidy by lowering the amount the mortgagor "is obligated to pay." In the absence of the state below-market-interest-rate mortgage loan, the federal government would make higher payments on the basis of FHA-insured market interest rate mortgage.

FHA-insured mortgage is paid off. (FHA has indicated approval of this type of state assistance, since technically it does not constitute currently prohibited secondary financing.)

The state loan is well secured. Even were the improvements on the property to be depreciated completely by the end of the FHA-insured mortgage period, the land would still remain to secure it.

The small state loan brings high returns. If the state were, for example, to finance ten percent of the project cost with its supplemental loan, the state loan would call forth ten times its amount in private and federal investment.

Program 5

Construction Loans to Limited-Profit and Non-profit Developers of Low- and Moderate-Income Housing.

The recent tight money situation and the general shortage of long-term mortgage financing in some areas have hampered the development of low- and moderate-income housing. Despite a commitment on the permanent financing by the federal government and in some cases FHA insurance of the interim construction loan, conventional loans have often been unavailable to finance the construction of housing in the interim period before the permanent financing takes place.

When interim construction financing is available for low- and moderate-income housing, the developer is often required to pay high rates, thus increasing housing costs.

The shortage and high cost of short-term construction financing can thus be a substantial bottleneck to the production of large amounts of low- and moderate-income housing.

State authority to invest millions of dollars of cash resources not immediately required for expenditure provides leverage to encourage banks to meet public objectives.

In January 1967, the state of Illinois announced a State Investment Program to forge a new partnership between the public and private sectors—between public treasuries and private banks. The program was implemented through administrative action by the state treasurer.

Under this program deposits of state funds are made in banks agreeing to make interim financing available for construction of low- and moderate-income housing. Working with FHA and several banks in the Chicago area, the state agreed to deposit, at competitive interest rates, about \$90 million in those banks which in turn were willing to invest equivalent sums for interim



financing of federally insured housing for low- and moderate-income families. This action was instrumental in clearing the backlog in Illinois in 221(d)(3) housing.

As of October 1968, \$288 million were allocated to qualifying banks in proportion to their outstanding loans. Additional sums for time deposits have been made available where needed by banks to meet special public needs. Those varied needs have included programs other than housing.

The Illinois plan involves no sacrifice to the state of earnings on its investments, or greater risks of loss.

Where this state stimulus is not possible and construction financing is difficult to secure, states might make or participate in providing interim construction loans at below-market-interest rates to developers of low- and moderate-income housing. A state could borrow its loan money through the sale of tax-exempt bonds and establish a revolving loan fund. Since construction financing is short-term, such a revolving fund would have a rapid turnover. Thus, a limited amount of money could finance a large number of projects. No net cost to the state would be incurred, and a state could in fact earn a sum on its loans sufficient to pay borrowing costs and the costs of administering the program.

Program 6

Financial Assistance for Acquisition and Sale or Lease of Housing Sites for Low- and Moderate-Income Housing at Market Value or Less Than Market Value.

A state program of assistance for land acquisition can: (1) increase the incentive of limited-profit developers to construct low- and moderate-income housing; or (2) help assemble large housing sites and, where justified, lower the cost of housing by writing down the cost of the land through its sale or lease to a nonprofit housing developer at less than fair market value.

(1) *Increasing the incentive of limited-profit developers to construct low- and moderate-income housing.*

Nonprofit housing sponsors alone cannot build or rehabilitate six million houses in the next five years. The private developer can produce a large share, either by building "turnkey" public housing (public housing developed by a private developer rather than the local public housing authority) or by operating as a limited-profit sponsor developing low- and moderate-income housing. Since 1961, when FHA assistance for moderate-income housing began, 42

percent of its projects have been built by limited-profit sponsors and 58 percent by nonprofit sponsors.

As a limited-profit sponsor the private developer is allowed a regulated return before taxes on its equity investment in a housing project. In FHA programs this is usually six percent. With the benefit of early writeoffs and other favorable investment factors to which a developer is entitled under the law, he can substantially increase his after-tax return above this amount.

Yet even with the favorable rate of return presently allowed under the law, only a small number of units of low-risk, moderate-income housing projects have actually been built by limited-profit developers, principally at times when other construction business has been slow.

To increase the incentive for a limited-profit developer to build low- and moderate-income housing, states could leverage the federal program by financially assisting communities to purchase land and to lease it to a developer at favorable terms without loss to the states or the municipalities. Land purchase and lease frees the developer from investing substantial capital in land, which cannot be depreciated, and substitutes an annual rent on the lease which is a deductible expense, thus increasing his after-tax return.

Such land purchase and lease would also lower the cost of housing by enabling lower sales prices or rents.

States may be able to obtain the money needed to help municipalities purchase and lease land by floating state-guaranteed, tax-exempt bonds which are repaid from rent receipts under the lease. The financing is analogous to state financing of industrial parks.

(2) *Assembling land and reducing the cost of low- and moderate-income housing.*

The increasingly high cost of suitable land in metropolitan areas is a major factor in boosting housing costs beyond the reach of low- and moderate-income families.

The federal government does not provide financial assistance in writing down land costs for housing except in urban renewal areas, which, for the most part, have been in the central city. Section 506 of the 1968 Housing Act, however, now allows federal assistance for "write downs" of open land in declared urban renewal areas for low- and moderate-income housing. But designating urban renewal areas and receiving federal funds is a long and cumbersome process, involving more than writing down land costs for housing projects.

Additional state assistance to communities

assembling and developing land for low- and moderate-income housing outside of urban renewal areas would give substantial aid to the large-scale production of low- and moderate-income housing. By use of the community's eminent domain powers, large tracts of land could be assembled. With state aid a municipality could sell or lease the land at less than market value to nonprofit developers where the write down was to be reflected in lower rentals or sales prices.

Program 7

Financial Assistance for Acquisition of Substandard Housing and Its Sale or Lease at Market Value or Less Than Market Value for Rehabilitation for Low- and Moderate-Income Housing.

Systematic rehabilitation of housing in the core or "gray areas" of cities is an important part of the nation's housing program. The federal assistance needed to clear these areas for the development of new housing is greater than is likely to be made available in the foreseeable future. Even if the money were available, the dislocation and disruption involved in clearance and reconstruction would weigh heavily against total reliance on clearance as a renewal instrument.

Of the six million standard houses that the Department of Housing and Urban Development sets as a production goal, two million (one third) are intended to be rehabilitated structures.

Housing rehabilitation could be increased greatly if the states were to help municipalities purchase substandard houses and resell or lease them to nonprofit developers which would rehabilitate them for sale or rental as low- and moderate-income housing.

With state aid a municipality could sell or lease the substandard houses at less than market value where the write down was to be reflected in lower rentals or sales prices.

In addition, a judicious use by a locality of its power of eminent domain would enable a systematic rehabilitation of all declining properties in a neighborhood or on a block, rather than the rehabilitation of only those houses which are on the market, as is now generally the case. This systematic rehabilitation has a greater effect in upgrading entire neighborhoods.

Program 8

Reimbursement to Communities for Abatement of Normal Property Taxes on Public Housing or Moderate-Income Housing; Payments to Cover

Extra Public Service Costs Incurred by Localities on Account of This Housing.

Under the federally assisted public housing program, communities are required to abate real estate taxes on the project. They receive a payment in lieu of taxes of approximately ten percent of the rentals of the project. This reduction of tax income to communities has proven to be an important barrier to the production of public housing. State payments to make up the difference between what the public housing pays in taxes and the normal tax bill would help communities to provide needed public housing.

On the other hand, local property taxes often account for between twenty and thirty percent of the rents paid by occupants of FHA-assisted moderate-income housing. These projects are usually taxed as though they were conventional apartments even though the rental income they produce is limited by FHA. State payments to communities to reimburse abatements of normal local property taxes on federally and state-assisted housing would be a potent device to lower rents.

An additional barrier, even if full taxes are paid by or on behalf of low- and moderate-income housing projects, is the higher cost of public services for occupants of higher density housing, e.g., schools, playgrounds, social services.

State payments to communities in excess of local taxes to meet these extra costs would provide an inducement to communities to accept low- and moderate-income housing. This inducement would assist in locating low- and moderate-income families outside central cities, closer to places of expanding employment. Gearring these payments to an industrial development program would help relieve labor shortages which increasingly inhibit economic growth of outlying areas.

Program 9

Administration of Low- and Moderate-Income Housing Assistance Programs.

States administer housing assistance Programs one through eight in varied ways. A pattern of clustering programs designed to encourage the construction of low- and moderate-income housing—seed money loans and grants, technical assistance, construction loans, tax abatement—around the core program of making below-market-interest-rate loans to developers has, however, emerged in several states.

These programs are then either administered directly by the state with the below-market-

interest-rate loans being made from a housing development fund. Or they are administered by a separate public benefit corporation, sometimes called a Housing Development Authority or Housing Finance Agency. State constitutions may well dictate this choice.

The important factor in administering these programs is to assure that one responsible agency has the authority to combine them imaginatively.

For example, a state seeking to increase the production of low- and moderate-income housing and homeownership by low- and moderate-income families, might administer each of the first eight assistance programs described.

The state could make seed money loans or grants and give technical assistance to help establish sponsors.

It could help finance projects by making construction loans and permanent mortgages to developers. And it could make additional loans to lower the costs of projects which exceeded FHA maximum cost limitations.

Where sponsors did not exist it could develop projects itself.

It could assist communities in purchasing and leasing housing sites or houses for rehabilitation. The sales or leases could either recover fully the state's costs or, if needed, could assist the project by recovering less, i.e., by writing down the land.

It could help to reimburse communities for abated taxes where needed.

And, in addition to the first eight programs, the state might be given some un earmarked demonstration funds to devise new ways of meeting its housing problems.

For example, using demonstration money, the state might:

- make equity loans to developers of cooperative housing to enable moderate-income families to purchase their houses on a cooperative basis with a minimal down payment and liberal financing of the balance over a period of years, or
- establish a rent assistance program to fill in gaps in federal programs whereby houses would be purchased or leased by the state and then leased or sublet to low-income families at reduced rentals.

To finance loan-type programs, such as seed money loans, construction loans, below-market-interest-rate loans, and purchase and leasing of land, the state would issue tax-exempt bonds (guaranteed by the state where the state constitution permitted). Grant programs and other assistance would be financed by state appropriations.

II. Increasing Housing Choice



Program 1

A Comprehensive Fair Housing Law Establishing a Strong Enforcement Agency.

The landmark June 17, 1968, Supreme Court decision, *Jones vs. Mayer Company* (20 L.Ed. 2nd 1189), interprets an 1866 Civil Rights law (guaranteeing to all citizens the right "to inherit, purchase, loan, sell, hold, and convey real and personal property") to prohibit racial discrimination in the sale or rental of housing.

The Jones decision, however, is not a substitute for a comprehensive fair housing law. It covers only racial discrimination and not discrimination on the grounds of religion or national

origin. It does not deal with discrimination in the provision of services or facilities in connection with the sale or rental of a dwelling. It does not prohibit advertising or other representations that indicate discriminatory preferences. It does not cover discrimination in financial arrangements or in the provision of brokerage sources.

Nor does it provide for administrative assistance to aggrieved parties or enforcement. And although courts can fashion effective remedies to enforce the 1866 statute, the statute contains no provision expressly authorizing a federal court to issue injunctions or to order payment of damages.

The 1968 Civil Rights Act, on the other hand, covers these specific acts of discrimination omitted in the 1866 statute and fashions administrative and legal remedies as well. The remedies, however, are not strong enough to provide adequate relief in many cases for those who suffer discrimination. The Secretary of HUD may investigate complaints. His powers, however, are limited to conference, conciliation and persuasion. He may not issue an enforceable administrative remedy.

For enforceable relief under federal law, the aggrieved party must himself generally go to court. (The Attorney General may bring suit based on a pattern or practice of discrimination or a denial of rights to a group of persons that raises an issue of general public importance.)

The 1968 Civil Rights Act, however, invites strong state action to guarantee fair housing. Section 810(c) provides that wherever a state (or local) fair housing law provides rights and remedies at least substantially equivalent to rights and remedies in the 1968 Act, the federal government will defer to the state in its enforcement activities.

Thus, in enacting a comprehensive state fair housing law and in establishing a strong state fair housing agency to secure the constitutional rights of racial and other minority groups, states would be filling the gap in federal legislation and taking advantage of the priority extended to state legislation by section 810(c) of the 1968 Act.

