

Balanced Housing Development in  
Kansas City

A Joint Report of the Kansas and  
Missouri State Advisory Committees  
to the U. S. Commission on Civil  
Rights prepared for the information  
and consideration of the Commission

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U. S. COMMISSION ON CIVIL RIGHTS

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## ATTRIBUTION

The findings and recommendations contained in this report are those of the Kansas State Advisory Committee and the Missouri State Advisory Committee to the U. S. Commission on Civil Rights and, as such, are not attributable to the Commission.

This report has been prepared by the State Advisory Committees for submission to the Commission, and will be considered by the Commission in formulating its recommendations to the President and the Congress.

Prior to the publication of a report, State Advisory Committees afford to all individuals or organizations that may be defamed, degraded, or incriminated by any material contained in the report an opportunity to respond in writing to such material. All responses received have been incorporated, added, or otherwise reflected in the publication.

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## PREFACE

The United States Commission on Civil Rights created by the Civil Rights Act of 1957 is an independent, bipartisan agency of the executive branch of the Federal Government. By the terms of the Act, as amended, the Commission is charged with the following duties pertaining to denials of the equal protection of the laws based on race, color, sex, religion, or national origin: investigation of individual discriminatory denials of the right to vote; study of legal developments with respect to denials of the equal protection of the law; appraisal of the laws and policies of the United States with respect to denials of equal protection of the law; maintenance of a national clearinghouse for information respecting denials of equal protection of the law; and investigation of patterns or practices of fraud or discrimination in the conduct of Federal elections. The Commission is also required to submit reports to the President and the Congress at such times as the Commission, the Congress, or the President shall deem desirable.

### The State Advisory Committees

An Advisory Committee to the United States Commission on Civil Rights has been established in each of the 50 States and the District of Columbia pursuant to section 105(c) of the Civil Rights Act of 1957 as amended. The Committees are made up of responsible persons who serve without compensation. Their functions under their mandate from the Commission are to: advise the Commission of all relevant information concerning their respective States on matters within the jurisdiction of the Commission; advise the Commission on matters of mutual concern in the preparation of reports of the Commission to the President and the Congress; receive reports, suggestions, and recommendations from individuals, public and private organizations, and public officials upon matters pertinent to inquiries conducted by the State Committee; initiate and forward advice and recommendations to the Commission upon matters in which the Commission shall request the assistance of the State Committee; and attend, as observers, any open hearing or conference which the Commission may hold within the State.

### Recommendations to the United States Commission on Civil Rights

This report has been prepared for submission to the United States Commission on Civil Rights by the Kansas and Missouri State Advisory Committees. The conclusions and recommendations in this report are those of the Committees and are based upon their evaluation of information received during two days of open meetings in January 1973 and March 1973. This report has been received by the Commission and will be considered by it in making its reports and recommendations to the President and the Congress.

## I. INTRODUCTION

The answers to the supply, distribution and maintenance of decent housing in our society are fairly well known to most knowledgeable observers and officials. The problem is the continuous roadblock to such housing created by governmental fragmentation, racial prejudice, indifference, greed, poorly drafted programs and laws, and improper administration. This fairly summarizes the reaction of most persons who participated in this report of Kansas City housing problems, including members of community organizations, housing officials, and members of the Metropolitan Kansas City Housing Committee.<sup>1/</sup> Although the answers may be known to some, the roadblocks remain, and it has been the purpose of the Housing Committee to focus on local situations to determine: 1) what has been done thus far to house minorities and the poor; 2) what are the roadblocks to better housing and where does responsibility for them lie; and 3) what solutions to the problems can be charted.

The Housing Committee has taken pains not to simply retrace the steps of previous housing reports, nor to "do a study" in the academic sense. As subsequent pages indicate, a large amount of housing research already has taken place in Kansas City.

The Metropolitan Kansas City Housing Committee is a joint venture composed of members from the Missouri State Advisory Committee and Kansas State Advisory Committee to the United States Commission on Civil Rights.

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1./ Hereinafter the term "Housing Committee" will refer to the Metropolitan Kansas City Housing Committee unless otherwise denoted.

The Housing Committee consists of five persons from Metropolitan Kansas City, three are Missouri State Advisory Committee members, the other two belong to the Kansas State Advisory Committee. The Housing Committee began its work in September 1972 and presented its findings to the Kansas and Missouri State Advisory Committees in April 1973. The report was approved by those bodies in May.

The Committee attempted to review current housing programs, trends and studies as they relate to the area's minority citizens. Staff of the U. S. Commission on Civil Rights and Housing Committee members interviewed more than 50 persons familiar with various aspects of housing in the Kansas City area: consumers (represented by community organizations from the minority, poverty, and racially-changing communities), planning officials, developers, lenders, realtors, lawyers, urban academicians, and housing officials from local, regional, State, and Federal Government. In addition, the Housing Committee conducted two informal hearings (January 4, and March 9, 1973) in which information was received from 34 persons.

This joint bi-state Committee concerned itself with housing problems in metropolitan Kansas City for several reasons:

1. A whole battery of social problems stems at least in part from residential housing patterns, e.g., unequal job opportunities, crime rates, racially impacted and variantly endowed schools. Improved housing conditions alone will not eliminate these problems; the current concentration of sub-standard housing units in the older, core areas of central cities, however, makes their solution difficult if not practically impossible.



2. Because of the fragmented nature of housing development and management, housing problems are complicated and admit of no single-factor solutions. A Federal fact-finding committee such as this can assist by focusing issues and viewing these problems in the light of racial discrimination.
3. Several efforts have been started that should provide aid to the ill-housed in the Kansas City region. In Kansas City, Missouri, the Mayor and City Council created the Temporary Advisory Commission on Housing (TACH), which is examining the city's policies regarding housing the poor and encouraging stable neighborhood patterns. (Its final report, A Housing Policy for Kansas City, is expected to appear in June 1973.) The Housing Development Corporation and Information Center (HDCIC) of the Kansas City Model Cities agency is administering an experimental program (the Direct Housing Allowance) which provides a housing subsidy directly to the consumer rather than the builder or manager of housing. In addition, the Mid-American Regional Council, an umbrella planning agency composed of elected local officials from eight counties (5 in Missouri, 3 in Kansas) which surrounds Kansas City, has announced its intention to develop a comprehensive policy regarding the location of assisted housing units (See Appendix E). The Community Development Laboratory of the Law School of the University of Missouri-Kansas City, under the direction of Professor Robert H. Freilich, has provided valuable information regarding the local housing

picture. Its 224-page report, Freedom of Choice in Housing: The Impact of Restrictions in the Kansas City Metropolitan Region, analyzes most of the existing legal and economic barriers to a racial and economic mix in residential patterns throughout the Kansas City metropolitan region.

4. At the same time, modest attempts to build subsidized units in suburban areas for families of moderate income have met with increasing opposition by local planning boards and city councils.

It is our intent to assemble into one context the variety of work currently underway, to identify the functions and duties of public and private agencies, and to illuminate practices or policies which affect the development of adequate housing for Kansas City's minorities and poor. The following report contains many of the concerns and recommendations of the abovementioned agencies and groups, along with an appraisal made by the Kansas City Housing Committee.

It is our hope that this report will be helpful to government officials and private leaders in the local housing industry. Their leadership will be increasingly crucial according to Elmer Smith, Regional Administrator, the U. S. Department of Housing and Urban Development (HUD), who sees the responsibility for housing minorities and poor people being shifted to the local government and the private sector.<sup>2/</sup>

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<sup>2/</sup> Interview of February 27, 1973, p. 4.

## II. METROPOLITAN RACIAL PATTERNS AND THE RISE OF THE "OUTER CITY"

Figures from the 1970 Census indicate that the six-county Kansas City Standard Metropolitan Statistical Area (SMSA) has a black population of 151,127.<sup>1</sup> The majority of that group (111,974) resides in Kansas City, Missouri; most of the remainder (34,345) is located in Kansas City, Kansas. Less than three percent of the metropolitan black population lives in the other five counties comprising the SMSA (see Table 2.1). Yet it has been precisely these outlying areas which have experienced the greatest growth in the region since 1950. The recent opening of the Kansas City International Airport and completion of the I-435 freeway bridge argue for a projected increase in development of the Kansas City North area, i.e., those portions of Kansas City, Missouri in Clay and Platte Counties (see Area Map in Appendix D). Several large residential developments already have been built, with others on the drafting boards. An economic analysis of the region calls the Airport Corridor "one of the most important assets of the region. KCI could be a significant factor in changing the basic industrial mix of the economy by creating a variety of industry related to high-speed transportation from a mid-continent location".<sup>2</sup> Since Kansas City, Missouri, unlike most American central cities, contains within its boundaries large tracts of vacant land well suited for both

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<sup>1</sup>Bureau of the Census, 1970 Census of Population and Housing, PHC(1)-99, p.1. The SMSA includes four Missouri counties (Cass, Clay, Jackson, Platte) and two Kansas counties (Johnson and Wyandotte).

<sup>2</sup>Metropolitan Planning Commission, Preliminary Analysis of the Economy-Kansas City Region (November, 1968), p. 6.