A strong and comprehensive state fair housing law should:

- establish an enforcement agency with adequate staff and appropriations to enforce the law;
- empower the enforcement agency to receive complaints from citizens, from appropriate state officials, and to initiate complaints on its own motion;
- ban all discrimination on the grounds of

race, religion, or national origin in the sale or rental of all property, including:

- refusal to sell or rent,
- discrimination in the terms or conditions of a sale or rental,
- use of advertisements or applications which express or imply any such discrimination,
- discrimination by real estate salesmen or brokers, or
- discrimination by lending institutions;
- empower the enforcement agency to use temporary injunctions on sale or rental during its investigation of a complaint;
- empower the enforcement agency to conciliate, issue cease and desist orders, require appropriate affirmative acts to cure the discrimination;
- provide penalties for a failure to comply with the enforcement agency's orders;
- subject the enforcement agency's orders to judicial review, and
- empower the enforcement agency to carry on appropriate research and education programs to eliminate housing discrimination.

Program 2

Financial Assistance to Nonprofit Metropolitan Area Housing Information Centers to Aid Families in Finding Decent Housing.

In most communities the existing supply of decent housing for low- and moderate-income families is not limited to the central city ghetto or to its gray areas. It is often found in other parts of the metropolitan area as well. The lack of information on available rental and sale housing throughout the metropolitan area, however, is a substantial barrier to the movement of families out of declining neighborhoods of the central city. Families in the housing market need help in finding housing they can afford, convenient to their jobs, and located in good school districts.

A nonprofit metropolitan area housing information center would list available housing, interest low- and moderate-income families in moving to areas with which they are initially unfamiliar, escort them on inspection of houses, educate the community to the need for providing more housing for low- and moderate-income families and undertake other associated activities.

The Metropolitan Denver Fair Housing Center, Inc. is the principal example of a housing information center providing these kinds of services. It is supported by private, local govern-

ment, state and federal grants.

There is presently no regular source of funds for the support of housing information centers. States might make grants to help establish and operate such centers.

Program 3

Priority Assistance to Developers Which Have Affirmative Plans to Locate, Promote and Manage Their Low- and Moderate-Income Housing Projects to Achieve Integrated Housing.

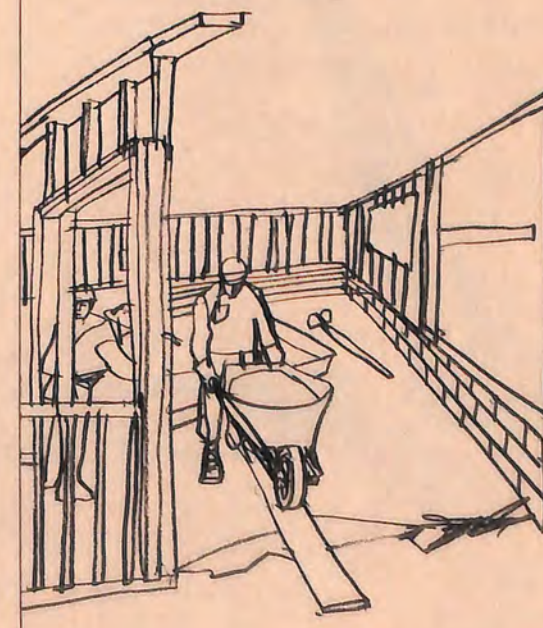
Racial integration of housing projects or neighborhoods rarely occurs without deliberate measures by developers.

Low- and moderate-income housing must be located in areas where housing for these families does not exist in great numbers.

The housing must be affirmatively marketed with minority communities not accustomed to considering housing so located.

Rental projects, if they are to become and remain integrated, must be managed with this objective always in mind.

A state can encourage developers to locate, market and manage projects with the objective of achieving integration by giving priority on its state assistance (Programs one through eight) to developers with affirmative and practical integration plans.



III. Improving Building Codes

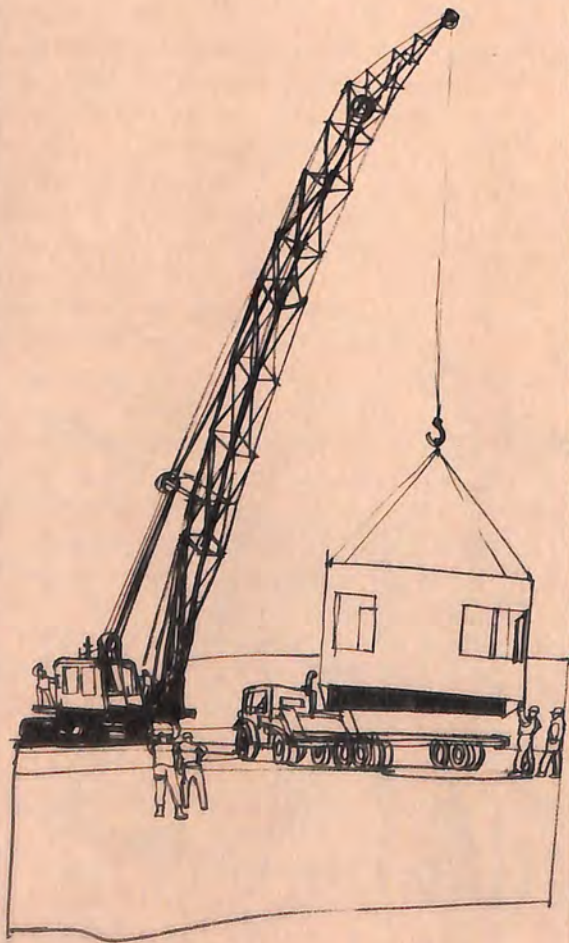
Program

A Model Building Code Embodying Performance Standards for Permissive Adoption by Communities; A Building Codes Appeal Board; Aids for Building Inspection.

In most states, communities enforce differing and generally outdated building codes. This profusion of outdated codes has tended to raise building costs by perpetuating the outmoded and uneconomic use of building materials and building techniques and by restricting the natural play of economies of scale in the construction industry. Higher building costs, in turn, unnecessarily restrict the availability of decent housing for low- and moderate-income families.

States might assist communities to improve their building codes and building codes enforcement. Specifically they might:

- authorize the development of a state model building code utilizing to the greatest extent possible performance standards for permissive adoption by communities. (To maintain uniformity the state should specify that the code would be automatically amended when state amendments were adopted, and that communities might only alter the model code upon specific approval of the administering agency);
- establish an appeals board to hear appeals from decisions on the administration by communities of the state model code or other codes adopted by communities;
- require that state and local government agencies utilize the state model code for public construction;
- require that the state model code be used for federal or state-assisted nonpublic construction;
- establish professional qualifications for building inspectors, train and license them;
- establish minimum staffing requirements for community building inspection departments;
- offer building inspection services to communities which do not wish to maintain their own building inspection departments.



IV. Improving Relocation Assistance

Program

A Uniform Relocation Program to Assist Communities to Pay Relocation Expenses and to Provide Relocation Services to Families and Businesses Displaced by State or Local Government Action.

Communities cannot be rebuilt for public objectives without uprooting families and businesses. The public has the obligation to compensate these dislocated families and businesses for the costs of dislocation, and to see that they are relocated in suitable accommodations.

Unfortunately, families displaced by public action are often those with the least freedom in the housing market—the poor, minorities, large families and elderly. Special government efforts therefore must be made to relocate these families successfully.

States might establish a uniform relocation program for families and businesses displaced by state and local government programs. It would give financial assistance to communities in making relocation payments and providing relocation services where federal assistance is unavailable.

To reduce inequities in the treatment between families displaced by federally assisted activities and families displaced by state or local activities, to the extent possible there should be uniformity in the relocation assistance offered to families or businesses displaced by *any* public action—federal, state or local.

Federal urban renewal relocation assistance includes:

- relocation payments to families and individuals which may not exceed \$200 for moving costs and property loss;
- relocation adjustment payments totaling up to \$1000 over a two-year period to families and elderly individuals to assist them to relocate in standard accommodations;
- an additional payment to owner-occupants of residential property acquired for an urban renewal project (in lieu of a relocation adjustment payment) to enable them to purchase a replacement dwelling within one year. (This payment would be that amount, not in excess of \$5,000, which, when added to the acquisition price paid for the owner-occupant's home, equals the average price for an adequate replacement home in the community, and

—relocation payments for moving expenses and reimbursement to business concerns or nonprofit organizations for property loss, up to \$3,000, incurred in their move. (If no property loss is claimed, reimbursement for moving expenses can be made up to a maximum of \$25,000.)

Such payments are covered in full by a federal relocation grant made to the appropriate local agency. If the moving expenses of a business concern exceed \$25,000, the locality may elect to reimburse the excess costs through a local cash payment which will be shared by the federal government through a relocation grant in the same percentage as other urban renewal project costs.

State-assisted relocation agencies should be required to:

- establish a single central relocation agency to offer services to all families needing relocation in a metropolitan area;
- formulate a single relocation plan covering all foreseeable relocations by all government programs;
- see that displaced families are relocated in standard housing that is decent, safe and sanitary;
- relocate families to the greatest possible extent practicable outside of declining areas of the community;
- provide for temporary relocation of displaced families in decent housing where permanent housing is not immediately available;
- pay the expenses of moving the displaced family or business and fix payments to cover other expenses, and
- provide social services to relocated families with such needs.

V. Equalizing Landlord-Tenant Relations



The law governing the relationships between landlord and tenant in the Anglo-American system has not changed substantially since feudal times. Historically the law viewed a lease, not as a contract recording mutual obligations, but as a conveyance of an interest in land subject to conditions. Consequently, the law as formulated by the courts does not adequately, with some recent notable exceptions, reflect the new aspirations and economic realities of an urbanized society. An updating of these archaic laws not only will tend to reduce tensions in our cities by responding to the just claims of tenants, but may instill greater respect for law in general and provide greater incentives for the maintenance of property by those who occupy and own it. At the same time, responding to the valid claims of tenants while ignoring the legitimate interests of those who own and finance housing would not be productive.

Landlord-tenant relations have attracted legislative attention recently in Illinois and Michigan. The Illinois Legislative Commission on Low-Income Housing, in a 1967 report entitled "For Better Housing in Illinois," examined many of the inadequacies in the laws governing landlord-tenant relationships and the enforcement of housing codes in that state. Revisions of these laws were recommended in ways which may be applicable to other states.

Five laws that significantly equalize the rights of tenants have recently been enacted in Michigan. These laws and similar provisions in other states are the basis for the following guidelines.

Program 1

Permit a Tenant to Institute a Housing Code Enforcement Proceeding, to Obtain Specific Relief for Inadequately Maintained Premises, and to Withhold Rent to Secure Code Compliance.

Anti-trust laws, securities laws and other modern regulatory measures have commonly provided for private as well as public enforcement. By contrast, although the tenant is a critically interested party, the enforcement of housing codes has been heretofore generally a two-party affair between the public enforcement agency and the landlord. Tenants have not been allowed to initiate or control enforcement proceedings. Yet their critical concern is justified in view of the fact that in many instances the proceedings can lead to the abandonment of the building, the eviction of the tenants, or a major increase in rent; and the failure to take action would result in the continuance of substandard and often intolerable conditions.

The Michigan law makes housing code enforcement a civil rather than a criminal matter, allowing a tenant to begin court action. The law also creates a variety of court actions that may be taken against landlords, including injunctions or orders permitting the tenant, a receiver or the city to make necessary repairs. The repairs can be paid for out of rents withheld in an escrow fund or by a lien on the property when the landlord is at fault, or by an assessment against the tenant when he is at fault. In Connecticut, state law authorizes municipalities to create repair receiverships with the state advancing the cost of the repairs until rent receipts replenish the fund.

These rent receivership or rent withholding measures are also a housing code enforcement technique. The state of New York, because of its dense patterns of urbanization, as long ago as 1930 allowed New York City residents to pay rent into court rather than to the landlord when a certified code violation exists. The court retains the rent, and evictions are stayed, until the violation is corrected. To stimulate prompt remedial action by the landlord, the law was amended in 1965 to permit the tenant to arrange for heat, electricity, janitorial service or make repairs and apply to the court to have bills paid out of the rent on deposit.

Another method of rent withholding, applicable to New York City tenants, permits one-third of the tenants in an apartment to bring action against landlords when conditions in the building are dangerous to "life, health or safety." The court may appoint an administrator to collect rents and use them to remedy defects.

Rhode Island, Pennsylvania (limited to Pittsburgh, Philadelphia and Scranton), Massachusetts and Maryland (limited to Baltimore) have recently enacted similar measures. In a related problem area, some states (Illinois, New York and Michigan among them) have enacted legislation suspending the legal duty of a welfare recipient to pay, and the right of a landlord to collect rent for housing in violation of applicable housing codes.

Program 2

Prohibit "Retaliatory Evictions."

The term "retaliatory eviction" refers to an eviction undertaken in retaliation for the tenant's complaint to municipal authorities of violations of housing and health regulations. Where landlords have resorted to this practice it has not been challenged. This may result from the law prevailing in most states, where a landlord may

begin eviction proceedings without giving any reason. A few courts, however, have begun to rule that retaliatory evictions violate the tenant's constitutional right to petition for redress of grievances.

The Michigan law enables a tenant to resist an eviction by contending that it is in retaliation for exercising lawful rights, such as complaining to public code enforcement authorities. In addition, the new law reverses the general common law rule that the breach by the landlord even of an explicit promise to make repairs does not excuse the tenant from payment of rent. Thus the tenant may withhold his rent until the landlord makes the repairs he has promised.

Program 3

Require that Every Lease Pledge that Premises Are Fit to Live in When the Tenant Moves in and that the Landlord Will Keep Them in Good Repair.

The common law provides a tenant with little assurance that his dwelling will be comfortable or even habitable. No duty to repair is imposed on the landlord and he is under no duty, in the absence of express agreement to the contrary, to maintain or repair the premises. This rule is so firmly entrenched it is widely felt that specific legislation is required to override it.

In order to correct some of the injustices of the basic rule, courts long ago adopted the fiction of a constructive eviction—which permitted the tenant to move out without payment of further rent if he lost the beneficial use and enjoyment of the premises through lack of heat or light or some similar gross defect. The right to leave, however, is an empty one for the slum dweller.

The Michigan statute, accordingly, specifically places upon the landlord the duty of repair during the term of the lease, and the duty to comply with applicable health and safety laws, except when the disrepair or violation has been caused by the tenant. Presumably, the courts will construe this to give the tenant the right to sue for damages, consisting of the difference in the rental value of the premises as they are and their value if in the condition warranted by the landlord.

Program 4

Require Local Housing Authorities to Give Reasons for Evicting Tenants and Establish a "Board of Tenants Affairs" for Public Housing.

Local housing authorities are instruments for local, state and federal housing policies. Such

authorities are created by the state, subsidized by the federal government, and their members are appointed by the cities. Unlike the private landlord, the local housing authority is not motivated by profit.

The admission and eviction of tenants is the source of most controversy in public housing practices. Because of the silence of most state enabling statutes and the special concern of the federal government with financial aspects of subsidized housing authority operations, the local authority typically sets its own admission and eviction policies. These standards may not be published, or if published may not be clear; they often relate to the "social desirability" of prospective or existing tenants as determined by the management.

Nevertheless, tenants seeking to resist their eviction from public housing projects have found the courts frequently analogizing public landlords with private landlords, or using other rationales to avoid reviewing the merits of such cases. Although there have been exceptions to this rule, the results of most cases leave local housing authorities with power legally to evict, or refuse admission to anyone, without cause. Corrective regulations aimed at "upgrading . . . outmoded management policies" addressed to procedural problems have been issued by HUD. Section 3.5 of the HUD Low-Rent Management Manual ("Procedures Prescribed for the Operation of Federally Aided Low-Rent Housing") requires a local authority to adopt and publicize its admission policies, but does not prescribe policies beyond those imposed by law relative to income, age, disability, race, etc. Section 3.9 prohibits evictions without giving the tenant notice of reasons and affording him "an opportunity to make such reply or explanation as he may wish." Although these rules are intended as mandatory by federal officials, it is not clear that local authorities view them in the same light.

In the absence of an adequate supply of decent low-income housing, the refusal to confer, or the withdrawal of the benefits, of a dwelling in public housing constitutes substantial injury to a potential or existing tenant. It is within the purview of the state to prescribe the manner in which housing authorities deal with applicants and tenants. The ingredients of a policy reflecting commonly accepted standards of fairness might be:

- applicants for admission to public housing should be apprised within a specified period of a determination of ineligibility and given a right to appeal to a body other than the management;
- the reasons for an unfavorable decision

should be clearly and concisely stated in relation to precise standards of admission;

— leases should be written in simple language and effective on a self-renewing basis terminable (for a cause other than exceeding income limitations or nonpayment of rent) only for conduct injurious to other tenants or substantially injurious to the project;

— evictions should be permitted only for good cause with the opportunity for a fair hearing; and

— rights of privacy of tenants should be respected and harassment in the form of fines, charges for repairs, threats of eviction, etc., prohibited.

The Michigan law adopts many of these principles.

Another essential ingredient of a soundly administered public housing program is an increased effort to involve tenants in the management of projects. This may be done through the creation of representative tenant organizations or the representation of tenants on the local housing authority board.

The Michigan law creates for public housing in the City of Detroit a "board of tenants affairs," one-half of which is composed of elected tenant members and one-half by appointees of the mayor. The board may veto rules and regulations of the authority and acts as a binding board of review on decisions of project management or the authority with respect to matters such as denial of admission to or eviction from public housing and rent increases.

A similar Rhode Island measure creates a board of tenants affairs for each city in the state with a public housing project. One-half the board is elected from among tenants occupying housing projects, the others to be appointed by the mayor from residents of neighborhoods in which the projects are located. This board advises the housing authority on tenant welfare, may veto authority rules on admission, occupancy, and eviction policies, and sits as a board of review for individual complaints on these matters.

VI. Enhancing Community Development



Housing without stable neighborhoods served by adequate community facilities will not provide long-term values to our cities and their people. States can take important steps to enhance the environment which supports new and rehabilitated housing. Just as an expanded supply of well-designed housing requires the stimulation of private initiative and assistance to local units of government, balanced community development cannot take place without a continuous partnership between government on all levels and private groups.

Program 1

Provide a Substantial Portion of the Required Non-Federal Share of Federally Aided Community Development Programs and a Substantial Portion of the Cost of Non-Federally Assisted Projects.

The federal programs to aid local community development require contributions to project cost from non-federal sources. These are often in the form of cash but usually in the form of non-cash items such as staff services, parks, schools or other facilities related to the project.

Increasingly, the ability of many localities to utilize these programs is dependent upon their ability to finance the non-federal share of a project.

Connecticut has recently implemented comprehensive community development legislation which, among other programs, extends state financial assistance to localities in the form of contributions to the non-federal share of federally assisted projects. In some instances this kind of help has spelled the difference between federal funding and no local program at all.

Connecticut, for example, funds one-half of the local share of federally assisted urban renewal projects, demolition of unsafe or uninhabitable buildings, construction of neighborhood facilities, and open-space land acquisition. The state contribution to the non-federal share of urban renewal projects actually began in 1955 and has contributed materially to the flow of federal urban renewal funds to cities in that state ever since. A Connecticut city need supply only one-sixth instead of one-third of net project cost. As a result, one dollar of city funds (supplemented by one state dollar) generates four federal dollars instead of only two. The form of state assistance was inaugurated in Pennsylvania as early as 1949, the year the federally assisted urban renewal program was enacted.

Neighborhood facilities, in particular, embrace a wide range of horizon-expanding centers

for persons of low- and moderate-income. These centers house health, recreational, social service, civic, educational, cultural and youth activities that can give residents a sense of identity, community pride and participation. In Connecticut, the state pays half the non-federal share of the cost of building these modern-day settlement houses, and there have been proposals to extend state aid to non-federally aided neighborhood facilities.

In Connecticut, a special state program also assists the development of child day-care centers for disadvantaged children by funding two-thirds of the operating cost to the locality (or an anti-poverty agency). The state normally relies on the application approval by the federal authorities in allocating its own contribution to the locality, thus avoiding unnecessary paperwork by municipal officials.

In New Jersey, the state, in addition to providing one-half of the local share, allows a flexible formula (up to 100 percent) for contributions to the local cost of federally assisted urban renewal projects to the extent they are devoted to public uses.

As a prerequisite to aid for community development programs, Connecticut requires localities to prepare a Community Development Action Plan (CDAP). The CDAP is a community's survey and estimate of its problems and the physical, economic and human resources for dealing with them. The state provides three-fourths of the cost of preparing the CDAP; some of these costs to the state, with respect to CDAPs for communities under 50,000 are in turn funded by HUD. It is vital, however, for a state to assure that these planning requirements do not become a substitute for or an inhibitor of program actions.

The Connecticut Community Development Act, moreover, permits state aid to many projects that do not receive federal funding. In such cases the state provides two-thirds of the cost of the project. A state which participates in the funding of federally assisted projects should retain this flexibility. Some deserving applications will not receive federal funding for a variety of reasons. The state may wish to help localities that have sought federal funding but have not been able to obtain it for reasons unconnected with the merits of the project.

Pennsylvania, for example, has launched an ambitious open-space land acquisition program financed by proceeds of a \$500,000,000 bond issue. This pays for one-half of project cost to the locality.

Although Connecticut only makes grants for specific programs set forth in its statute, states

might consider making a portion of their grant money available in block grants to cities for programs which do not fall within established categories of federal or state assistance. This will encourage local initiative and will help meet individual locality needs.

Program 2

An Urban Development Corporation with State-Wide Authority to Combine State and Private Resources for the Improvement of Metropolitan Areas.

There are many factors inhibiting private, profit-motivated entrepreneurial participation in city renewal efforts on the scale demanded by current needs. Profit-motivated entrepreneurs are used to assuming normal business risks. They are less accustomed to the political and public relations risks associated with publicly assisted programs. And they are disinclined to shoulder the additional commitment of personal and financial resources occasioned by protracted negotiation and processing which often lengthens the development period.

One way to bridge the gap between public control over land use and private entrepreneurial initiative has been indicated in New York. The state has recently created the New York State Urban Development Corporation (SUDS). SUDS is empowered to draw upon the combined talents and resources of the state and private business to work with local governments to produce development and redevelopment projects throughout the state. These projects are intended to include balanced combinations of housing, light industrial, commercial, recreational and cultural developments. As requested by agencies of the state or by cities, the corporation is to consider implementing projects within existing state and city programs.

The corporation board of an urban development corporation similar to SUDS could be one-half comprised of public officials and one-half chosen from the private sector. Initially, the corporation could be funded by the state through the issuance of tax-exempt revenue bonds. Conceivably, the corporation would eventually generate sufficient earnings to cover operating expenses with only investment capital furnished by the state in the form of loans at a rate approximating that of the state's cost of borrowing.

The corporation would plan projects and assemble the land, through eminent domain if necessary. In New York, SUDS has ultimate authority to override local building and zoning regulations. Although SUDS has extensive statu-

tory authority in these respects, it is likely that it will operate most effectively and perhaps exclusively in communities where local governmental and planning bodies are cooperating with the corporation.

Rather than tie up its capital in the actual development of a project, the corporation could encourage private developers to undertake this work.

The corporation could also act as a developer itself where necessary. In such instances, after the project was completed, with long-term financing in effect and the project fully rented or functioning according to plan, the corporation would undertake to sell the project to a private investor or investors. The proceeds of the sale would be applied to the retirement of state loans to the corporation. Pursuant to conditions to be defined, some portion of the proceeds could be retained by the corporation. In some instances, the corporation might find it necessary to take back a lease in order to relieve the investor of the operating or supervisory burdens of ownership.

Conceivably the corporation might eventually cause various real estate investment trusts to be organized. Projects would be sold to the trust with a lease-back by the corporation. If feasible, this could be a method of mobilizing and channeling substantial amounts of private capital into investments to which it would ordinarily not be attracted. Direct investment in real estate and development requires experience, sophistication, and fixed amounts of equity money, with the additional difficulty, especially in the case of residential real estate, of responsibilities to tenants, legal, public relations and political hazards. However, purchasers of the real estate investment trust certificates could enjoy the benefits of real estate ownership and be substantially free of its hazards.

Program 3

Loan Guarantees to Owners of Residential Property and Small Businesses.

Private initiatives are necessary to rehabilitate the economic life and physical facilities of blighted communities. But often these are not forthcoming unless the additional risk of investment in deteriorated areas is reduced.

When needed capital, or bonding capacity, is not otherwise available, states might provide an urban development guarantee fund to guarantee loans made by conventional lenders to owners of residential property and small businesses.

A loan to an owner of residential property would have to be intended to provide housing

for persons and families who could not obtain safe and sanitary accommodations provided by the unaided operations of private enterprise. A business would qualify for a guaranteed loan if it were unable to obtain adequate financing to maintain a stabilized work force or increase job opportunities by virtue of (a) its location; (b) its net assets; or (c) its dollar volume.

The New York Urban Development Guarantee Fund loans are to be used for the purposes of construction, rehabilitation, or refinancing of properties and, in the case of small business projects, for equipment, stock in trade or working capital. The monies of the fund are derived through the sale of debentures and from gifts. The fund is empowered to invest funds held by it and to charge a premium for its guarantees. In the event of default, the fund would pay to the lender the net amount of the loss.

Program 4

Technical and Financial Assistance to Communities to Draft Proposals for Federal Program Grants.

The increasing complexity of application requirements for some federal programs, even those whose ultimate objective is frankly experimental, has outrun the staff resources of many smaller communities.

The federal "Model Cities" program, for example, is intended to demonstrate how the environment and general welfare of people living in slum and blighted neighborhoods can be substantially improved through the orchestration of federal, state and local governmental and private efforts. Cities must submit proposals for planning grants. These proposals are to analyze the social, economic and physical problems of the model neighborhood area, what the city proposes to do about them, and the strategy and administrative machinery it intends to employ.