TABLE 2.1 RACIAL CHARACTERISTICS OF KANSAS CITY METROPOLITAN REGION  
PRELIMINARY FIGURES (SUBJECT TO FINAL CHECK)

STUDY AREA	Total Population				Black Population				Percentage Change of Black Population	
	1960		1970		1960		1970			
	Numerical	Percentage	Numerical	Percentage	As Percent of Total Population	As Percent of Total Population	Numerical Change	Percentage Change		
<b>JACKSON COUNTY</b>										
CBD-Westside/Northside	39441	21380	-18061	-45.8	3762	9.5	2565	12.0	-1137	-31.8
Westport	48034	39538	-8496	-17.7	640	1.3	568	1.4	- 72	-11.3
Northeast	57264	45024	-12240	-21.8	2819	4.9	3316	7.4	502	15.1
East Side	19501	15206	- 4295	-22.0	2471	12.7	1507	9.9	- 974	-39.0
Inner City-North	57062	36562	-20500	-35.9	44793	78.5	30805	89.5	-13888	-31.0
Inner City-South	71228	60130	-11098	-15.6	25800	36.0	48294	80.3	22484	87.2
Southeast-North	31624	29961	- 1663	- 5.3	1296	4.1	17269	57.6	15973	1232.5
Southeast-South	26953	26421	- 532	- 2.0	5	0.0	4398	16.6	4393	87800.0
Blue Valley	22724	27100	4476	19.3	543	2.4	113	0.4	-430	-79.2
Country Club	36774	34977	- 1797	- 4.9	217	0.6	115	0.3	-102	-47.0
Waldo	19475	18475	- 1000	- 5.1	17	0.1	24	0.1	7	41.2
Red Bridge		25341					67	0.3		
Ruskin Heights/Hickman Mills		46744					188	0.4		
Raytown	25022	33465	8443	33.7	2	0.0	15	0.0	13	650.0
Greater Grandview		17579					200	1.1		
Greater Lee's Summit		16523					16	0.1		
Independence/Sugar Creek		90443					487	1.2		
South Independence		30019					5	0.0		
Southeast Independence		19662					5	0.0		
Northeast Independence		3918					2	0.1		
Greater Blue Springs		12810					14	0.1		
Eastern Jackson County		14713					19	0.1		
<b>CLAY COUNTY</b>										
North K.C./K.C.North		46555					29	0.6		
Greater Gladstone		24031					12	0.0		
Far North Kansas City		8643					2	0.0		
Greater Liberty		16937					404	2.4		
Northern Clay/Smithville		7198					1	0.0		
Greater Excelsior Springs		9725					417	4.3		
Eastern Clay County		2865					1	0.0		
<b>PLATTE COUNTY</b>										
Riverside/Parkville/K.C.North	8960	8591	-3702				2	0.0		
Kansas City International		3576					95	2.7		
Northwest Platte County		10236					62	0.6		

SOURCE: MARC, 1972

Table 2.1 (Cont.)

PRELIMINARY FIGURES (SUBJECT TO FINAL CHECK)

STUDY AREA	Total Population				Black Population					
	1960		1970		1960	As Percent of Total Population	1970	As Percent of Total Population	Percentage Change	
	Numerical	Percentage	Numerical	Percentage					Numerical	of Black Population
CASS COUNTY										
Belton/Raymore		19999					364	1.8		
Greater Harrisonville		7182					61	0.8		
Rural Cass County		12965					14	0.1		
RAY COUNTY										
WYANDOTTE COUNTY										
Northeast	33400	27662	-5738	-17.2	20450	61.2	24176	87.4	3726	18.2
Northwest/Kensington	41266	29010	-12256	-29.7	1821	4.4	4107	14.2	2286	125.5
Riverview/Armourdale	35465	27897	-7572	-21.4	3389	9.6	2136	7.7	-1253	-37.0
Argentine/Rosedale	31975	27827	-4148	-13.0	2693	8.4	1778	6.4	-915	-34.0
Turner	12430	14340	1910	15.4	78	0.6	32	0.2	- 46	-59.0
Muncie/Coronado	13011	22736	9725	74.7	372	2.9	873	3.8	501	134.7
Bethel/Welborn		25220					1662	6.6		
Bonner Springs/Edwardsville		10697					943	8.8		
JOHNSON COUNTY										
Northeast Shawnee Mission	27406	23646	-3760	-13.7	83	0.3	35	0.1	- 48	-57.9
Southeast Shawnee Mission	23854	33980	9626	40.4	21	0.1	54	0.2	33	157.1
North Shawnee Mission	41095	39581	-1514		8		59	0.1	53	
South Overland Park	15645	50977	34832		4		58	0.1	54	
Lenexa/Shawnee		31142					306	1.0		
Greater Olathe		19982					479	2.4		
Rural Johnson County		12386					0	0.0		
East Johnson County		2300					1	0.0		
LEAVENWORTH COUNTY										
Leavenworth		11371					1164	10.2		
Ft. Leavenworth		23055					2944	12.8		
Rural Leavenworth		18897					742	3.9		

residential and industrial development, much of this report will focus upon that political jurisdiction. Attention will be paid, however, to the role played by suburban governments.

#### Black Concentration in the Two Kansas Cities

For planning purposes the Kansas City, Missouri City Development Department has subdivided the city into eighteen modules. That agency's analysis of 1970 census data indicates that about 70 percent of the city's black population (81,783) lives in Module Six (Heart of City-North). In 1960 this area, which extends roughly from Troost Avenue east to the Blue River Valley and from I-70 south to Brush Creek, had a population of 119,443 of which 55 percent was black. By 1970 the number had shrunk to 97,214; the black population however had increased by some 16,000, and had come to constitute 84 percent of that area.

Planning Module Seven (Heart of City-South), which parallels Module Six and reaches south to Eighty-fourth Street, contains 23,005 blacks. Hence, all but 20,000 of the City's black population is concentrated in those two modules. The latter module shows a black percentage of 40 percent, up from only 2 percent in the same area in 1960. City Development's computations show that some 61,000 whites moved away from the bimodular area in the decade of the sixties; many properties were simply left unsold and abandoned.

The only area with a significant black population in 1960 that did not experience a large exodus of its white population was in Module Five

(Northeast). Bounded by the Missouri River on the north and the I-70 freeway on the south, by the Paseo on the west and the Blue River on the east, this area experienced a population decrease of some 20,000 persons. In this largely Italian section blacks comprise 18 percent of the 1970 population, one percent more than in 1960. This is attributable to a large migration of blacks southward into the two modules described above, and to the relatively stable neighborhood patterns of the whites living in the Northeast sector.

By contrast, other parts of the city are almost exclusively white. The entire area north of the river, for example--constituting six planning modules--has a black population of 450 or 0.5% of the more than 86,000 Kansas Citians who currently reside there.

In Kansas City, Kansas, the black population resides predominately in the northeast portion of the city. There are scattered pockets of integration, however, throughout the city. This is in sharp contrast to affluent Johnson County, its neighbor to the south, which has a black population of half of one percent. Indeed the minuscule black population of Johnson County is itself clustered into two older areas, Olathe and Merriam (census tracts 528 and 522.01); 64 percent of the county's black citizenry resides in those two census tracts.

#### Mexican Americans

The second largest minority group in the SMSA is composed of approximately 25,000 Mexican American residents who, like the blacks, live

for the most part (72%) in circumscribed areas of both Kansas Cities. In Kansas City, Kansas, the primary Mexican American areas are the Argentine and Armourdale sections. In Kansas City, Missouri, Mexican American citizens reside primarily on the west side. Because of inadequate definitions and counts of Mexican Americans in the 1960 and 1970 census data, it is impossible accurately to chart the residential patterns of this minority group. The Committee did receive evidence from the West Side community of Kansas City, Missouri, that Mexican American residents are fearful of being forced from the area to make way for commercial and luxury-residential development. In the past three decades that area's population dropped from 13,526 to 6,643. Its housing stock has deteriorated seriously; bus transportation in the area is sparse; large shopping facilities do not exist; park lands are unimproved. Federal officials have refused to provide development funds until the city makes a commitment of capital improvements in the area.<sup>3</sup> Similar problems were described by a representative from the Argentine section of Kansas City, Kansas.<sup>4</sup>

In these respects and in their inability to obtain sufficient units of safe, sanitary housing at a price they can afford, Mexican Americans face problems very similar to those of black people living in Kansas City. And, it should be added, of many white people as well.

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<sup>3</sup>Transcript I, pp. 93ff. See also "HUD Men Tell City West Side Has Had It" Kansas City Times, April 11, 1972.

<sup>4</sup>Transcript I, pp. 42ff.



Freedom of Choice

Segregated residential patterns of metropolitan areas have long been the concern of the U. S. Commission on Civil Rights. The Commission has conducted three major hearings,<sup>5</sup> and developed, either by itself or through its State Advisory Committees, several studies on the problem.<sup>6</sup> They have documented the migration (some say flight) of white wealth, in the form of expensive new homes, shopping centers, office buildings and industrial plants from older central cities to new, outlying suburbs.

The Committee recognizes the tendency of ethnic groups to establish their own neighborhoods, and does not propose any artificial configuration of integrated residential patterns. It is not our intention nor purpose to dictate to people where they ought to live. It is the deep concern of this Committee, however, that minority persons of this metropolitan area have full freedom to obtain access to job, educational, and living opportunities throughout the region. The 1964 Civil Rights Act prohibits the use of Federal funds in a racially discriminatory manner. The June 1971 Housing Message of President Nixon contains the stated intention of his Administration to use its available development monies--always in short supply--"in a way that will be as helpful as possible to communities which are receptive to the expansion of housing

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<sup>5</sup>Hearings before the U. S. Commission on Civil Rights. (Transcripts)  
St. Louis, Mo. January 14-17, 1970  
Baltimore, Md. August 17-19, 1970  
Washington, D. C. June 14-17, 1971

<sup>6</sup>Federal Installations and Equal Housing Opportunities, 1970  
Homeownership for Lower-Income Families, 1971  
The Movement of Federal Facilities to the Suburbs, 1971  
Housing Milwaukee's Poor, 1971  
Understanding Fair Housing, 1973

An additional Commission report summarizing data obtained in hearings regarding minority access to suburban facilities is expected to appear in mid-1973.

opportunities for all of our people." As subsequent pages indicate, there is sufficient evidence that freedom of choice is not as widespread as those believe who claim that "minorities can live anywhere they want in Kansas City, as long as they have the money."<sup>7</sup>

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<sup>7</sup>Transcript III, p. 19 and p. 53.

### III. SUBURBAN GROWTH AND ITS IMPACT ON THE TWO KANSAS CITIES

With few exceptions this Nation's cities have developed as a direct result of profit-motivated real estate speculation. Typically the land next to transportation routes -- rivers, railroad tracks, and later interstate highways and regional airports -- would be sliced up into small pieces and sold to the highest bidder, who then put it to whatever use he desired. Cities grew up around the major transportation coordinates.

Improved transportation (first through the interurban train, after World War II through the private automobile) enabled more affluent city dwellers to move away from the central city, either to older rural towns or newly planned satellite towns. As time passed, city and suburb grew indistinguishably together. Continued expansion was closed to the typical central city, whose supply of available land was exhausted. "By almost any objective standard the major central cities of our Nation over the past fifty years or more, have been developing much more slowly than the suburban areas that surround them. By many such standards, this relative decline has lately begun to appear as an absolute decline as well."<sup>1</sup>

The process of suburban growth can be summarized quickly. Those families who could afford it moved from their original neighborhood to one farther away from the city center, where they bought newer, more expensive homes. The homes they left behind were typically filled by members of a lower income group. Too often the latter could not afford

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<sup>1</sup>Raymond Vernon, "The Changing Economic Function of the City" in James Q. Wilson, ed., Urban Renewal: The Record and The Controversy (Cambridge, Mass., 1966), p. 3. Original emphasis.

maintenance and repair costs, so that eventually the former middle class areas became overcrowded, deteriorated slums.