Under the program, cities with approved planning grants will become eligible for special grants supplementing assistance under existing federal grant-in-aid programs. The required non-federal contribution to every federally assisted project or activity carried out as part of an approved model cities program serves as the "base" for computing the special supplemental grant. The special grant may be up to 80 percent of the total non-federal contribution.

The development of a model cities or urban renewal proposal places a demand on the financial and technical capabilities of many localities. To help them obtain these grants, the state might:

- (a) assist in drafting proposals for federal grants for communities which request technical assistance, and
- (b) make grants to enable those communities which wish to draft their own proposals to hire competent staff and consultants for this purpose.

The strategic injection of assistance in this manner can help to enhance the flow of federal dollars to communities within the state. The purpose of this kind of assistance, however, should be the development of local competence to handle these administrative tasks in the future. It can be applied to a variety of federal grant-in-aid programs.

The New Jersey Department of Community Affairs has been particularly active in helping communities with Model Cities applications to HUD. Pennsylvania, through its Department of Community Affairs, provides similar help with applications for federal assistance for a broad range of programs.

HUD is authorized to make grants to states to provide technical assistance to communities under 100,000 in population. A state program as described here, organized as a special technical assistance effort, might be eligible to receive a 50 percent grant from HUD to cover its costs.

Program 5

Eliminate Constitutional Prohibitions, if Any, on the Involvement of Private Enterprise in Urban Affairs.

A concerted attack on the problems of urban housing and community development requires a public-private partnership. New legal and financial tools and interrelationships must be devised to permit states, local units of government and private groups to marshal their resources in ways not foreseen years ago. Some state constitutions, however, specifically prohibit the use of the state's credit for private undertakings or contain provisions which have been interpreted as precluding tax abatement and other desirable public-private cooperative arrangements.

The Advisory Commission on Intergovernmental Relations, a permanent, bi-partisan body established by Congress to study relationships among local, state and national levels of government, has recommended the following constitutional language to facilitate general cooperative efforts between state and local public agencies and private enterprise:

Notwithstanding any other provision of this constitution, the state, its political sub-

divisions, and any public corporation may, as provided by law, where a public purpose will be served, grant or lend its funds to any individual, association, or private corporation for purposes of participating or assisting in economic and community development.

These basic constitutional changes are important. It is nonetheless vital to recognize, for example, that a program of state aid to localities for urban renewal under existing constitutional provisions can go far to bring about a constructive public-private partnership.

Program 6

A Commission to Review and Assess Modern Techniques of Zoning and Land Use Regulation and to Recommend Legislation to Modernize the State's Zoning Enabling Act.

The period of rapid urbanization since the war has proven the inadequacy of present zoning statutes to control urban sprawl.

The American Law Institute is presently drafting a *Model Land Development Code* to overhaul antiquated state zoning enabling statutes and provide much needed new tools to communities for shaping urban development.

States should authorize the establishment of a commission to review and assess modern techniques of zoning and land use regulation and to recommend legislation for modernizing the state's zoning enabling act. A legislative committee of this nature is now at work in Connecticut, having the benefit of a report on that state's planning legislation. It is drafting specific measures that may have applicability in other jurisdictions.

The prime objective of such a review would be to introduce greater flexibility into typically rigid requirements which inhibit imaginative and progressive land use for community development, and to eliminate the use of zoning powers to undergird economic segregation in residential development.

Program 7

Excellence in the Design of Structures Involving the Use of State Funds or Credit and the Preservation of Public Buildings and Areas of Historical or Architectural Significance.

Stimulation of massive increases in needed housing and community facilities will not achieve durable improvements in urban life unless conscious and unremitting attention is paid to the quality of the structures and public spaces and their sensitivity to the needs of people.

Design quality is not a matter of style or pa-

tina or the application of cosmetic effects. It goes, rather, to the heart of the process by which space is shaped. Delay, inadequate fee arrangements, resistance to innovation, imprudent concern with short-run savings at the expense of long-run viability—any of these will drive superior talent away from design responsibilities in subsidized projects. Great architecture, it has wisely been said, requires great clients. The state, in its manifold direct and indirect role as a potentially "great client," should impress all those who deal with it or serve it as functionaries with the understanding that excellence in the end product is a keystone of the state's housing and community development policies.

The creation of a State Council on Architecture is one means of implementing these objectives. Such a Council has been created in New York to:

- encourage excellence in design of all buildings constructed by the state or under supervision or with assistance of any state agency;
- stimulate interest in architectural excellence in public and private construction throughout the state;
- accept gifts to further its objectives;
- obtain from other agencies of the state necessary cooperation and assistance;
- make grants to municipalities to rehabilitate structures of historical or architectural significance for public purposes.

Whether a council or some other instrument is created is secondary to assuring that what is designed, who is involved in the process, and how the process works is sensitive to user needs and community values as well as the normal economic structures. Even in purely economic terms, costs of managing, maintaining (and protecting) a structure may be sharply reduced by appropriate design in the first instance. The responsibility for analyzing and changing the manner in which public funds are employed in designing community facilities from capital budgeting to maintaining the end result—must be centralized and highlighted.

VII. Developing New Communities

Program

New Community Development Corporations with Eminent Domain Powers; Deferral of Property Taxes during Development Period; State Approval of New Community Development Plans in Lieu of Other Land Use Regulation.

States can participate directly in solving urban problems by encouraging the development of new communities on raw land outside of existing urban concentrations.

New communities offer opportunities both for alleviating the problem of overcrowding in the central city and for overcoming the ugly patchwork sprawl on urban fringes.

By providing a wide range of housing at varying prices, including low-income housing, new communities give promise of economically and socially integrated cities.

Through comprehensive planning, new communities can provide for orderly urban growth using the most desirable locations, timing their development to correspond with area-wide or regional development plans or objectives.

Internally, new communities can use land more efficiently, thereby cutting costs and providing better public services. They can break away from conventional thinking, developing new arrangements in such fields as building codes, land use controls, zoning regulations, public services and governmental structures.

New communities offer unique opportunities to enlist the talents and energies of the private sector in the inevitable expansion in the nation's metropolitan areas. They offer large-scale investment opportunities and new markets. Moreover, they offer a dramatic challenge to the private sector to demonstrate its ability to build new urban environments in a setting relatively free of the many constraints which hamper private initiative in existing cities.

A first step in undertaking a state new community program could be to inventory land now owned by the state which may be deemed surplus to its needs. It may be found, for example, in many states that thousands of acres were purchased in the last century for penal or mental

institutions and hospitals in then rural areas, which are no longer required in the light of modern medical or penal practice. Such land could be retained by the state, but leased to new community development corporations.

To help finance approved new communities, Title X of the Housing and Urban Development Act of 1965 provides FHA insurance of mortgages financing land and improvements for new communities. Title IV of the Housing and Urban Development Act of 1968 provides a federal guarantee of debt obligations of private new community developers. These provisions should ease the financing difficulties of new community developers.

States, however, can remove three other major barriers and thus stimulate the development of new communities within their borders.

First, they might charter new community development corporations which would be authorized to use the power of eminent domain to assemble large tracts of land necessary for the construction of new communities.

Second, they might defer local property taxes during the development period of the new community by temporarily reimbursing developers for local property taxes paid, as an interest-free loan to be repaid when the property is sold, but not later than the end of a stated deferral period.

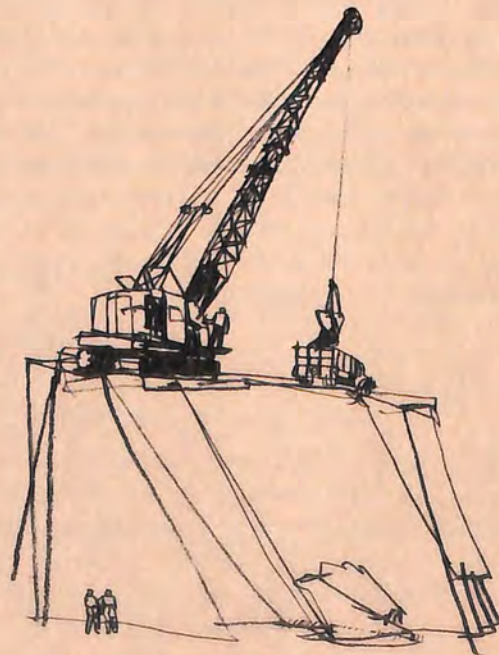
Third, they might provide for state approval of new community development plans which would supersede local land use regulation that would otherwise apply to new community tracts. In many areas where new communities would be located, largely rural local government is unable to respond effectively to the needs of new community developers. Direct state action is needed to speed development or, indeed, to make it possible. State authority would then be relinquished to the government of the new community, once it was established.

A state land should not be leased, eminent domain powers granted, the deferral of local property taxes made, nor state approval of new community development plans given unless a state finds that:

- the development of a new community will make a substantial contribution to the economic and social development of the area in which it is situated;
- the site selected for the new community is sound with regard to projected population trends, the availability of land required, the absence of undesirable topographical or geological features, and the availability of transportation;
- the proposed new community will have a

sound economic base and sound land-use patterns;

- adequate provision has been made for local self-government;
- adequate provision has been made for all necessary public utilities and facilities, including those needed for education, health, transportation, open space, sites for industrial and residential uses, a central business center, and cultural and recreational facilities, and
- adequate housing is available to meet the needs of families of a wide variety of income levels, including a substantial number of families of low- and moderate-income levels.



VIII. Centralizing Administration of Housing and Community Development Programs

Program

A Cabinet Level Department of Housing and Community Affairs Responsible to the Governor, with Responsibility for Administering a Broad Range of Community Aid Programs.

A state's ability to help communities tackle the tough urban problems of poor housing and inadequate community facilities could be greatly increased if responsibility for aid to urban communities were centralized in a single department, agency or individual. Yet, today only a score of states have centralized authority for housing and community affairs programs.

A centralized agency for community affairs, with adequate authority to administer a broad range of community aid programs like those described above, should be able to:

- help communities attract private capital investment and business skills in solving community problems;
- help communities attract and effectively utilize greater amounts of federal assistance;
- help communities attract the financial assistance of private foundations;
- fill the gaps among existing federally-assisted community programs;
- help local governments improve their planning and management of community programs, so that they can better assess community needs and decide the kinds of federal and state assistance that are required;
- help communities develop new approaches to community problems through small-scale pilot programs which, if successful, could be widely repeated;
- marshal state resources for more effective

- assistance to communities;
- provide needed technical assistance to public and private groups, and
- be a clearinghouse for information on assistance available to communities and a coordinator among communities, between state and communities, and between the federal government and communities.

The form a centralized state authority for community affairs will take must fit into the administrative pattern of the state. At least three variations of centralized authority have been adopted:

- a department of housing and community affairs with broad statutory authority (e.g., Connecticut, New Jersey, Pennsylvania, Rhode Island);
- a housing and community affairs administrator with narrower statutory authority (e.g., Alaska, Illinois, Vermont);
- a special assistant to the Governor for housing and community affairs without statutory authority (e.g., Kentucky, Kansas, and North Carolina).

A department of housing and community affairs responsible to the Governor and armed with a full range of community assistance programs is, generally speaking, the best administrative arrangement. It dramatically demonstrates the state's commitment to assist its communities on a continuing basis; it allows the Governor to assert executive leadership, and it may make possible a marshalling of state resources in other programs toward solving community problems. A principal task of the department would be to see that state assistance programs are more directly aimed at aiding communities to solve urban problems.

At the same time, the department as its principal task must direct its energies to helping communities to help themselves. This requires an able staff familiar with both local needs and the federal and state resources available to meet them. It also requires sufficient funding to create incentives to attract community support and capable personnel convinced of their value to the localities they are assisting.

A special program of federal matching grants has been authorized to assist states in providing special training for professional, sub-professional and technical persons to be employed in housing and community development. Many states have already filed plans spelling out specific proposals, but these await federal funding, which is now anticipated. This program may thus provide the key resource for departmental staff development.

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Program 1: Seed money loans, technical assistance and grants.

- Connecticut: 8 Connecticut General Statutes Annotated, secs. 218, 220 (P.A. 522, laws of 1967, sec. 20-21).
- Illinois: Chapter 67 1/2 Smith-Hurd Illinois Annotated Statutes, secs. 308-309.
- Michigan: 12 Michigan Statutes Annotated, secs. 16:114 *et seq.*
- New Jersey: 52 New Jersey Statutes Annotated, secs. 27D-59 *et seq.* (P.L. 1967 c. 82).
- New York: 41 McKinney's Consolidated Laws, article 11.
- Other: Urban America, Inc., *Proposed Kentucky Housing Development Fund; Proposed West Virginia Housing Development Fund.*
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Program 2: State-developed housing.

- Alaska: Alaska Statutes, secs. 18.55.010 *et seq.*
- Hawaii: 8 Revised Laws of Hawaii, 1955, secs. 74-1 *et seq.*
- Vermont: Acts of 1961, no. 212 (as amended by H.B. 447, laws of 1968).

Program 3: Below-market-interest-rate mortgage loans.

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- Massachusetts: 2A Massachusetts General Laws Annotated, Chapter 23 A.
- Michigan: 12 Michigan Statutes Annotated, secs. 16.114 *et seq.*
- New Jersey: 55 New Jersey Statutes Annotated, sec. 14J-5 (P.L. 1957 c. 81); 52 New Jersey Statutes Annotated, sec. 27D-66 (P.L. 1967 c. 82).
- New York: 41 McKinney's Consolidated Laws, article 2.

Program 4: Interest-free loans to developers.

- New Jersey: Senate Bill 859, introduced June 13, 1968.

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- Massachusetts: 2A Massachusetts General Laws Annotated, Chapter 23A.

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Other: Urban America (see Program 1 above).

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Michigan: P.A. 1968, No. 334.

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New York: 41 McKinney's Consolidated Laws, article 11, sec. 575.

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New Jersey: 55 New Jersey Statutes Annotated, secs. 14J-1 *et seq.* (P.L. 1967, c. 81).

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Program 1: Comprehensive fair housing law.

Alaska: Alaska Statutes, secs. 18.80-010-.160.

Colorado: 69 Colorado Revised Statutes, article 7.

New York: 18 McKinney's Consolidated Laws, article 15.

Program 2: Metropolitan area housing information centers.

New York: Senate Bill 4099, Assembly Bill 6026.

Contact:
State Senator Whitney North Seymour, Jr.
State Capitol
Albany, New York

Other: Paul Davidoff, Neil Gold, Harry Schwartz, *A Housing Program for New York State* (1968).

Contact:
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New York, New York
Metro Denver Fair Housing Center, Inc.

Contact:

Richard E. Young, Chairman
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Program 3: Priority assistance for integrated housing.

III. Improving Building Codes

Program: Model building code.

New York: 18 McKinney's Consolidated Laws, article 18.

Other: Advisory Commission on Intergovernmental Relations, *1968 State Legislative Program*, pp. 287 *et seq.*

IV. Improving Relocation Assistance

Program: Uniform relocation program.

Connecticut: 8 Connecticut General Statutes Annotated, sec. 219 (P.A. 522, laws of 1967, sec. 24).

Maryland: 33A Annotated Code of Maryland, sec. 6A.

New Jersey: 52 New Jersey Statutes Annotated, secs. 31B-1 *et seq.* (P.L. 1967 c. 79).

Other: Advisory Commission on Intergovernmental Relations, 1968 State Legislative Program, p. 264.

V. Equalizing Landlord-Tenant Relations

Program 1: Means to secure code compliance.

Connecticut: Community Development Act.

Illinois: "For Better Housing in Illinois," Report of the Legislative Commission on Low-Income Housing (April 10, 1967).

Maryland: Code of Public Laws, Baltimore City, 1949 ed., sec. 459A.

Massachusetts: Mass. Gen. Laws Anno., Ch. 111, sec. 127H (1967).

New York: Real Property Actions and Proceedings Law, sec. 755 (McKinney Supp. 1966).

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Michigan: Mich. Stat. Anno., sec. 16.414 (3) (Supp. 1968).

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Program 2: Evictions.

Michigan: Laws of 1968, P.A. 297.

Program 3: Private obligation to repair.

Michigan: Laws of 1968, P.A. 295.

Program 4: Public housing policies.

Michigan: Laws of 1968, P.A. 267, 344.

Rhode Island: R.I. Gen. Laws Anno., 45-25-18 (House Bill No. 1605, Laws of 1968).

Other:

The American Bar Foundation, under contract to the U.S. Office of Economic Opportunity, is preparing a "Model Landlord-Tenant Code." The final report, expected to be available by January 1969, will consist of a statutory text together with relevant notes and comments. Its purposes include the codification of existing Landlord-Tenant Law, as well as the suggesting of useful changes. The Code is designed for eventual submission to the various state legislatures after initial submission to the National Conference of Commissioners on Uniform State Laws.

Contact:

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Chicago, Illinois 60637

VI. Enhancing Community Development

Program 1: Financial assistance for community development programs.

Connecticut: Community Development Act, P.A. 522, Laws of 1967.

New Jersey: State Aid for Urban Renewal Projects, Laws of 1967, c. 80 (NJSA 52:27D-44 *et seq.*).

Program 2: Urban development corporation.

New York: Chap. 174, Laws of 1968.

Program 3: Loan guarantees.

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Program 4: Assistance to obtain federal grants.

New Jersey: Laws of 1967, c.82 (NJSA 52:27D-59 *et seq.*).

Program 5: Constitutional reform.

Other: Advisory Commission on Intergovernmental Relations, *State Legislation Program for 1969.*

Program 6: Zoning and planning reforms.

Connecticut: New Directions in Planning Legislation, American Society of Planning Officials.

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Other: American Law Institute, *Model Land Development Code.*

Contact:

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Program 7: Improving design quality.

New York: Chap. 982, Art. 22, Laws of N.Y.
Contact:

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VII. Developing New Communities

Program: Aiding the development of new communities.

New York: Laws of 1968, Chapters 173, 174.
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VIII. Centralizing Administration of Housing and Community Development Programs

Program: A centralized department of housing and community affairs.

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New Jersey: 52 New Jersey Statutes Annotated, secs. 27D-1 *et seq.* (P.L. 1967, c.293).
Pennsylvania: Reorganization Plan 2, Act 582, 1965, Reg. Sess.

Further information concerning the operation of the state programs referred to can be obtained from the following officials:

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The Urban Coalition Report

December 1968

Community

The following statement is an excerpt from a recent speech by John W. Gardner, chairman of the Urban Coalition:

Today one of the gravest handicaps to the local community, one of the things that prevents it from pursuing any of its purposes effectively, is the fragmentation of the community itself—and the fragmentation of community leadership.

I saw this at first hand when, as Secretary of Health, Education and Welfare, I had to visit all of our major cities—and many not so major. I found that the typical American city was split up into a variety of different worlds that were often wholly out of touch with one another.

The suburbs were out of touch with the central city. Business, labor and the universities were three wholly separate worlds—as far apart as worlds can be. City Hall was usually out of touch with the ghetto and often out of touch with the ablest and most influential people in the city. The most ominous rifts, of course, were the rifts involving various minority communities, most commonly the black community, but in some parts of the country the American Indian or Mexican-American community.

As I traveled around, I observed that these fragmented worlds were often terribly ignorant of one another, and that the ignorance bred fear, and the fear bred hostility. These cities were not communities. They were encampments of strangers.

Is it surprising that cities so fragmented have great difficulty in solving their problems, great

difficulty in even formulating their problems? Long before the riots, it was apparent to everyone who studied these matters closely that communities so riven could not weather a storm without cracking wide open.

The storms came—and they cracked wide open. One after another. Like all structures under stress they cracked along the lines of their internal weaknesses. The rift between black and white communities was usually the main issue but when the city tried to pull itself together to face that issue, it found its capacity to do so greatly diminished by the other rifts within the community—between business and labor, between suburb and central city, between police and citizen, between young and old.

Nothing is more clear than that no major city can or will solve its problems without first repairing some of those devastating gaps in communication.

In some respects it is harder to accomplish that repair after the troubles that have occurred. In some respects, of course, it is easier. Some people respond to trouble affirmatively, redoubling their efforts to act constructively. But others, both black and white, respond to the interplay of violence and counter-violence with deepened anger, fear, hostility and a desire to strike back.

We shall see a good deal more of those emotions before we're through. But they won't solve a thing.

Sooner or later we are going to have to sit down together and figure out how we can create communities that we can all live in, all believe in, all be proud of, all defend.

The sooner we get on with it the better.

The Urban Coalition was formed precisely with that task in mind. I would emphasize the importance of the coalition principle. Some people think of the Coalition as just another organization tackling the tough urban problems of the day. But it is unique. Our distinction is that we bring together segments of American life that do not normally collaborate in the solution of public problems.

Because of the need for such collaboration at the local level, the national organization has helped to form local coalitions. There are now local coalitions in 39 cities. As in the case of the national, each local organization includes representatives from a variety of leadership segments in the community—the mayor, business, labor, minority groups and religion. And we encourage the participation of other relevant elements—the universities, the schools, the press, the professions.

The coalition principle requires that minority groups be represented in the effort to solve community problems. And such representation is itself a step toward solving the toughest problem of all—effective dialogue between minority communities and the dominant elements in the city.

Such communication is difficult. It requires hard work and patience and imagination on the part of every person involved. But there is no alternative, unless we are willing to see our cities torn apart. The one encouraging thing I can say to you is that communication *is* possible. We have proven that over and over again.

When a crisis strikes it is too late to begin the long, arduous process of building effective channels of communication. If there is to be fruitful collaboration between black and white communities it must begin and be tested in a non-crisis atmosphere. Then when trouble strikes, if it does, men who have learned to work together and trust one another can go into action together.

I have not dealt with many substantive problems of the cities—fiscal and governmental problems, housing, jobs, education, health services, economic development and so on. The Urban Coalition is interested in all those problems, but we are not free to choose the particular problems to which we shall give our attention. The priorities are thrust upon us.

There are issues so explosive that if we ignore them we shall be overtaken by events—and then every problem on the list will be infinitely harder to solve.

The goal that takes precedence over all others is to begin to heal those rifts that are now making many American cities quite incapable of *any* kind of healthy problem solving. We can heal those rifts. We can heal them through the process of coalition, *if* the most influential citizens in the community will lend their strength and their presence, *if* all significant elements in the community are fairly represented and *if* all concerned are unsparingly honest in facing the toughest issues.

In a number of American cities today those conditions are being met in local urban coalitions—the most influential citizens *have* stepped forward, all significant elements in the community *are* represented and the toughest issues *are* being faced.

Once the significant elements in the community begin to work together, once they begin to think as a community and act as a community, all kinds of things are possible. Then they can give city government the kind of intelligent support it needs; they can make the needs of their city felt at the state and Federal level; they can see how all the various Federal, state and local programs fit together; they can provide strong citizen support for Federal programs that are working and strong citizen criticism of those that are not working.

And most important of all, perhaps, they can look ahead.

National Relations Office

An Office of National Relations has been established within the Communications Division of the Urban Coalition to “broaden support for the Coalition and its objectives,” John W. Gardner, chairman of the national Coalition, announced.

The new office is under the direction of Christopher Mould, former executive assistant to Mr. Gardner. Before joining the Coalition last year, Mr. Mould was chief of the Federal Programs Division of the Justice Department’s Community Relations Service.

The associate director of the new unit will be Fred Jordan, who is leaving the post of Deputy Assistant Director for Operations and Technical Assistance of the Model Cities Administration. Mr. Jordan is a former deputy director of the California Office of Economic Opportunity, a division of the governor’s office.

Brian Duff, vice president of the Communications Division, said the mission of the National Relations staff will be to establish liaison with other national organizations and with Federal agencies and to seek ways for the national Coalition to cooperate with others in solving urban problems.

Action in Newark

The Newark, N.J., Urban Coalition has a shorter history than many of the 38 other Coalitions launched since August, 1967. But its formal incorporation in April of this year has been followed by planning on a large scale and some substantial steps toward improvement of the city’s economy.

Newark has the second highest proportion of Negroes in its population of all American cities; it is more than half Negro, and another 10 per cent is Spanish-speaking. A report by the city’s Office of Economic Development showed that generally this 60-plus per cent lives at a much lower economic level than the rest of the population: It is largely unskilled and untrained, and it has few resources except labor to offer to Newark’s economy. Projections indicate the downward trend will continue as the gap widens between the character of the population and the types of jobs available. Growth is expected to come in the non-production industries that require the greatest skills, not in trade employment which could absorb the unskilled workers.

The Greater Newark Urban Coalition, in a broad “Plan of Action,” has proposed the establishment of a Community Development Corp. that could be the key to the city’s economic development. As the Coalition sees it, the objective is to “forge for Newark a community-wide organizational capability that will be able to deal effectively with the wide range of problems that are rooted in the economic dependency and weakness of the indigenous population of the

ghetto.” The Community Development Corp. would be owned, operated and managed by ghetto residents. It would run all antipoverty services, but more importantly would also own and manage businesses, own and manage housing and represent the community in renewal planning and other phases of public policy.

One of its goals will be to become involved in businesses which are job producing with a market for its products or services both inside and outside of the ghetto. The Coalition is now organizing this corporation so that it will qualify for 502 loans from the Small Business Administration as well as grants and loans from the Economic Development Administration and other sources.

Solid impetus was given the Coalition’s “Plan for Action” by the establishment in early October of a \$1 million fund by four commercial banks to provide loans to ghetto businessmen who cannot qualify for financial help elsewhere. Two staff members of the New Jersey Department of Community Affairs have been assigned to administer the loan program through the Coalition office. The Coalition and the private, nonprofit Interracial Council for Business Opportunity will help loan applicants diagnose the problems of their businesses and try to improve their operations.