The Kansas City area escaped much of the worst abuses of unplanned urban growth. The city's participation in the City Beautiful Movement, the parkways and boulevards of George Kessler, and the planned housing and commercial developments by Jesse Clyde Nichols served it well for many years.

Since the end of World War II, however, new housing development has taken place increasingly in areas outside the inner city. New industrial complexes and commercial developments (shopping centers, office buildings) have also located in the outlying areas. The result has been racial and economic segregation: a proliferation of suburban governmental units consisting of white upper and middle income residents, and possessing additional resources in the form of financially attractive industrial parks and developable lands. The two Kansas Cities conversely have become disproportionately the housers of the poor, the elderly and the minorities; their housing stock, commercial centers and industrial plants have been superseded by the newer suburban counterparts. What follows is an attempt to describe and analyze the factors affecting the centrifugal trend of metropolitan development, with an eye toward roles played by various levels of government.

In its four sessions of informal hearings, this Committee received the frequent, consistent suggestion from experts and officials that a balanced housing pattern in the Kansas City area requires two things.

First, minorities and low income people must have a wider choice of housing distributed throughout the metro area. Second, the central cities, Kansas City and Independence, Missouri, and Kansas City, Kansas, must preserve and renew their current housing stocks.

#### IV. BALANCED HOUSING DEVELOPMENT IN THE "OUTER CITY"

Throughout its investigations the Committee found the assessment of current housing needs in the metro area to be most elusive and elastic. Representatives from community organizations, government officials, and homebuilders agreed there is a significant demand for subsidized housing units. Real estate brokers and central city landlords claimed the current supply of low-income housing is adequate. Unfortunately neither side presented much documentation in support of its position; nor was much effort made to quantify the need or supply.

The most extensive study on the area's housing needs was done in January 1971 by the Metropolitan Planning Commission, a predecessor to the Mid-America Regional Council (MARC). That agency's report, A Decent Home For All, estimated that approximately 20 percent of the area's households required assisted housing. If these needs were to be met and the backlog of housing problems eliminated by 1988, the annual need for assisted housing would be 5800 units. Richard F. Davis, executive director of MARC, told the Committee that despite recent downward revision in population projections, the figure of approximately 6,000 units annually "is still a reasonable goal to attain. To our knowledge that goal was achieved in 1971. We cannot say concretely that it was not in 1972. It looks like there was some drop and it fell below that figure. With the housing freeze I would say it is quite likely that it will not be reached in 1973."<sup>1</sup>

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<sup>1</sup>Transcript IV, pp. 183-184.

The Federal Housing Administration publishes at irregular intervals a Housing Market Analysis for metropolitan areas. For the period February 1971-February 1973 FHA made the following estimates for annual production based on market potential:<sup>2</sup>

<u>Non-Assisted Units</u>	<u>Assisted Units</u>			
	<u>Moderate Income</u>		<u>Low Income</u>	
	<u>Family</u>	<u>Elderly</u>	<u>Family</u>	<u>Elderly</u>
9,300	1,200	825	1,425	1,350

Due to an overlap of eligibility alternatives the estimated total need for subsidized units was placed at 4,325 units per year. This figure is considerably lower than the MARC projection of nearly 6,000. The difference may be attributable to the scope of the studies (MARC surveyed eight counties, FHA only four), MARC's inclusion of rehabilitated units, and variant methodological approaches.

The Model Cities Program of Kansas City, Missouri, retained a Chicago-based research firm, SPA-REDCO, Inc., to perform a housing market analysis of the "inner city" containing the seven designated Model City neighborhoods.<sup>3</sup> The study finds that the inner city shows a demand for 1,868 new and 1,789 rehabilitated units annually, exclusive of the 2,664 assisted units already in process of being built. The report also indicates the demand strongest for the two income extremes, public housing and market rate units.<sup>4</sup>

<sup>2</sup>Analysis of the Kansas City, Missouri-Kansas Housing Market, Dept. of Housing & Urban Development, Washington, D. C., Oct. 1971, pp. 2-4.

<sup>3</sup>The area surveyed was "bounded on the North by the Missouri River; the South by 63rd Street; the East by Topping Avenue and the Blue River; and the West by State Line to 31st; Main to 36th Street and Troost to 63rd Street." Housing Market Analysis SPA-REDCO, Inc., Chicago, March, 1973

p. 8.  
<sup>4</sup>Ibid., p. 46

Two other studies of housing needs focused on Kansas City, Missouri, only. One, by the City Development Department (1972) placed the city's need at 37,000 assisted units. A 1969 survey by the Midwest Research Institute estimated that 40,500 such units are needed.

#### Determination of Housing Need

The five analyses cited have disparities attributable to their different scope and methodology. It is also possible that the variant estimates of need described at the beginning of this chapter are due to different emphases attached to the use of existing inner city stock. Real estate brokers and landlords tend to stress the availability of this type of housing, but neglect to mention the need for considerable (and costly) rehabilitation.<sup>5</sup> Homebuilders and planners often ignore the prospects for "rehab" work in older residential areas.

The MARC study: 1) embraces the entire region; 2) takes rehabilitated as well as new units into account; 3) correlates income level, program eligibility and population projections; and 4) MARC appears likely to continue updating its work (the FHA Market Analysis has been discontinued and the Model Cities programs may well be phased out). For these reasons the present study will use the MARC determination of 6,000 assisted units needed annually as most nearly accurate.

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<sup>5</sup>The Real Estate Board of Kansas City, Missouri has recommended to Congress a program (which it numbers "201") that would eliminate the pre-sale improvement requirements demanded by current HUD programs. See Transcript III, pp. 8-15.



### Distribution of Assisted Housing

The HUD Area Office, the MARC Housing staff, and City Development Department provided data regarding the location of subsidized housing units in the region. In addition the HUD office supplied information on Federal housing programs.

### Federal Programs

Until the housing moratorium became effective in January 1973, numerous Federal programs were available to provide housing assistance to persons of varying income ranges. The assistance to low and moderate income people generally took the form of an interest payment subsidy paid to the lender, resulting in a lower cost to the renter or homeowner. Persons of higher income received assistance in the form of mortgage insurance; the latter has been largely overlooked in its importance: by guaranteeing privately financed mortgage loans, the government enabled home buyers to obtain lower interest rates and lower down payments and a longer time to pay back. And by exempting from taxable income all interest payments and real estate taxes -- an enormous monetary assist, especially for the buyer of an expensive home -- the government enabled millions to move to suburbs. It is generally estimated that these indirect housing subsidies to homeowners are nearly seven times as large as all direct subsidies combined. Still another subsidy -- again, more crucial to the suburbs since most of the development occurred there -- was the grants for water and sewer lines in new communities, and for superhighways to speed the suburbanite to his intown place of work. The combination of these subsidies -- direct and indirect -- can fairly

be described as the enabling acts for the suburbs. Virtually all the beneficiaries of those subsidies have been white. Table 4.1 indicates that for calendar year 1972, Johnson County was the largest recipient of Federal metropolitan development funds, i.e., for water and sewer lines and for open space grants.

The two housing programs which most enabled the postwar rise of suburbia are Sections 203 and 207 of the National Housing Act. Both provide mortgage insurance to finance the construction, purchase or improvement of one-to-four-family homes (Sec. 203) or for construction or rehabilitation of eight or more units of rental housing (Sec. 207). This type of government guarantee for high-quality homes and apartment buildings frequently served to "prime the pump" by attracting more cautious private investment. The ceilings on the properties (\$33,000 for a home under Sec. 203, \$20 million or \$50 million for private and public mortgagors, respectively, on apartment complexes) made for an especially attractive broad range of buyers and renters.

In addition to the mortgage insuring programs for higher income persons, other programs were available for lower economic ranges. Beginning with the lowest income clientele, the more frequently-used programs are summarized as follows:

Public Housing - Federally funded through local housing authorizies, this program requires the tenant to pay up to 25% of his income. (According to John Bridges, director of the K. C. Housing Authority, \$21 per month is the average rent paid per tenant in March, 1973.) HUD makes annual contributions to maintain the local programs. A family of five making less than \$5,500 is eligible for public housing.

Table 4.1

AREA DEVELOPMENT PROGRAMS  
(Total Project Cost)  
Calendar 1972

<u>Jurisdictions</u>	<u>Open Space</u>	<u>Water/Sewer</u>
Cass County	\$ 35,400	\$ 2,402,400
Clay County	85,000	1,802,000'
Jackson County	3,259,408	2,360,000
Johnson County	6,975,720	3,954,800
Leavenworth County	132,150	1,250,334
Platte County	18,000	
Ray County		2,186,600
Wyandotte County		403,000
Independence, Mo.	1,182,900	
Kansas City, Ks.	71,952	
Kansas City, Mo.	<u>1,156,288</u>	<u>330,000</u>
TOTAL	\$12,916,818	\$14,689,134

-18a-

Source: A-95 Applications (MARC)

Rent Supplement - For eligible renters an additional subsidy is available, which can reduce the rent to 25 percent of the tenant's income. This program reaches essentially the same income group as public housing. It is paid through the manager of a 236 or 221(d)3 project.

221(d)3 BMIR (Below Market Interest Rate) - By subsidizing the developer, lower rents were made possible for moderate income families (annual income of \$5,540-\$9,500 for family of five in 1970).<sup>6</sup>

235 Program - Federal grants are made to reduce the interest cost on a single family home, enabling buyer to spend 20 percent of his income on a house not to exceed \$24,000. Income range for the Kansas City area in 1970 was \$4,100-\$8,370 for a family of five.<sup>7</sup>

236 Program - Federal grant is made to reduce interest cost so that tenant will not pay more than 25% of income. Range for Kansas City in 1970 was \$6,220-\$8,370, family of five.<sup>8</sup>

221(d)4 Mortgage Insurance and 221(d)3 Market Rate - These programs are more closely allied with the higher income 203 and 207 programs. No direct subsidy is involved. The longer term for repayment for amortization plus the insurance on the loan enable a slightly lower rental. They will be considered as reaching the upper range of the area's moderate income bracket.