Coalition president Gustav Heningburg followed the loan fund announcement with word that the organization would move into sponsorship of low-income housing within the next two months. To enter this field, it will establish a housing development corporation with a separate board of directors composed of Negroes and Puerto Ricans. The corporation will provide financial and technical assistance to community groups which wish to sponsor low- and middle-income housing construction under various federal and state assistance programs.

The “Plan for Action” outlined by the Coalition to the community includes efforts—now underway—to organize and charter a black-controlled bank in the city. “The benefits of a full-service commercial bank with a special concern for the financial needs of the minority community are obvious,” it said. It is working also to deepen the commitment of the private sector to a personal loan program for low-income residents. The state has promised to

commit \$150,000 to create a guarantee fund if a matching amount is committed by private interests.

Gerald L. Phillippe

Gerald L. Phillippe, chairman of the board of the General Electric Co. and a member of the Urban Coalition's steering committee, died Oct. 17 at the age of 59.

Mr. Phillippe had worked for General Electric since his graduation from college. He became the company's seventh president in 1961 and was elected chairman of the board in 1963. He was present at the Aug. 31, 1967, emergency convocation at which the Urban Coalition was launched, and for many years he had led efforts to join the private and public elements of society in fighting poverty and unemployment in the cities.

Fresno Expands

From an initial focus on improving local housing, the Urban Coalition of Fresno, Calif., has turned its energies to attacking a broad spectrum of community problems. Since Mayor Floyd H. Hyde called meetings of leaders of all segments of the community to set priorities last January, task forces have been organized in jobs, youth opportunities, housing, entrepreneurship and education.

The first task force to get fully underway was in housing, and the city responded by trading its street beautification and tree planting program for an effort to set up a municipal mortgage insurance fund with an initial appropriation of \$10,000. The experiment lets the city insure home loans which do not qualify for conventional financing. To administer the mortgage program, a Housing Finance Board was established by city ordinance, and it ruled that loan applicants must participate in the HOME (Home Opportunities and Management Education) program. HOME was developed by Fresno State College, at the city's request, to assist people living in substandard conditions to rehabilitate or replace their present housing.

The Fresno Housing Development Corp. was created by members of the housing task force as a nonprofit corporation to assist the city's renewal efforts, and the task force is also assisting the civic redevelopment agency with its General Neighborhood Renewal Area Plan covering 1,900 acres in West Fresno with over 5,000 dwellings. The pilot project, San Joaquin Park, covers 400 acres. Another part of the poverty-stricken West Fresno area, the Edison Manor neighborhood, was helped by the Coalition task force in activating a FACE (Federally Assisted Conservation Effort) project to halt deterioration.

While housing activities were getting started last winter, the mayor invited a Los Angeles businessman who had headed that city's rehabilitation committee after the Watts riots to speak to Fresno business leaders. H. C. McClellan described the Management Council for Merit Employment, Training and Research, which was finding job and training opportunities for minority groups. By March 6, three meetings had been held in Fresno, and 28 industrialists initiated a like program for that city. The Management Council hired an executive director to serve through the summer months, called 200 large companies to a general meeting—and immediately got to work distributing job applicant biographies and unemployment fact sheets along with its statement of purpose.

A raft of personal interviews followed, and a follow-up survey was made later to find out how many disadvantaged Mexican-American and Negro workers had been hired. By mid-September, 401 full-time and 114 part-time workers had been signed on by 146 companies who responded. And by that time, a three-year budget for the Management Council was prepared, a full-time director recruited, a full-time person assigned to work with the Council by the Model Cities Program, and a contract signed with the Concentrated Employment Program to help secure jobs and training for 100 persons in the six months ahead.

High priority has been assigned also to youth opportunities and services. In April a chairman and the nucleus of a task force were selected, and this body was subsequently charged with providing a meaningful summer program for

(Continued on page 9)

Action Council

The Urban Coalition

The 90th Congress and the Urban Crisis

A pamphlet briefly summarizing what steps the 90th Congress took in 1967 and 1968 to meet the crisis of the cities has been published by the Action Council. It is available upon request to the Urban Coalition Action Council, 1819 H St., N.W., Washington, D.C. 20006.

Although the 90th Congress never agreed to "reorder national priorities," as the Urban Coalition Action Council urged, the pamphlet concludes that the Congress "nevertheless showed increasing interest in solutions to the urban crisis and took many positive actions to promote the welfare of the cities."

Legislative subjects covered in the booklet are Housing, Employment, Antipoverty Programs, Food Programs, Education, Health, Law Enforcement and Transportation.

Legislation in 1968

The 90th Congress adjourned October 14, 1968, with a record that went about halfway in meeting the legislative goals of the Action Council.

The greatest achievements of the year were in the housing field—a landmark housing act focused sharply on the needs of low and moderate-income families and a fair housing bill, banning racial and religious discrimination in the sale and rental of homes. The Action Council worked hard for Congressional approval of these measures.

The fair housing law had to weather a Senate filibuster before it came to a vote, but its enactment had the support of both parties in Congress.

The Housing and Urban Development Act of 1968 grew out of legislation submitted by the Democratic Administration, but it also encompassed many Republican proposals. Its enactment was a major bipartisan achievement.

1968 was a year in which Congress was more than ever conscious of the rising federal budget, and the action taken on appropriation bills reflected this concern. Passage of the tax surcharge and the failure to enact a Public Service Employment bill also were linked to the state of the budget and fear of growing inflation.

The Action Council supported the tax surcharge as necessary to solving the problems facing the nation, but it urged that no reductions be made in essential programs such as jobs, housing, education and community services. Congress, however, exempted only the education appropriations from the \$6 billion spending cut that it decided must go hand in hand with the tax increase.

The exemption for education activities came only after appropriations for the major urban education program—Title I of the Elementary and Secondary Education Act, providing aid to schools in impoverished areas—were cut slightly below last year's figures. Appropriations for housing, antipoverty activities and food programs for the needy, however, rose above last year's totals.

Here are some examples:

—Title I education funds. Last year, \$1.191 billion. This year, \$1.123 billion.

—Grants for model cities. Last year, \$312 million. This year, \$625 million.

—Office of Economic Opportunity, the basic antipoverty agency. Last year, \$1.77 billion. This year, \$1.95 billion.

—Food stamp program for the needy. Last year, \$185 million. This year, \$280 million.

At the very end of its 1968 session Congress considered the appropriations that were needed by the Housing and Urban Development Department to get a quick start on the new programs in the Housing Act and to administer the fair housing law. The results were disappointing to the Action Council. Of \$150 million in contracts that HUD planned to sign under the new homeownership and rent subsidy programs, Congress approved only \$50 million. And the appropriation under the fair housing law was even slimmer—\$2 million compared to the request for \$8 million.

The Secretary of HUD, Robert C. Weaver, said October 29 that the cuts in requested appropriations might set back for as much as a year the goal in the Housing Act of achieving 6 million housing units for low-income families in the next ten years. He expressed hope that the next Administration and Congress would approve supplemental appropriations for the homeownership and rental subsidy programs.

By the time Congress adjourned it had extended a number of laws that helped meet problems of the cities. Among these were:

- The Manpower Development and Training Act, which provides money for training the unemployed and upgrading the skills of the underemployed. The Act was extended for four years, but the Public Service Employment program which the Action Council supports was not added to it.

- The Higher Education Act, which includes the Teacher Corps, financial aid for needy students and funds for college construction, and the Vocational Education Act. New programs to help disadvantaged students were added to the two Acts.

- The School Lunch Act, which was amended to make federal funds available to day-care centers, neighborhood houses and summer recreation programs.

- The Juvenile Delinquency Prevention and Control Act, which was changed from an experimental demonstration program to a more permanent program largely under state control.

- The Mass Transportation Act, which furnishes federal funds for improved local transit operations.

- The Federal-Aid Highway Act, which finances major urban highways. New provisions were added to the Act requiring that when hearings are held on proposed routes within a city the effect of the location of the highway on the community environment must be considered.

Desegregation Amendment. A serious threat to the drive for effective desegregation of schools was barely beaten in Congress this year. The Action Council cooperated with other organizations in working to defeat the proposal.

The provision was sponsored by Mississippi Rep. Jamie L. Whitten (D), a high-ranking member of the House Appropriations Committee, and was written into the Committee's appropriation bill for the Health, Education and Welfare Department. After the House of Representatives approved the Whitten amendment in June, the Action Council urged the Senate to remove it from the bill. The provision was not deleted by the Senate but it was made relatively harmless by the addition of qualifying language.

The key part of Whitten's amendment prohibited HEW from "forcing" children to attend any particular school against their parents' wishes. The Senate language prohibited forced attendance at a particular school "in order to overcome racial imbalance." This phrase, which referred to de facto as opposed to discriminatory segregation, was already part of civil rights law. It allowed the Government and the courts to put an end to "freedom of choice" school plans that were perpetuating racial discrimination.

When members of the House and Senate Appropriations Committees met in conference on the HEW bill, Southerners had a majority of the votes and they struck out the Senate's qualifying language concerning racial imbalance. In effect, Whitten's purpose was achieved.

Action Council Chairman John W. Gardner wrote House Speaker John W. McCormack (D Mass.) and the Republican leader, Rep. Gerald R. Ford (Mich.), October 2, asking them to help defeat the Whitten amendment on the House

floor. He said the amendment "raises the real threat of resegregation in many Southern school districts" and "implicitly sanctions racially dual school systems."

On a close 167-175 vote October 3, the House rejected the Appropriations Committees' recommendation and adopted the Senate phrase nullifying Whitten's amendment.

The result is that HEW can continue to withhold funds from school districts that are not making real progress toward desegregation.

Block Grants. Block grants to the states were a feature of two major bills passed by Congress in 1968. These were the Omnibus Crime Control and Safe Streets Act, which provides \$400 million in federal funds to help improve state and local law enforcement activities, and the law extending the Juvenile Delinquency program.

Block grants have become a classic federal versus states' rights issue in the last two years. The principal debate has been on whether funds from the federal government for specific programs should go directly to the communities that apply for them, or whether they should go to the state governments for distribution under a state plan.

A major argument against block grants to the states was raised by Sen. Edmund S. Muskie (D Maine) during the debate on the anti-crime bill. The block grant approach, Muskie said, will foster "continuing political controversies and partisan rivalries between state and local governments, between Governors and Mayors, between urban and rural areas." Muskie pointed out that law enforcement is far more a local than a state problem, just as is education—another field in which block grants have been proposed.

The chief opposing argument was made by Sen. Everett M. Dirksen (R Ill.), whose block grant amendment prevailed on the crime bill. Dirksen warned that if Congress "bypassed" state governments by providing funds directly to municipal governments, the system would lead to "imposition of federal guidelines, restrictions and eventual domination" of the states.

Southern Senators joined Dirksen in supporting block grants. Sen. Strom Thurmond (R S.C.), for example, declared that "the federal government should not deal with local communities, cities, towns and other subdivisions" but only with the states. Sen. Sam J. Ervin (D

N.C.) added that cities are only "creatures of the state."

Administration officials contended that since law enforcement and juvenile delinquency are basically local issues, federal programs should be "community based," involving local people in the planning and operations. The U.S. Attorney General, Ramsey Clark, said it would be a mistake to "thrust the state into the pipeline" between Washington and the local area. Arrangements under which state officials could review and evaluate—but not veto—local plans for the use of federal funds were favored by the Administration.

Action Council Chairman Gardner, commenting on the juvenile delinquency bill in a July 8 telegram to Sen. Joseph S. Clark (D Pa.), noted that "most youth services and juvenile courts are now operated at the local level. Precipitate requirements that all federal funds be channeled through state agencies," Gardner said, "would seriously impair the effectiveness of the juvenile delinquency legislation and in my view would be a grave mistake."

Congress, however, wrote into the bill requirements that federal contributions to rehabilitation and prevention programs, the basic elements of the legislation, be allocated directly to the states. But, each state first has to draw up a comprehensive plan for distributing the money to its communities and get the approval of the Secretary of HEW. The state also has to pay part of its communities' costs in operating the program.

The anti-crime bill allocated in block grants all of the money for planning (\$25 million the first year) and 85% of the money for law enforcement grants (\$50 million). Each state was required to channel at least 75% of its law enforcement grants to communities in the state. The planning money was for setting up and operating state agencies to draw up statewide law enforcement plans.

Local Legislation

Local coalitions have been active this year in urging legislative action by the state legislatures and by city government. They have also made recommendations on bond issues to be voted on by the public.

In Racine, Wisconsin, the local coalition—the Racine Environment Committee—met with the

Mayor and 12 of the city's 18 aldermen to discuss the coalition's program. The Environment Committee urged swift action by the city in applying to HUD for planning funds under the model cities program. Another legislative goal was adoption by the City Council of a housing conservation code so that the city would be eligible for federal funds for low-income housing. This effort was led for the coalition by Paul Cody, the urban affairs manager of the Johnson Wax Company.

The Louisiana legislature recently enacted a law for local option urban renewal, capping a two-year campaign by the Urban Coalition's New Orleans affiliate, the Metropolitan Area Committee. Members of the committee endorsed a Community Improvement Act sponsored by the city administration, prepared and distributed a pamphlet explaining urban renewal, and testified at hearings by legislative committees in the capitol in Baton Rouge. The legislature did not act on the proposal last year, but when the New Orleans group and other supporters of urban renewal resumed the campaign in 1968, the bill passed and was signed by the Governor. The city is now actively working on its urban renewal plans.

On the local level the Metropolitan Area Committee has been seeking reform of the tax structure and has endorsed bond proposals within the city of New Orleans and in an adjoining parish (county).

The Saginaw, Michigan, local coalition has been credited by the Mayor's office with gaining support within the city for passage of fair housing legislation and an unprecedented tax levy for education. The Committee of Concern, the Saginaw coalition, also worked successfully for a county-wide mutual fire assistance pact.

The New York City Urban Coalition's Housing Task Force has set up a legislative subcommittee of ten attorneys to examine what provisions in the housing law are being used or misused. The subcommittee will seek new approaches to housing legislation and regulations, as well as advising on community housing problems.

Testifying before the St. Paul, Minnesota, City Council in October, representatives of the local coalition supported a budget increase sought by the director of the St. Paul municipal human and civil rights department.



Fresno Expands *from page 4*

disadvantaged youth, as well as summer jobs. But this didn't seem enough to the task force members; they wanted a year-round role. In July, representatives from youth organizations throughout the Fresno area were convened, and a Youth Council was born. It includes a voting representative from every youth group, and accepts as members all youth from 15 to 22 years old.

The first official activity was a September panel discussion where a fiery exchange went on among 500 adults and youths on "The Widening Gap Between Youth and Adults." This gap between the generations was not the only one to be faced; one of the specific goals of the Youth Council is to promote interaction and communication among young people from all parts of Fresno. The Council recognizes no barriers, whether city-county, school, church or racial. It has made plans to study such problems as recreation, high school curriculum and drug abuse—studies to be carried out by youth alone.

And the gap between youth and the "establishment" is being tackled by having youths sit in on city commissions and take a role in the decision making—learning about community planning processes at first hand.

Case Study: Minneapolis

Minneapolis, one of the first cities to form an Urban Coalition, has had its first year's experience described in a detailed case study. The report, available from the national Urban Coalition office, was prepared by Michael J. McManus, correspondent for Time Magazine who had been on loan to the Urban Coalition.

Sparked by Mayor Arthur Naftalin, 14 business leaders who had worked together after a 1966 riot in Minneapolis agreed that a long-range attack on the city's problems was needed. Each donated \$1,000 for a citywide study on the possibility of creating a Coalition for com-

munity focus on the problems. To conduct the study they hired Larry Harris, organizer of the Hennepin County poverty program, who was white and had the respect of most white leaders. Sensing distrust by the militant black leadership, Harris asked for a co-director: T. Williams, black staff director of a local community center. Their study found wide agreement on need for a coalition, but real apprehension that business would dominate it.

The businessmen responded by minimizing their role, deciding that only seven of them would sit on a 63-man board. One-third would represent minority and poverty groups, one-third government and agencies, one-third business, labor and religion. A statement of goals was drafted and circulated to 100 leaders by mid-November, and a temporary structure was designed with six-month terms for chairman, staff director and task force heads. Larry Harris became executive director for the first six months. In early December, a single meeting of men from 60 corporations raised the \$45,000 budget, and a six-man staff was planned. "In retrospect, this underestimation of staff needs was the largest single error in launching the Coalition," the report says. "Once the study was completed, things seemed to drag. It was not until Feb. 8 that the first Coalition meeting was held."

Task forces were named on employment, housing and community information. The latter followed up the Kerner Commission Report with an "Anti-Racism Week": Church-goers were given a "sensitivity survey," seminars were held on the shortcomings of the white press, housing industry members were confronted with charges of discriminatory housing practices. In the week following the murder of Dr. Martin Luther King Jr., black members, venting their emotions with violent words, charged that the Coalition was useless and formed a Black United Front to present formal demands. Their 14-point "Recommendations from the Black Community" impressed the white members with the thoughtfulness of the demands and the unity of the community. "The Coalition committed itself to a series of specific actions in direct response to the 14 points," it is reported, but "as painful as it was for the fledgling Urban Coalition to bow (some said 'capitulate') to the demands of the black community, producing action on the

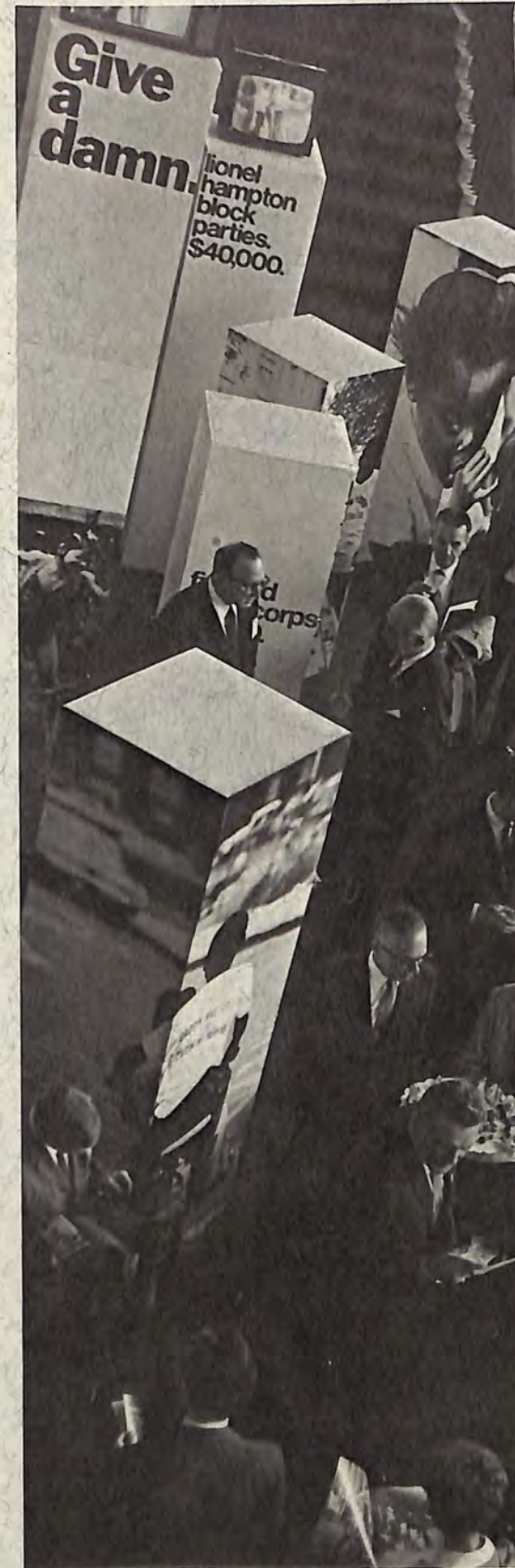
promises was far more difficult. The white man had made new promises, but he did not provide the staff to do the hard work to produce results."

The outcome: frustration on all parts, culminating in an explosive meeting on the six-month anniversary. It was time for a new look at purposes and methods. Larry Harris' temporary assignment as executive director ended at this meeting, and he submitted a series of special recommendations. One was carried out immediately, as Harry Davis, the man the blacks had chosen to negotiate their 14 points, became the new executive director. The appointment had "profound symbolic value," McManus says in his report. "To have a Negro in that post underscored the city's long-term commitment to press the battle against racism and poverty."

Finding that the sharpest cry was for black entrepreneurship, 17 family and corporate foundations formed a consortium and pledged \$225,000 for an equal opportunity fund. A predominantly black subcommittee of the business development task force was formed to decide which applicants for enterprise are to be helped; other committees give technical aid. By early October, \$17,000 made in "soft" loans had drawn another \$64,000 from traditional lending sources to help Negroes open their own businesses.

The housing task force also had produced results. By October the city had added 14 building inspectors to force landlords to maintain property standards; legislation to protect tenants was in the works; the consortium had approved 51 applications and was reviewing 175 more for down-payment funds for needy families. The employment task force helped fill 600 full-time jobs and found 1,470 summer jobs.

Lessons learned in this year: The Coalition cannot be "solely a behind-the-scenes catalytic agent . . .," the case study concludes. It must actively strengthen the black leadership on a broad base, and there must be persistent communication among all parties. It must be funded to afford enough full-time staff to do the job; borrowing personnel initially is only a stop-gap solution. Finally, says the report, the principals "must recognize that they are blazing new trails through perilous terrain. Like explorers, they must have goals, enthusiasm, strength and a vast capacity to be flexible when confronted by the unexpected."



Communications

Brian Duff, vice president of the national Urban Coalition in charge of communications, has announced the appointment of William A. Mercer as deputy director of communications. Mercer has served since April 1964 as executive director of the Business and Industrial Coordinating Council in Newark, N.J., an organization of business, civil rights, industry, labor, education, the major religious faiths and social agencies that has developed more than 15,000 job and training opportunities for the disadvantaged in that city. Mercer is a graduate of the New York University School of Commerce, Accounts and Finance and has done graduate work at the NYU Graduate School of Arts and Sciences.

Report

The Urban Coalition 1819 H Street, N.W. Washington, D.C. 20006

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Third Class

REPORT OF THE LOCAL COALITION DIVISION
TO THE EXECUTIVE COMMITTEE

December 16, 1968

I. Accomplishments of Coalitions

The "older generation" of coalitions, with increasing frequency, is showing tangible and substantial results; the younger coalitions are, in many instances, consumed by organizational problems. Some illustrative accomplishments are listed:

- The Miami Coalition, in collaboration with the United Black Federation, a black organization formed with the encouragement and cooperation of members of the coalition, has taken significant steps to ease police-community relations. It is currently formulating programs in other fields identified as key to Miami's needs.
- Ten (or more) coalitions are aggressively creating entrepreneurship opportunities for minorities. The New York Coalition's Venture Capital Corporation has just made its first loan, in cooperation with the Harlem Commonwealth Council. The complementary Coalition Development Corporation has begun with a case load of 203 entrepreneurs seeking technical assistance. Plainfield and Racine have helped establish small companies. REC Industries, a small manufacturing company established by the Racine Environment Committee now employs and is training 35 "hard core" youths. Both the Philadelphia and New York coalitions have active programs designed to enhance the capabilities and opportunities of minority contractors.
- Most coalitions are striving to relieve unemployment, consistently in collaboration with the local NAB efforts. The New Detroit Committee has found 50,000 jobs; Minneapolis has promoted coordination of NAB efforts with other organizations; Fresno has established a Management Council for Merit Employment; Riverside has formed a Job Opportunities Council; and Tacoma has established a ghetto area employment office which has placed 300 hard-core unemployed.
- The Winston-Salem Coalition has established a Housing Foundation (with a million dollar budget), and has helped finance a housing project for the elderly. Other coalitions with strong housing activities include Detroit, Fresno, Lima, Minneapolis, New York, Philadelphia, and Tacoma.
- The New Detroit Committee is pressing legal action to get more adequate resources for core-city schools. Bridgeport, Minneapolis, and Racine are concentrating on scholarships for deserving minority college students. Detroit also has stimulated the formation of partnerships between schools and major companies,

and Newark has proposed private sector construction and operation of schools. New York has helped find sponsors for 15 Street Academies, whose contributions will amount to \$600,000 annually. New York also has attempted to come to grips with the city's decentralization crisis through public education and offers of mediation. The Philadelphia Coalition is launching an employment training program by establishing "academies" in high schools which are sponsored and operated by major companies. Three academies are being organized in Office Management, Banking and Finance, Aviation and Aerospace, and in Electronics.

- Coalitions in Detroit, Newark, New York, Baltimore, New Orleans, Philadelphia, Plainfield, Racine, and Saginaw are promoting legislative activity either at the local, state or Federal level.

II. Established Coalitions

New Bedford, Massachusetts established a coalition in late November; this brings the total of established coalitions to 40.

III. Housing Conference for Coalitions

During 1969 the Urban Coalition, with the help of the National Institute of Public Affairs, will provide a series of conferences to help coalitions develop effective strategies in particular substantive areas. The first of the series, To Improve a City's Housing, will be held on February 6 and 7 in Washington. This conference is specifically designed to help the staff and housing task force members of coalitions to identify their role and strategies in improving the local housing situation.

IV. Organizing Efforts

Efforts are currently underway to establish coalitions in 33 cities. This total includes Chicago, Illinois and Durham, North Carolina. Coalitions are expected to be announced soon in San Francisco, Kansas City and Dayton. Mr. Walter Reuther has scheduled a luncheon on January 9 to advance organizing efforts in Michigan cities.