Tables 4.2-4.5 contain the total number of housing units built under the programs described above. Totals are cumulative since each program's inception, which may vary from 1934 (Sec. 203) to 1968 (235 and 236).

In some cases discrete subdivision of data was impossible due to the overlap of Kansas City into Jackson, Clay and Platte Counties. Some HUD records are kept according to county, others by city. This problem is alleviated to a great degree, however, by the data provided in Table 4.6, which subdivides into smaller modules.

<sup>6</sup>Metropolitan Planning Commission, A Decent Home for All, January 1971, pp. 16-17.

<sup>7</sup>Ibid.

<sup>8</sup>Ibid.

Table 4.2 Higher Income Programs

	Total Households (12-31-72)	Higher Income Programs New Construction				Total Units Insured Under Sec. 203	
		203 (Homes) (9-30-72)		207 (Apts.) (03-01-73)		(N)	(%)
		(N)	(%)	(N)	(%)		
CASS	12,700	304	2.3	0	0	714	5.6
CLAY	43,500	2,015	4.6	319	.73	7,446	17.1
JACKSON	247,300	13,396	5.4	1,939	.78	61,209	24.8
PLATTE	10,200	242	2.4	44	.43	617	6
JOHNSON	71,500	6,778	9.5	1,070	1.5	19,361	27.1
WYANDOTTE	64,800	1,491	2.3	20	.03	9,087	14

-19a-

Source: Computations by U.S. Commission on Civil Rights on data received from the Department of Housing and Urban Development.

Table 4.3 Upper Range-Moderate Income Programs

	221(d)3 Market Rate (3-31-72)	221(d)4 (Insurance)	Total	% of Households
CASS	0	50	50	.39
CLAY	567	423	1,090	2.5
JACKSON	1,730	2,381*	2,764	1.1
PLATTE	108	108	216	2.1
JOHNSON	136	422	558	.78
WYANDOTTE	372	662	1,034	1.6

-19b-

Source: Computations by U.S. Commission on Civil Rights on data received from the Department of Housing and Urban Development

\*Includes those parts of K.C. in Clay and Platte Counties.

Table 4.4 Moderate Income Programs

	221(d)3 (Apts.) (Below Mkt. Interest) (3-1-73)	235 (Homes) (New Const.) (9-30-72)	236 (Apts.) (3-1-73)	Total	% of Households
CASS	0	46	60	106	.83
CLAY	754	65	96	915	2.1
JACKSON	3,891*	1,031	4,950*	9,872	4.0
Kansas City	2,588	Blue Springs	150		
Independence	1,303	Grandview	409		
		Independence	192		
		Lee's Summit	146		
		Kansas City	4,053		
PLATTE	152	6	0	158	1.5
JOHNSON	358	88	323	769	1.1
WYANDOTTE	1,229	219	987	2,435	3.8

Source: Computations by U.S. Commission on Civil Rights on data received from the Department of Housing and Urban Development.

\*Includes those parts of Kansas City in Clay and Platte Counties.

Table 4.5 Low Income Programs

	Public Housing		Projects	Participating Tenants	Units Covered	Total Units		Total Low Inc. Unit	% of Hshld.
	Family	Elderly				Eligible for Rent. Supp.			
CASS	0	0	0	0	0	60	0	0	
CLAY			1	35	60	860	231	.53	
Smithville	16	60							
Gtr. Excelsior Spg	60	60							
JACKSON			17	438	717	8,087	4,145	1.7	
Kansas City	2,444	743							
Independence	120	280							
Lee's Summit	50	70							
PLATTE	0	0	0	0	0	260	0	0	
JOHNSON			0	0	0	781	100	.14	
Olathe	34	66							
WYANDOTTE			6	168	198	2,116	2,557	3.9	
Bonner Springs	6	24							
Kansas City, Ks.	1,406	953							

Source: Computations by U.S. Commission on Civil Rights on data received from the Department of Housing and Urban Development.

\*Includes those parts of Kansas City in Clay and Platte Counties.



Table 4.6

LOCATION AND NUMBER OF ASSISTED HOUSING UNITS IN THE KCMR  
(Preliminary figures - subject to final check)

Study Area	Assisted Units				All Units*	Assisted Units a Percent All Unit
	Public Housing	Other Lower Income (235 Existing, Rent Supplements)	Moderate Income (236,221(d)3, 202,235)	Assisted Units Total		
<b>JACKSON COUNTY</b>						
101 CBD-Westside/Northside	994	50	187	1,231	10,960	11.2
102 Westport	0	31	107	138	22,906	0.6
103 Northeast	1,064	88	544	1,696	19,110	8.9
104 East Side	0	49	624	673	7,429	9.1
105 Inner City-North	504	89	703	1,296	15,948	8.1
106 Inner City-South	250	575	316	1,141	21,380	5.3
107 Southeast-North	0	384	130	514	9,932	5.2
108 Southeast-South	0	126	116	242	9,881	2.4
109 Blue Valley	0	3	206	209	8,379	2.5
110 Country Club	0	5	0	5	14,984	0.0
111 Waldo	0	4	0	4	6,996	0.1
112 Red Bridge	0	1	0	1	7,745	0.0
113 Ruskin Heights/Hickman Mills	0	13	395	408	12,773	3.2
114 Raytown	0	1	181	182	10,575	1.7
115 Greater Grandview	0	47	282	329	5,881	5.6
116 Greater Lee's Summit	100	1	334	435	5,763	7.5
117 Independence/Sugar Creek	400	1	337	738	9,798	7.5
118 South Independence	0	1	19	20	17,031	0.1
119 Southeast Independence	0	0	59	59	5,668	1.0
120 Northeast Independence	0	1	1,309	1,310	7,322	17.9
121 Greater Blue Springs	0	0	296	296	5,105	5.8
122 Eastern Jackson County	0	0	36	36	5,138	0.7
<b>CLAY COUNTY</b>						
201 North K.C./K.C. North	0	60	992	1,052	15,923	6.6
202 Greater Gladstone	0	1	0	1	7,345	0.0
203 Far North Kansas City	0	0	0	0	2,698	0.0
204 Greater Liberty	0	0	150	150	5,379	2.8
205 Northern Clay/Smithville	76	0	0	76	2,458	3.1
206 Greater Excelsior Springs	120	0	120	240	3,547	6.8
207 Eastern Clay County	0	1	0	1	2,299	0.0
<b>PLATTE COUNTY</b>						
301 Riverside/Parkville/K.C. North	0	0	304	304	5,483	5.5
302 Kansas City International	0	0	6	6	284	2.1
303 Northwest Platte County	0	0	0	0	3,823	0.0
<b>CASS COUNTY</b>						
601 Belton/Raymore	0	3	18	21	5,544	0.4
602 Greater Harrisonville	0	0	60	60	3,552	1.7
603 Rural Cass County	0	0	0	0	4,383	0.0
801	<b>RAY COUNTY</b>					
<b>WYANDOTTE COUNTY</b>						
401 Northeast	717	18	292	1,027	10,150	10.1
402 Northwest/Kensington	0	15	61	76	9,994	0.8
403 Riverview/Armourdale	132	198	11	341	11,104	3.1
404 Argentine/Rosedale	562	0	914	1,476	9,881	14.9
405 Turner	0	2	100	102	4,108	2.5
406 Muncie/Coronado	0	35	167	202	6,749	3.0
407 Bethel/Welborn	0	3	289	292	7,340	4.0
408 Bommer Springs/Edwardsville	50	0	6	56	3,384	1.7

\*1970 Census figures

SOURCE: MARG, 1972

LOCATION AND NUMBER OF ASSISTED HOUSING UNITS IN THE KCAR, cont.  
(Preliminary figures - subject to final check)

Study Area	Assisted Units				All Units*	Assisted Units as Percent of All Units
	Public Housing	Other Lower Income (235 Existing, Rent Supplements)	Moderate Income (236,221(d)3, 202,235)	Assisted Units Total		
JOHNSON COUNTY						
501 Northeast Shawnee Mission	0	0	0	0	6,975	0.0
502 Southeast Shawnee Mission	0	0	0	0	10,230	0.0
503 North Shawnee Mission	0	0	0	0	11,516	0.0
504 South Overland Park	0	0	0	0	15,045	0.0
505 Lenexa/Shawnee	0	0	100	100	9,396	1.1
506 Greater Olathe	100	44	606	750	6,154	12.2
507 Rural Johnson County	0	0	0	0	3,795	0.0
508 East Johnson County	0	0	0	0	695	0.0
LEAVENWORTH COUNTY						
701 Leavenworth	0	198	0	198	4,079	4.9
702 Ft. Leavenworth	0	0	156	156	5,988	2.6
703 Rural Leavenworth	0	0	0	0	4,729	0.0

\*1970 Census figures

Another qualifying factor is the degree of urbanization that has taken place in each county. Jackson and Wyandotte Counties are predominately urban and of early development. Johnson County development is of relatively recent vintage, distinctly suburban. Clay County is expected to develop rapidly in the Airport Corridor, as is Platte County. The former also has areas of urban density in North Kansas City, Gladstone and the Clay County portion of Kansas City, Missouri. Cass County is heavily rural.

Problems of data-assembly and varying growth stages notwithstanding, some general conclusions are clearly observable. One of the suburban counties of the area, Johnson County, Kansas, has utilized the housing programs for higher income persons to a greater degree than the others. As of September 30, 1972, 6,778 of its 71,500 households (9.5 percent) were living in new houses made possible by FHA mortgage insurance. By contrast, only 5.4 percent of Jackson County households and 2.3 percent of Wyandotte households enjoy that type of housing. The same disparity obtains with respect to new luxury apartment units underwritten by Federal insurance. Wyandotte's share is only .03 percent; Jackson has .78 percent; Johnson again leads with 1.7 percent, or twice that of the next highest participant.

When the "multiplier effect" is considered, the impact of Federal programs in Johnson County is still more pronounced. Once an area has become established as an attractive real estate market, private lenders

flock into it; the Federal programs with their "red tape" are no longer greatly used. Their use is crucial in the early growth stages of a community, superfluous for the most part thereafter. Hence it is reasonable to attribute an even larger influence to the Federal programs in suburban areas than meets the eye. Certainly this is true in the matter of relocation of industry to the "outer city."