At the November meeting, the Steering Committee resolved to aid in the formation of local coalitions. All 38 members were contacted by letter as a consequence, requesting assistance in relation to specific cities. Ten members have responded to this request; seven members have provided the names of individuals who can assist in a total of twelve of the target cities.

Since the last meeting on November 13, the following Steering Committee members have made or will make speeches:

Mayor Naftalin - Cleveland, November 21

Mr. Close - Corpus Christi, January 28.

November 20, 1967

Mr. John Feild
National Coordinator
The Urban Coalition
1819 H Street, N. W.
Suite 220
Washington, D. C. 20006

Dear John:

Mayor Allen will not be able to attend the December 18
Detroit Steering Committee meeting.

Unfortunately, I will not be able to be there either so please
feel free to carry on without us.

Sincerely yours,

Dan Sweat

DS:fy

CITY OF ATLANTA



CITY HALL ATLANTA, GA. 30303

Tel. 522-4463 Area Code 404

IVAN ALLEN, JR., MAYOR

R. EARL LANDERS, Administrative Assistant

MRS. ANN M. MOSES, Executive Secretary

DAN E. SWEAT, JR., Director of Governmental Liaison

November 2, 1967

MEMORANDUM

To: Mayor Ivan Allen, Jr.

From: Dan Sweat *DS*

Attached is a memorandum which you forwarded to me concerning the December 18 meeting of the Urban Coalition Steering Committee in Detroit.

The Washington office has inquired as to whether or not you plan to attend this meeting. What shall I tell them?

DS:fy

To Dan Sweat

Do not plan to attend

(D)

Don Sneed

October 27, 1967

M E M O R A N D U M

TO: Members of the Steering Committee

FROM: Steering Committee Co-Chairmen

The next meeting of the Steering Committee will be held on December 18 at 4:00 p.m. in the Van Antwerp Room on the 8th Floor of the Veterans Memorial Building, 151 West Jefferson Street, Detroit, Michigan. Mayor Jerome P. Cavanagh will host a dinner for the members of the Steering Committee or their representatives to be served in the penthouse at 6:30 p.m.

Please advise the National Coordinating Office as to whether you and/or your designee will be present.

The Urban Coalition
1819 H Street, N.W.
Washington, D.C. 20006
(202) 293-1530

October 27, 1967

NATIONAL COORDINATORS WEEKLY REPORT

LOCAL COALITIONS

Six cities have now announced the formation of urban coalitions and intend to affiliate with The Urban Coalition--Detroit, New York City, Minneapolis, Gary, Indianapolis, and Atlanta. Sparked by the Chicago "Mobilizing Urban Coalitions" planning session dozens of other cities now have organizing committees.

The California League of Cities, meeting in San Francisco, formally endorsed the formation of coalitions in all its constituent cities on a motion by Mayor Floyd Hyde of Fresno supported by officials of San Diego. Both cities announced they are organizing coalitions.

Regional meetings like the one in Chicago have been scheduled for San Francisco on November 30 and New York in early December.

PRIVATE EMPLOYMENT

On October 25, some 40 major Pittsburgh employers and labor leaders attended a meeting hosted by Mayor Joseph M. Barr on private industry plans for hiring hard-core unemployed.

On October 27, at the invitation of Mayor Herman Katz of Gary and Mr. George Jedenoff, Superintendent of the U.S. Steel Gary Works, The Urban Coalition Task Force on Private Employment joined with several hundred leading Gary employers and unions in developing a program of expanded employment opportunities. Mr. David Stahl, of Mayor Daley's office representing the Task Force, spoke briefly at the luncheon.

Other local meetings on private employment have been scheduled for Baltimore (November 14) and Detroit (November 21). Task Force co-chairman Gerald L. Phillippe will speak at both meetings.

In Baltimore, Mayor Theodore McKeldin and Council President Thomas D'Alesandro and fifteen major industrial leaders are convening a meeting of top management representatives of Baltimore firms to launch a program of expanding Negro entrepreneurship in the ghetto stimulated by sub-contract arrangements with leading industries.

This is being viewed as a "breakthrough" type of program and is being carried out through the Baltimore Council on Equal Business Opportunity (CEBO). CEBO is a project of The Potomac Institute.

In Detroit, the New Detroit Committee's employment and education committee is convening a meeting of industrial and labor leaders to discuss expansion of private employment in the ghetto. The Ford Motor Company has announced that it will recruit 6500 new workers from the central city and the Michigan Bell Telephone Company has announced plans to concentrate its training efforts in an all-Negro high school in the center of Detroit.

LEGISLATION

Coalition co-chairmen Andrew Heiskell and A. Philip Randolph urged members of the House/Senate Conference Committee on Independent Offices Appropriations to adopt the Senate's recommendations for funding model cities and rent supplements--\$637 for model cities and \$40 million for rent supplements. Rent supplements received \$10 million (the House had earlier approved no funds) and model cities received \$312 (the House had approved \$237 million).

The fact sheet and position paper on the Social Security amendments will be mailed to the Steering Committee the first part of next week.

EDUCATIONAL DISPARITIES

The Task Force will meet on November 7 to map its program and round out its membership.

HOUSING, RECONSTRUCTION AND INVESTMENT

The Task Force had to reschedule its October 19th meeting for early November.

EQUAL HOUSING OPPORTUNITIES

Task Force working committee meets November 3 in Washington to consider a pilot three city project involving development of new lower-income housing on an open occupancy basis in suburban areas. Also scheduled for the meeting are plans to draw together some 300 Fair Housing Committees now operating in suburban communities for a national action session on open housing to be held in Chicago early in January.

November 7, 1967

Mr. John Feild
Co-Coordinator
The Urban Coalition
1819 H Street, N. W.
Suite 220
Washington, D. C. 20006

Dear John:

I will be unable to attend the November 27 Working Committee meeting of the Urban Coalition.

If any particular point comes up on which you need some specific word from Mayor Allen, please let me know.

Sincerely yours,

Dan Sweat

DS:fy

CLASS OF SERVICE

This is a fast message unless its deferred character is indicated by the proper symbol.

WESTERN UNION

W. P. MARSHALL
CHAIRMAN OF THE BOARD

TELEGRAM

R. W. McFALL
PRESIDENT

SYMBOLS

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NL = Night Letter
LT = International Letter Telegram

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DAM SWEAT

OFFICE OF THE MAYOR CITY HALL ATLA

THE WORKING COMMITTEE WILL MEET AT 2:00 PM ON MONDAY, NOVEMBER 27 IN THE NEW YORK SUITE OF THE MAYFLOWER HOTEL, WASHINGTON, D. C. TO CONSIDER THE AGENDA FOR THE DECEMBER 18 STEERING COMMITTEE MEETING

JOHN FEILD RON M LINTON NATIONAL COORDINATORS THE URBAN COALITION

2:00 27 18.

CLASS OF SERVICE

This is a fast message unless its deferred character is indicated by the proper symbol.

WESTERN UNION TELEGRAM

W. P. MARSHALL
CHAIRMAN OF THE BOARD

R. W. MCFALL
PRESIDENT

SYMBOLS

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DAN SWEAT

OFFICE OF THE MAOR CITY HALL ATLANTA GA

THE WORKING COMMITTEE WILL MEET AT 2:00 PM ON MONDAY, NOVEMBER 27 IN THE NEW YORK SUITE OF THE MAYFLOER HOTEL, WASHINGTON DC TO CONSIDER THE AGENDA FOR THE DECEMBER 18 STEERING COMMITTEE MEEING

JOHN FEILD RON M LINTON NATIONAL COORDINATORS THE URBAN COALITION.

MINUTES OF A MEETING OF THE STEERING COMMITTEE

New York, New York

October 9, 1967

Co-Chairman Andrew Heiskell opened the meeting by welcoming Mr. John Johnson, President of Johnson Publications and Mr. J. H. Allen, President of McGraw-Hill Publications to the meeting. They are Co-Chairmen of the Communications Task Force. By unanimous approval they were added to the Steering Committee. In addition to this, Mr. Heiskell said that the present limited religious representation warranted additions from that segment.

REPORT ON BUDGET AND ADMINISTRATION

Coalition costs are running slightly in excess of the approved budget. It was suggested that a finance committee made up of members from the Steering Committee be set up. Mr. Heiskell appointed Mr. Asa T. Spaulding, Mayor Jerome Cavanagh, and Mr. Theodore Schlesinger to that committee. They will oversee the budget and fund raising activities.

To date, contributions have been received from the mayors and the business members. The labor contribution is expected shortly, and the contribution from religion is in the process of being worked out.

PROPOSALS ON ORGANIZATION AND PROCEDURES

The Report of the Special Working Sub-Committee on Organization was brought up for discussion. There was some disagreement as to whether the National Coalition itself should take a public position on legislation pending before the Congress or whether this should be done on the local level. It was decided, however, that any statements released by the National Coalition would be seen by all members of the Steering Committee before being made public. Specific changes were made in Paragraphs 7 and 8 (see attached) and the public policy position was approved.

PRESENTATION OF TASK PROGRAMS AND RECOMMENDATIONS

Over fifty cities have indicated that they are interested in setting up their own local coalitions. To assist these communities, as well as others, a one-day planning session will be held on Tuesday, October 17, in Chicago. This session, hosted by Mayor Daley, will be attended by representatives from several hundred cities.

The Co-Chairmen of the Task Force on Communications will be recruiting ten leaders in the various areas of communication. Contact has been made with both the Magazine Association and the Advertising Council. Both have expressed an

interest in working with the Coalition. It was suggested that Urban America might serve as liaison between the Advertising Council and the Coalition.

The Co-Chairmen of the Task Force on Reconstruction Investment and Urban Development have met and have agreed on the expansion of the Task Force. They have assigned their working committee to develop recommended goals and a task force program. The full task force membership will meet on October 19.

The Task Force on Educational Disparities and the Task Force on Equal Housing Opportunity are in the process of holding working committee meetings to develop task force programs.

The Task Force on Private Employment is scheduling meetings in three cities with local private employment task forces in preparation for a national private employment conference.

REPORT ON LEGISLATION

Mayor Lindsay reported on the Task Force's activities on behalf of the Clark-Javits Amendment. He noted that the Prouty compromise failed by five votes. He also noted that a new effort would be made in the Senate and an additional effort in the House to pass an emergency public employment measure. He said that the legislative committee felt that two other pending measures related directly to the employment problem. One was adoption of the poverty legislation; the other was defeat of the Welfare Amendments to the Social Security legislation.

There was intense discussion relative to the position of the Steering Committee on this legislation. A consensus was reached that there should be prepared a position paper on the Welfare Amendments to be distributed to the Steering Committee members to determine their reaction.

URBAN ECONOMIC COUNCIL

A committee will be made up of members from the Steering Committee to work with Urban America on setting up the Urban Economic Council.

Next meeting of the Steering Committee will be at 7:30 p.m. on December 18, 1967, in Detroit, Michigan.

CHANGES AS APPROVED BY THE STEERING COMMITTEE
on the
REPORT OF SPECIAL WORKING SUB-COMMITTEE ON ORGANIZATION

7. The Coalition shall take public policy positions except where a substantial or intense disagreement emerges.
8. Statements should be communicated in writing or by telegram with a specified response date indicated to all members of the Steering Committee.

CITY OF ATLANTA



October 2, 1967

CITY HALL ATLANTA, GA. 30303

Tel. 522-4463 Area Code 404

IVAN ALLEN, JR., MAYOR

R. EARL LANDERS, Administrative Assistant
MRS. ANN M. MOSES, Executive Secretary
DAN E. SWEAT, JR., Director of Governmental Liaison

MEMORANDUM

To Dan Sweat

To: Mayor Ivan Allen, Jr.

From: Dan Sweat *DS*

When John Feild was in town Thursday, I discussed with him the role which I could best play in assisting the Urban Coalition. As I discussed it with you before, it was my feeling that there was no reason why I should attend all the working sub-committee meetings of the Coalition in Washington and that John Gunther and John Feild could represent you and the other Mayors involved without specific representation from each Mayor.

We are in agreement on this point and I will not attend any routine working sessions but only those where my attendance is absolutely necessary. He will keep in touch with me on any points where your individual recommendations are needed.

He has asked that I act as liaison with eight or ten Southern cities listed as key participants in the Urban Coalition. These are: Atlanta, Little Rock, Savannah, Charlotte, Chattanooga, Nashville, Galveston and Miami. My role would be to maintain contact with the Mayor and/or his key representative in each one of these cities with the immediate task of encouraging their participation in the October 17 planning meeting for local coalitions in Chicago.

This would involve some telephone calls during the next two weeks. I believe this type participation at this point would be better than trying to attend meetings every week in Washington.

I would appreciate your thinking on this matter.

DS:fy