Differential treatment in the financing of properties also constitutes a major element in determining neighborhood viability. Federal programs are involved here also. Until the 1950's the Federal Housing Administration by its practices discouraged racially mixed neighborhoods by withholding from them FHA loan guarantees. Although this FHA practice has ended, redlining, i.e., refusing to make loans in a designated area, continues to be used by private lenders. When lending institutions refuse to invest funds in an area, or demand a larger down payment than normal, home buyers are discouraged from moving into such an area. Thus a lender's decision can have a definite stifling effect on that neighborhood's housing market.

The redlining practice has become institutionalized in the private sector to the extent that a private insuring system exists in areas that are deemed "stable" or "economically sound." Other neighborhoods (invariably in the central city) must rely on government insuring, a far more complicated process. When an area can obtain mortgage insurance only from the Federal government, it is viewed as being in serious trouble. Conventional home improvement loans are usually closed off to it as well

and visible blight is not far behind. In the case of home financing, Federal programs are often used because of default by the private sector and thus carry negative connotations for a neighborhood.

As far as housing the poor is concerned, a reverse pattern of Federal program use is observable. All but 331 of the 7,033 publicly assisted units constructed for persons of genuinely low income are located in the two older, central counties, Jackson and Wyandotte. Johnson County, conversely, has but 100 units of public housing. Those are located in Olathe, an older town (the county seat) well on the periphery of the metropolitan area. The same pattern develops regarding utilization of moderate income housing programs. Jackson County is by far the largest consumer, yet even Wyandotte has built almost three times the number of moderate income dwellings that Johnson County has.

It is clear to this Committee that the thoughtless, unplanned distribution of Federal housing monies over the years has played a major role in shaping the present composition of the Kansas City area: Middle and upper income, nearly all white suburbs, surrounding central cities which contain virtually all of the area's poor and nonwhite population.

An earlier study states the situation aptly:

Approximately four-fifths of the existing assisted housing units are concentrated in a band along the south bank of the Missouri River in Kansas City, Kansas, and Kansas City and Independence, Missouri. There are 10,370 units in this band or one for every 68 persons. In the remainder of the region,

containing 45.8 percent of the KCMR population and over 80 percent of its land area, there are 2,771 units, or one for every 217 persons.<sup>9</sup>

HUD Area Director William Southerland acknowledged that Federal programs "made money available readily to people, to expand to the suburbs" and that FHA at one time "did very little insuring of housing in the center city."<sup>10</sup>

#### Other Factors Involved with Imbalanced Suburban Development

Federally assisted housing programs affect at most 10 percent of any group. Metropolitan development and highway funds, while important as "seed money" for a growing community, cannot by themselves explain the phenomenal growth of suburbs in the past few decades. The private sector has used the powers of local government in ways that have had a profound influence in shaping Kansas City. These include:

1. Zoning Codes and Ordinances which make it unfeasible for low and moderate income people (i.e., the bulk of the minority groups) to afford housing because of unduly high minimum standards.
2. Building Codes which prohibit use of less expensive materials and more efficient construction techniques.
3. Real Estate Broker practices which result in rapid racial turnover (resegregation) in some areas and total racial isolation in most communities.
4. Lending policies which by providing conventional financing for some areas and denying it to others arbitrarily stimulate interest in the one, and effectively starve out the other.

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<sup>9</sup>A Decent Home For All, op.cit., p. 22

<sup>10</sup>Transcript of March 9, 1973, Vol. IV, p. 228.

5. Withholding of Building Permits by municipalities opposed to the type of development intended.

Some of these factors and the agencies which operate them will be discussed in detail in the following chapter.<sup>11</sup>

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<sup>11</sup>For a thorough treatment of these and other issues as they relate to Kansas City, see Freedom of Choice in Housing, UMKC School of Law mimeograph, 1971.

V. DYNAMICS OF CENTRAL CITY HOUSING

The Housing Committee met with 12 representatives from various neighborhoods in the two Kansas Cities.<sup>1</sup> They discussed many aspects of housing, criticized certain programs and agencies, had praise for others. What follows is a summation of their comments to the Committee, along with perspectives from officials and industry spokesmen.

Poverty and Race

The greatest consensus centered around the belief that little real improvement can be expected until personal incomes are brought above the poverty level. According to Professor Robert H. Freilich of the UMKC Law School, the median cost of a new home, approximately \$28,000, is well beyond the reach of 70 percent of all Kansas City families. This majority is forced to turn to the mobile home market and to used housing. Mobile homes according to Dr. Freilich are of poor construction, constitute "fire hazards under existing building codes,"<sup>2</sup> and their durability is uncertain. Nor is the hand-me-down market satisfactory as currently operated. Inadequate rental income, forced relocation from government programs, and the high cost of rehabilitation have caused abandonment of many central city units, which in turn has caused some of the displaced to double up occupancy in some areas of Kansas City. The net effect is to reduce the stability of the latter neighborhood by altering its single-family character.

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<sup>1</sup>Neighborhoods included were the Argentine, Rosedale, and Northeast sections of Kansas City, Kansas; Westport, East Side, Longfellow, Parker Square, Blue Hills, 49-63, Marlborough Heights and West Side in Missouri.

<sup>2</sup>Transcript, Vol. 1, p. 11.



Inadequate income also affects the lives of those living in public housing or other subsidized units. The Chairman of the local chapter of the National Welfare Rights Organization expressed the criticism that those who will occupy the dwellings are seldom consulted about a project's functional design.<sup>3</sup>

The program director for a community organization which operates two multifamily projects said, "Shabby construction tends to be shrugged off with remarks that .... well, after all, this is for low income. And HUD has really not developed positive procedures to combat that."<sup>4</sup>

A case of alleged overt racial discrimination brought to the Housing Committee, involved a black family who wished to build a new home but was not allowed to buy a lot in a predominately white western Wyandotte county area. When they failed to obtain any satisfaction from the Kansas City, Kansas Human Relations Commission, they did not pursue the matter any further.<sup>5</sup> An agency official said that the case was passed on to the Kansas State Civil Rights Commission, which may not have had jurisdiction for the case.<sup>6</sup>

Most of the complaints of racial discrimination dealt with more subtle, institutional procedures. The "dual housing market" wherein real estate salesmen steer whites to white neighborhoods and nonwhites away from those areas was cited frequently.<sup>7</sup> Representatives from

<sup>3</sup>Transcript I, p. 83.

<sup>4</sup>Transcript I, p. 44.

<sup>5</sup>Ibid., p. 69.

<sup>6</sup>Interview of April 10, 1973.

<sup>7</sup>Transcript I, pp. 13, 70; II, 187; III, 157; IV, 258.

neighborhoods striving to maintain their present integrated character, e. g., the Marlborough Heights, Blue Hills and 49-63 areas, stated that real estate agents dissuade white home buyers from looking in areas which in the agent's perception are likely to receive future nonwhite residents.

Ralph Scott, the Executive Vice President of the Real Estate Board of Kansas City, told the Committee that his board is a voluntary association and hence has no compelling sanctions other than expulsion from the board.<sup>8</sup> A former President of the board stated that some of the questionable practices are attributable not to realtors (those who belong to the board) but to agents not affiliated with the board. "There are a lot of operators that are not realtors, that are not bound by any code of ethics. They are only bound by the state law, which is not specific in many respects."<sup>9</sup> He also admitted that realtors find it impossible to control the actions of employees when the latter are talking to potential buyers.<sup>10</sup>

Interestingly, a Blue Hills resident complained about the practice of larger, so-called "reputable firms" not taking listings in transitional areas. This subjected those neighborhoods to the less professional, possibly less ethical agents.<sup>11</sup> By not listing central city properties, the large companies -- who attract a major portion of the white homebuyers -- tend to perpetuate a dual market. By having no central city offices they

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<sup>8</sup>Transcript III, p. 22.

<sup>9</sup>Interview of January 12, 1973, p. 1.

<sup>10</sup>Ibid., p. 9.

<sup>11</sup>Transcript I, p. 33.

discourage whites from buying in transitional areas. Scott confirmed that larger real estate firms have abandoned the central city.

I think it is just pure and simply a business decision. We have seen over the years some of our larger members, larger firms, leaving the southeast area in general and moving into the suburban areas because there is more activity, more sales, and the prices of the homes are higher. These are businessmen. Their decisions are purely economic and they are going to go, just like any other business, where they can make money.<sup>12</sup>

#### The Black Real Estate Broker

Until a decade ago the Kansas City Real Estate Board was void of black membership. Technically the title "realtor" is reserved only to board members. To become a realtor, a real estate agent must have a full time office other than his home, and be recommended by two current board members. The board lobbies nationally and locally on its members' behalf and conducts training programs in special aspects of real estate. Additional benefits can be expected from the formal and informal association with local leaders of the real estate industry.

In 1947 black real estate agents around the country formed their own association, giving it a very similar name to the white analogue.<sup>13</sup> They copyrighted the title, "realist", for their members. James Taylor, the first black to be accepted on the Kansas City Real Estate Board, says that although the board's policy of whites only was the reason for

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<sup>12</sup>Transcript III, pp. 21-22

<sup>13</sup>The realtor, usually white, belongs to the National Association of Real Estate Boards; the realist almost exclusively black is a member of the National Association of Real Estate Brokers. Unsurprisingly the acronym NAREB refers to the white group.

creating the realtist group, it is no longer a problem for a black to gain membership on the Real Estate Board.

When asked the number of blacks currently among the 2,500 members of the Kansas City Real Estate Board, Executive Vice President Scott told the Committee there were about twenty-five.<sup>14</sup> The same question was posed to another member of Scott's staff, and the written record (see Appendix A) showed nine black members.

Black realtors interviewed generally prized their membership in the larger board. One did complain that a board-sponsored training program on appraising (which he was attending) did not relate to the black community. "The only examples they ever use are for properties in Johnson County or north of the river."<sup>15</sup> Others found it difficult to make any sales in white areas, except to handle "oversells," whereby a white seller insists on so exorbitant a price that only a black person willing to pay for the "privilege" of living with whites will be interested. The seller's agent then calls a black broker to find such a buyer.

One white customer in Grandview unknowingly called a black broker to sell his house. When the black realtor arrived, the seller refused to deal, apologizing but adamant.<sup>16</sup> Another complained that the Veterans Administration no longer had a black-operated firm involved in managing VA properties. He alleged that a black broker is more likely to give

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<sup>14</sup>Transcript III, p. 21

<sup>15</sup>Interview of February 22, 1973.

<sup>16</sup>Interview of January 17, 1973.

attention to the maintenance and marketing of inner city properties held by the VA than a white, outer city agent.<sup>17</sup>

Because the affluent white segment of the market is pre-empted by the major companies, smaller firms, both white and black, are deeply involved in the neighborhoods where racial change is occurring. Organizations from those areas view the smaller agents as undercutting all efforts at neighborhood stabilization. Various techniques are allegedly employed to increase the volume of housing sales:

1. Steering a white buyer away from changing areas, even though the buyer may desire a culturally integrated neighborhood for his family.
2. Introducing families whose income level is clearly insufficient to maintain the property standards of the surrounding area. (The 235 program, as it related to existing housing in inner city area, allowed welfare recipients to begin purchasing an older, cheaper home.) Since the new occupant lacks the funds to make repairs, visible deterioration follows.<sup>18</sup>
3. Soliciting homeowners in a particular area, assuring them of a quick sale at this time, with a depreciating market imminent. A neighborhood leader recounted a refined version of this technique:

This one real estate agent who denied he did it stated that, you know, you list a house and you occasionally walk a buyer through who isn't actually a buyer to give some indication that you are trying to sell the house and you wait around. Usually that homeowner is out looking for another house, he will find something he wants and he will buy it and then he is stuck with the two payments.

<sup>17</sup>Transcript III, p. 48.

<sup>18</sup>According to the HUD area office, the rate of foreclosures for 235 existing (as opposed to new) homes in K. C. was 14 percent in 1972 (147 of 996 units). Although this is three percent less than the national average, it is 3 1/2 times higher than the rest of the area. (Interview of April 9, 1973.)

He can't tolerate that long and so you say, well, we are obviously not going to be able to sell your house so I will take it off your hands. I can only give you \$5,000 or \$6,000, maybe it is a \$10,000 house, but he has to get out from under it so he sells it to you.

And he said many times this is done with a buyer in the back pocket and then when you acquire it for \$5,000 you get your buyer out of your pocket and put him in for 10 or 12 or whatever.<sup>19</sup>

The practices described above do not often get much public attention. Steering particularly is hard to document, for a buyer is usually uninformed about other available listings. Also, a buyer generally is more concerned with obtaining comfortable shelter than with exposing questionable real estate practices.<sup>20</sup> Nor is much help available from governmental sources. HUD's Equal Opportunity staff devotes a major part of its time to reviewing affirmative action plans for employment and marketing, and provides technical assistance on civil rights to all HUD operations.<sup>21</sup> Given its small staff (3 professionals and 1 clerical person in the area office), it cannot be expected to do much by way of complaint investigations. Kansas City, Missouri, does have a Fair Housing Committee consisting of five members appointed by the Mayor. According to its Chairman, Charles Schmelzer, it meets irregularly ("the last meeting we had was about two months ago"<sup>22</sup>), does not initiate any action nor publicize its existence or operations. "U" usually the solution, the conciliation, is just a paper situation and it does not have the effect of securing that particular unit which the complaint originated from."<sup>23</sup> Another observer

<sup>19</sup>Transcript I, pp. 37-38.

<sup>20</sup>Transcript III, p. 29.

<sup>21</sup>Interview of February 27, 1973.

<sup>22</sup>Transcript III, p. 27.

<sup>23</sup>Transcript III, p. 29.

felt<sup>24</sup> that its light sanctions and complicated procedures (it cannot mete out penalties directly) add to the Fair Housing Committee's ineffectiveness.

#### Tools for Conserving Central City Neighborhoods

As an earlier chapter documented, Federal programs for housing, roads, and community development have contributed mightily to the spawning of suburbs. Federal programs have also been made available to central cities. Since the Housing Act of 1949, the much-debated urban renewal program has been deployed to help rebuild the central cities. Although the program has undergone considerable alteration since then, it remains hotly controversial as to its overall impact on housing stocks.<sup>25</sup>

#### Urban Renewal and Neighborhood Conservation

The urban renewal program has been more effective in building public facilities and high-rise offices and apartments than in providing housing for low income persons. Nationally the program has demolished roughly ten times the number of low and moderate income units it has replaced.<sup>26</sup> (In Kansas City, Missouri, the ratio is considerably less: 5,716 units have been demolished since 1953, but 3,439 Federally assisted units have been constructed under the program, most of them at the upper end of the

<sup>24</sup>Interview of April 25, 1973.

<sup>25</sup>See Joseph P. Fried, Housing Crisis, USA, New York, Praeger, 1971, pp. 88ff; Charles Abrams, The City is the Frontier, New York, Harper & Row, 1965; and James Q. Wilson, ed., Urban Renewal: The Record and the Controversy Cambridge, M.I.T. Press., 1966.

<sup>26</sup>Fried, note 25, 89.

moderate income level.<sup>27</sup>) It is generally agreed that the original intent of the legislation--to provide better housing for slum-dwellers--has been subverted in favor of developing higher tax-yielding commercial and industrial enterprises. This also is true in Kansas City, Missouri, where approximately 87 percent of renewal funds have gone to non-residential projects. This is not meant as a criticism of the program: some of the projects have doubtless increased the attractiveness of the central city for private development, commercial and residential. It is to say, however, that a tool for housing the poor it is not.

Urban renewal has resulted in the displacement of the lowest income persons, a majority of whom are non-white. (The Independence, Missouri, renewal project seriously dislocated that city's black population; lack of available low-income replacement units resulted in many blacks relocating in the Kansas City ghetto.<sup>28</sup> By not providing sufficient units of new public housing, it accelerated the overcrowding and physical deterioration of neighborhoods described earlier.)

The relocation of displaced residents remains the most critical problem of all urban renewal programs. Frequently, official relocation reports have stressed that a high percentage (around 93 percent) has been moved into standard units. Their accuracy has been challenged by responsible auditors, who make the following observations: 1) the reports often omit those (often very poor) persons who "drift away" from an area designated for renewal before they are counted as relocated; 2) the rating of "standard" is not easily quantifiable, hence open to arbitrary

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<sup>27</sup>See Appendix B.

<sup>28</sup>Interview of April 11, 1973



evaluation; 3) the reports ignore the fact that the replacement housing is obtained at a markedly higher cost to those relocated; and 4) that tenants who are to be relocated may move into an adjacent area slated for future renewal (as high as 50 percent in certain projects.<sup>29</sup>)

We are happy to note that the question of relocation from local urban renewal projects has been taken up by the Kansas City Department of Human Relations and its Advisory Commission. Because of that concurrent study, our investigation did not delve into the matter. The Government Accounting Office also has examined the level of relocation payments made recently in Kansas City under programs administered by Federal agencies, primarily HUD (urban renewal) and the Department of Transportation (highway relocation). That report was submitted to the agencies reviewed on January 17, 1973, and will be issued after their comments have been received.<sup>30</sup>

As indicated above, urban renewal's shortcomings are sufficiently well-known. It is worthwhile to note, however, that it has enabled Kansas City to attract middle and upper income residents to its central district. In this respect, HUD officials appear not to have been as helpful as they might have been. For example, the River Hills luxury apartment project was originally intended as a twin building effort. According to A. J. Harmon, Director of the Land Clearance for Redevelopment Authority, FHA told the builder "that they would only go along with one building and see how that was filled up."<sup>31</sup> Although the first building was rented before it was completed, the time lapse added inflation

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<sup>29</sup>See Chester Hartman, "The Housing of Relocated Families," in Wilson, note 25 above at 303ff.

<sup>30</sup>Interview of April 12, 1973.

<sup>31</sup>Transcript III, p. 143f.

costs of 27 percent to the second building. The rents will reflect the increase and make marketing of a twin building rather awkward.

Kansas City, Kansas, engaged in a long struggle with HUD to gain approval for some upper income units in the University/Rosedale section. Despite what appears to be HUD concurrence with the idea as far back as 1965, area officials were reluctant to approve it, insisting rather that the site should house low-income people. Given the fact that a reputable developer viewed the area's proximity to I-35, the Plaza, the K. U. Medical Center, and the Central Business District as a strong marketing point, and given the opportunity to provide economic mix to an area of low-income concentration, the HUD position appears to be another example of indifference to balanced metro development. As of mid-April 1973, it appeared the developer was able to finance the project without Federal assistance, indicating that the private sector had considerable confidence in that area.<sup>32</sup>

The Department of Housing and Urban Development, especially through its Federal Housing Administration, has proven itself quite willing to insure suburban projects but extremely timorous when it comes to central city developments. Time and again the statutory requirement calling for "economic soundness" has been used by government officials at the expense of central cities in general and minority neighborhoods in particular.

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<sup>32</sup>Appendix C contains correspondence related to the case from the Urban Renewal Agency, HUD, Kansas Senators Pearson and Dole, and Congressman Winn.

Code Enforcement as a Conservation Tool

Shortly after the Federal urban renewal program began, it became apparent that slum clearance by bulldozer alone would not renew the Nation's cities. Amendments to the act made in 1954 required cities "to take greater responsibilities for meeting their overall problems of slums and blight."<sup>33</sup> But it was not until 1965 that a Federal Code Enforcement program was introduced. This paid two-thirds of all costs incurred in improving deteriorating, but basically sound areas. Public improvements eligible for funding included street lighting and repair, tree planting, and the like.

The Committee found general agreement that it is now too late to use this tool in the inner city neighborhoods.<sup>34</sup> Rather, attention should be focused on the "gray areas", where spots of blight are developing. According to one city official, Kansas City was late getting into the Code Enforcement program because "frankly, the city was not ready to come up with the local share to finance such a program."<sup>35</sup>

The city now has two Federal Code Enforcement program areas. One is the Federally Assisted Code Enforcement Program (FACE) in Blue Hills. The other is in the Model Cities area, the Neighborhood Improvement Program (NIP). The latter faces much difficulty because housing deterioration is more serious and widespread. In addition, the cutback of Model Cities funds jeopardizes its viability still further.

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<sup>33</sup>Ashley A. Foard and Hilbert Fefferman, "Federal Urban Renewal Legislation, " in Wilson, note 3 above at 96.

<sup>34</sup>Transcript I, p. 14; Transcript II, p. 199.

<sup>35</sup>Transcript III, p. 160.

City officials were hopeful that their application for a demonstration program to prevent housing abandonment would be approved. As of April 10, 1973, Kansas City was one of five cities remaining in contention for three Federal grants. If successful, it would mean about \$2 million available for a comprehensive approach to that problem.

### Rehabilitation

Once overlooked as a means for reviving a city's housing stock, rehabilitation of salvageable homes has suddenly found new favor. It offers the advantage of retaining a neighborhood's basic character, and does not remove needed low income units from the total supply. The main problem with rehabilitation is determining at what point it becomes more efficient to raze a structure and replace it with new construction.

In June 1971, the City Development Department began "Project Rehab," an attempt to renew housing on a sizeable scale for low and moderate income people. "It's done under Sec. 236, and we try to obtain sponsors to do the rehabilitation, and HUD guarantees the loan."<sup>36</sup> As of December 31, 1972, 428 units were completed or under construction, and HUD has approved an additional 411. Although the program can extend throughout the city, the primary focus has been between 27th and 37th Streets, from Campbell to Flora. Project Rehab's initial results have demonstrated that there is a strong market demand for quality rehabilitated units (e.g., \$95-110 per month for 1 bedroom units.)<sup>37</sup>

These efforts to rehabilitate central city housing have been complicated, according to one rehab developer, by rigorous standards set by both

<sup>36</sup>Interview of April 11, 1973.

<sup>37</sup>Interview of April 25, 1973.

the city and HUD. When the city's stiffer terms were finally met and the project still appeared feasible, HUD reportedly said that the acquisition cost of \$2,300 per unit was too high. This incensed the developer, who learned that HUD was allowing the urban renewal agencies to spend as much as \$4,000 per unit to acquire buildings that will be demolished.<sup>38</sup>

### Public Housing

As Table 4.5 indicated, the vast majority of public housing--virtually the only government housing program which reaches to the truly low income level--is found in the two Kansas Cities. Proportionately, Kansas City, Kansas, has made greatest use of this program, having 3.9 percent of its housing stock in public housing or rent supplement. Kansas City, Missouri's share is less than half that amount--1.7 percent. The black tenant percentages are similar in both programs: 65% on the Kansas side, 57% in Missouri. Both approximate 50/50 black-white ratios in their elderly units. Mexican Americans comprise no more than 10 percent in either program.<sup>39</sup>

Kansas City, Missouri's public housing record strongly resembles that of most big cities. A large high-rise complex for families, Wayne Miner, built in the 1950's, suffers all the handicaps of such structures: frequent vandalism, inadequate maintenance, a large concentration of families needing special social services, and a location notorious for its lack of amenities and safety.

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<sup>38</sup>Transcript I, pp. 134f.

<sup>39</sup>Interviews of February 1, and April 12, 1973.

John Bridges, Executive Director of the Public Housing Authority, says that the Wayne Miner project imparts a bad image for public housing here. "At the time Wayne Miner was built, the social conditions that existed changed very rapidly and caused a major deviation from the original concept in terms of housing families in high rise type buildings."<sup>40</sup> Bridges lists the trend of blacks toward home ownership and their migration beyond 27th Street as crucial factors. The intended clientele for the project--blue collar, moderate income, two-parent families--began to find standard housing available to the south as whites scurried to the suburbs. The new project began to attract those families who could not afford private housing. Although these were the tenants originally intended by the national legislation, the new project was ill-designed to meet their needs.

No new project for families has been built since Wayne Miner in 1958. Bridges attributes this to opposition from neighborhoods which surround a proposed site, and to the Authority's traditional pre-occupation with management concerns rather than new development. The agency has had financial problems for several years.

Again as with most large cities, the bulk of the public housing units are located in non-white areas. As Bridges says, "Many of us begin to believe that the fact that you can almost throw a rock in any direction in the inner-city and it falls on a housing project, that this was by design."<sup>41</sup>

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<sup>40</sup>Interview of February 1, 1973, p. 2.

<sup>41</sup>Ibid., pp. 3f.

In 1971, after being prevented by a Federal Court from building where racial concentration would result, HUD issued regulations calling for a more balanced distribution of assisted housing.<sup>42</sup> This effectively limits new developments to the white, outlying areas of the city.

A similar court case occurred in Kansas City, stemming from a HUD subsidized 236 development at 75th and Cleveland.<sup>43</sup> The project in question stimulated considerable new thought by City officials on the implications of unplanned, haphazard placement of subsidized units. Mayor Charles B. Wheeler appointed the previously mentioned Temporary Advisory Commission on Housing to develop, on an advisory basis, a housing policy for the City "in conjunction with the Kansas City Metropolitan Region."<sup>44</sup> The newly generated interest spread to the City Council members, who in Bridges' view are cooperating fully with the Housing Authority. It is possible that HUD's decision not to approve the city's urban renewal funding--thus jeopardizing the proposed downtown convention center--unless more low and moderate income housing were built, may have heightened the officials' housing priorities. At any rate, the Council appropriated \$25,000 to allow the Authority to facilitate the acquisition of sites in outlying areas. According to Ralph G. Wrobley, Chairman of the Housing Authority, "We also had the arrangement of HUD, the area office of HUD, to process our request within 10 days."<sup>45</sup>

<sup>42</sup>See Federal Register, vol. 37, no. 4, (Friday, Jan. 7, 1972), p. 203f.

<sup>43</sup>In a decision rendered April 6, 1973, U.S. District Court Judge William R. Collinson permanently enjoined HUD from further development of the project. See Graves v. Romney, Civil Action No. 19474-2 in the U.S. District Court, Western District of Missouri.

<sup>44</sup>See City Ordinances 40003 and 40102.

<sup>45</sup>Transcript III, p. 103.

On paper, it seems as though Kansas City could have been at the threshold of a new breakthrough in public housing. An innovative new director and some all-important backing from elected officials could have resulted in a new image for public housing here: smaller projects esthetically suited to the surrounding area, done on human scale, and scattered throughout the city, particularly in newly developing areas offering opportunity for employment in expanding industry. The blanket housing moratorium of January 1973 has prevented the program from getting off the boards. Wrobley finds this discouraging, although he personally feels a review of Federal housing programs was warranted.<sup>46</sup>

The financial picture is desperate, Wrobley and Bridges agree. This is due partially to the Authority's postponement of rent increases, but more directly to current implementation of the Brooke Amendment.<sup>47</sup> The latter states that a public housing tenant may not be required to pay more than 25 percent of his income toward rent. The Federal assistance provided does not cover the gap between what the city expends and what one-fourth of a poor tenant's income provides. E.g., the agency's operating cost is \$61 per unit per month. It receives an average monthly rent of \$21 per unit. The Brooke subsidy, as currently administered comes to \$24 per unit, or \$16 less than the break-even point. The solution recommended by HUD is to introduce an "economic mix" into the program by raising the income ceiling. While this could have a stabilizing effect upon a housing

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<sup>46</sup>Transcript III, p. 102.

<sup>47</sup>Ibid., pp. 111-112.



complex, it simultaneously presents two problems: 1) it tends to eliminate the lowest income groups from the program specifically designed for them; and 2) it may prove difficult to attract middle income families into public housing. Bridges feels the rent-up problem to be more serious than does Wrobley.<sup>48</sup>

HUD Regional Administrator Elmer Smith had this to say about the impact of public housing in the region.

Public housing is the most successful program you can think of, once you get 50 miles outside of any metropolitan area. In this four state region that we have here, I know of no communities, other than the large cities, where public housing is considered anything other than an asset to the community, to the neighborhood or to the people. Desperately desired, properly run, in many places it is the middle class housing in the communities....<sup>49</sup>

His view was confirmed by William Southerland, Director of the HUD area office, who said that public housing units previously allocated to large cities (such as Kansas City) were being "recaptured" and reissued to smaller communities.<sup>50</sup> Finally a MARC official: "I think it is pretty clear that the metropolitan area has not used as much public housing funds as would have been available to it."<sup>51</sup> It is difficult to escape the impression that new public housing is being used chiefly in areas having no or small minority populations. This entire matter is worthy of serious further consideration and study.

Both Chairman Wrobley and City Manager John Taylor acknowledged that the city has been slow in taking action in housing. Taylor said that

<sup>48</sup>Interviews of February 1, and March 2, 1973.

<sup>49</sup>Interview of February 27, 1973.

<sup>50</sup>Transcript IV, p. 236.

<sup>51</sup>Transcript II, p. 241.

until 1968, housing matters were left to the Department of City Planning, "which was really devoting very little concern to social and economic problems of the city."<sup>52</sup> In that year the Department of City Development was formed, though it did not plunge immediately into housing problems.

#### Rent Supplement as a Tool

The 236 program, like the 221(3)3 program which preceded it, is basically designed for the moderate income family. Both programs enable the development of apartment units which rent for less than market rate, but at least 35 percent more than local public housing units. In addition the sponsor of such an apartment complex can request that a certain portion of the units (generally 20 percent under 236, up to 100 percent under 221(d)3), be declared eligible for "rent supplement." This consists of an additional subsidy for persons with incomes below the moderate range, enabling them to live in the complex. Table 4.5 shows the number of units available for rent supplement as well the number of units so occupied. The usual pattern can be observed, i.e., Wyandotte County leads all participants in the program, followed by Jackson County, with Johnson County choosing not to take part. Clay County, which has a similar number of subsidized apartment dwellings to Johnson's, has 6.9 percent of those units eligible for rent supplement.

Further analysis indicates that Sec. 236 projects in the inner cities make use of the rent supplement program,<sup>53</sup> while outlying projects avoid it for the most part.

<sup>52</sup>Transcript III, p. 131.

<sup>53</sup>A member of the Board of Directors for the Parker Square project told the Committee that the sponsor requested 60 percent usage of rent supplement, but was kept to the usual 20 percent limit by HUD. Transcript I, p. 80.

Developers claim it is hard enough to sell the concept of assisted housing to a white community, let alone introduce the spectre of public housing clients moving into the project.<sup>54</sup> Hence the great underutilization of the program beyond the inner city.

Direct Housing Allowance: A Brand New Tool?

Not surprisingly, the current housing freeze or moratorium was severely scored by most persons interviewed. Comments ranged from City Manager John Taylor's, "We shouldn't have one"<sup>55</sup> to a developer's "The most ridiculous course of action for any government to take at any time."<sup>56</sup> Others were worried about the effects of the shutdown, of the impact of revenue sharing (which would mean an immediate reduction of 12.7 million Federal dollars for Kansas City, Missouri,<sup>57</sup> and that housing will remain a low priority nationally).

A new form of housing subsidy to low income people which some expect will be a prominent feature of the current administration's policy<sup>58</sup> is the Direct Housing Allowance (DHA). Unlike other programs which make the subsidy to the lender or developer, DHA, as its name indicates, sends a monthly check directly to the low income resident, who uses it to pay for shelter.

Kansas City, Missouri, is one of two cities nationally to serve as a testing area for the program. Begun in 1970, it is administered locally

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<sup>54</sup>Transcript III, p. 89.

<sup>55</sup>Transcript III, p. 130.

<sup>56</sup>Transcript I, p. 126.

<sup>57</sup>Transcript I, p. 25; Editorial, "President's New Urban Program Could Hurt Kansas City", K.C. Star, April 24, 1973.

<sup>58</sup>Transcript II, p. 229. See also Housing Subsidies and Housing Policy, Joint Economic Committee of Congress, March 5, 1973, p. 9.

by the Housing Development Corporation and Information Center (HDCIC), using Model Cities funds. Some basic facts about the program are provided by the Midwest Council of Model Cities, charged with evaluating the program:<sup>59</sup> 222 families, who had to move into standard housing, received at least one monthly payment averaging \$92. Of this number, 161 are still in the program. Most of the dropouts were due to inability to maintain rent payments despite the allowance. Ammi Kohn, director of the evaluation project, found that dropouts are highest immediately after Christmas, indicating that the recipient may choose to use the money for things other than housing.<sup>60</sup>

One outcome hoped for by proponents of DHA is that minorities will be helped by the subsidy to move out of ghetto areas. In reality, this has not occurred: Participating white families moved into white areas, whereas blacks remained in areas predominately black. Kohn stated that both demonstration programs indicate that as presently implemented, the DHA "is going to do nothing but perpetuate the existing market, the existing movement of families in a given area."<sup>61</sup>

Several alternatives to promote open housing goals were suggested:<sup>62</sup>

- 1) a metro-wide allocation program;
- 2) make allowances available only to tenants of newer units, most of which are outside the area of racial impaction;
- or 3) provide thorough counseling to the participants, including

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<sup>59</sup>Transcript II, pp. 221ff.

<sup>60</sup>Ibid., p. 225.

<sup>61</sup>Transcript II, p. 228.

<sup>62</sup>Ibid., p. 229f.

on site inspections of available units. A leading housing researcher, Anthony Downs, argues that the current subsidy programs provide better access to the suburbs by the poor than does the direct allowance.<sup>63</sup>

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<sup>63</sup>"Are Subsidies the Best Answer for Housing Low and Moderate Income Households?" Urban Lawyer vol. 4, no. 3, 1972, pp. 405-416.

## VI. TOWARD A CONSENSUS-CREATING COALITION

Any report which attempts to analyze the racial implications of the very fragmented and multi-faceted metropolitan housing delivery system can scarcely avoid a certain amount of abstruseness. A 1971 report by the regional planning commission<sup>1</sup> lists seventy operative elements involved in the process of planning and building, marketing and maintaining new housing units (see Figure 6.1). This great proliferation of functions makes it relatively easy for any single agency or institution to escape notice regarding its own activities and to refuse responsibility for the collective impact of the whole system's effects. For example, lending institutions can claim, with some validity, that they should not be held liable for the gutting of the inner city, nor be made solely responsible for its resuscitation. The president of the newly-formed local chapter of the Mortgage Bankers Association felt that the Federal government, through FHA, should bear by itself the risks involved in underwriting inner city properties.<sup>2</sup> He also stated that as recently as 1971 "close to 100 percent" of his own firm's business was done through Federally-insured programs.<sup>3</sup>

It appears that the paradigm of government contractors, who build private fortunes by letting the government take all risks and absorb all losses, is also operative in the housing industry. The tax shelter, the inflated building fee, the immediate cash takeout, accelerated depreciation

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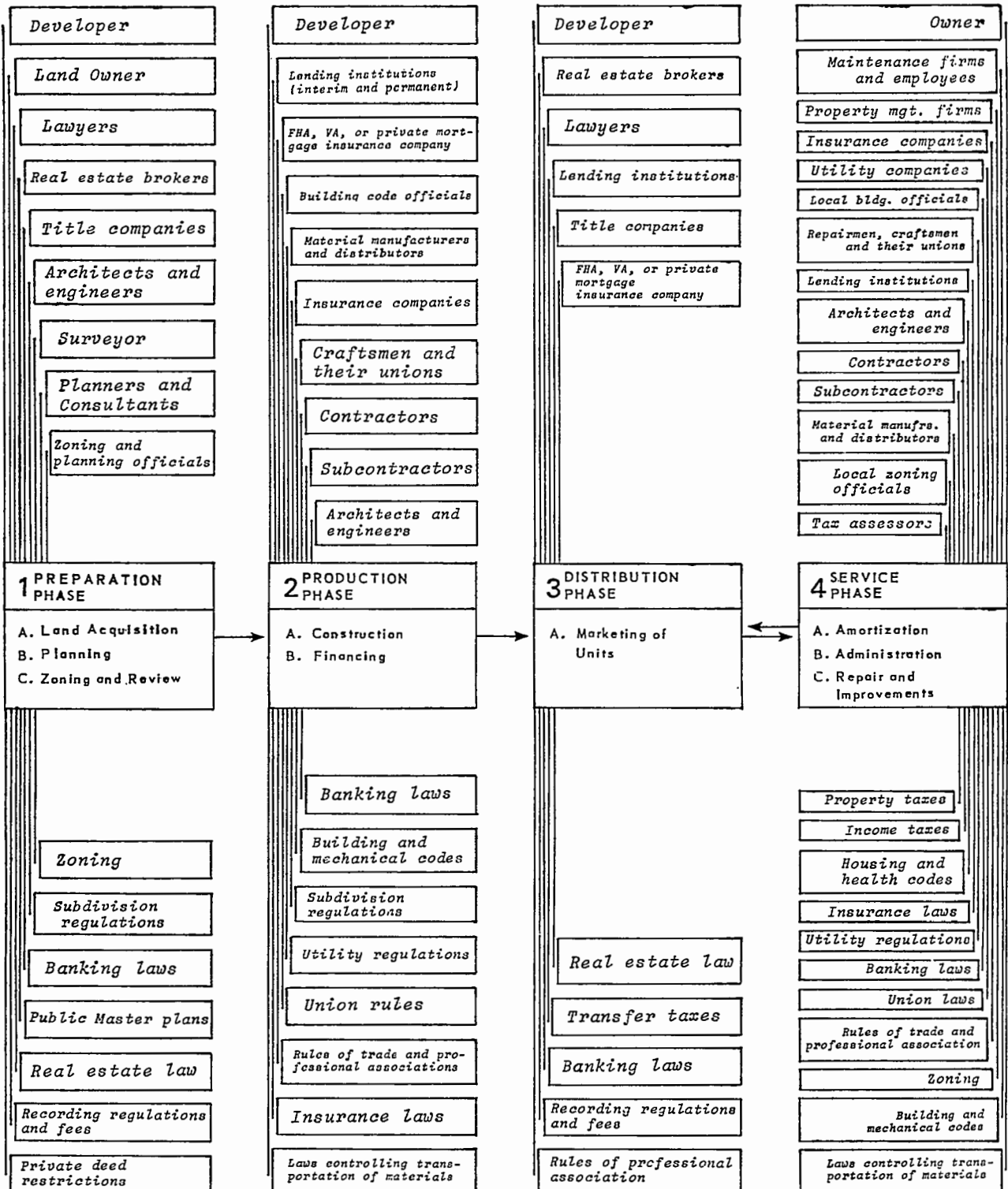
<sup>1</sup>Metropolitan Planning Commission - Kansas City Region, The Limited Housing Supply: Resources and Deficiencies May 30, 1971, p. 43.

<sup>2</sup>Transcript III, p. 70.

<sup>3</sup>Ibid., p. 67.

Figure 6.1

# AN OVERVIEW OF THE HOUSING INDUSTRY



SOURCE: Metropolitan Planning Commission - Kansas City Region 1971

and other devices--many of which were conceived and lobbied into law by the housing industry's special groups--diminish or even eliminate private risk money in a project. As a noted housing expert has put it, Federal programs have resulted in "socialized housing" for the wealthy by compelling the Federal taxpayer to foot the cost of their interest payments and take the risks in their real estate speculations.<sup>4</sup>

If the private sector has enjoyed success in taking profits without risk, this was made possible by government agencies ignorant of or unconcerned about the social implications of their decisions. The Department of Housing and Urban Development was roundly criticized by a majority of interviewees dependent on its programs. Its data collection techniques were characterized as deliberately designed to suppress meaningful information;<sup>5</sup> its application of guidelines and policies were described as arbitrary.<sup>6</sup> It was accused of turning down viable proposals even when that meant losing housing units allotted to this area,<sup>7</sup> and it admitted that some units were lost.<sup>8</sup> A black real estate broker said flatly, "I don't think the local HUD office has served the inner city at all."<sup>9</sup> A white developer felt that political partisanship played a role in HUD's allocations: "We used to get a lot more units when there was a Democratic president than when there was a Republican administration."<sup>10</sup>

<sup>4</sup>Abrams *op. cit.* at 228ff.

<sup>5</sup>Interview of September 5, 1972.

<sup>6</sup>Transcript II, p. 123.

<sup>7</sup>*Ibid.*, p. 124.

<sup>8</sup>Transcript IV, p. 234f.

<sup>9</sup>Transcript III, p. 50.

<sup>10</sup>*Ibid.*, p. 99.



What this Committee considers the most serious criticism of HUD came from Richard F. Davis, director of MARC, and as such both heavily dependent upon HUD and basically sympathetic to its problems. He criticized HUD officials for the pejorative fashion in which they sometimes describe assisted housing programs, e.g., as a "burden" that must be "shared."<sup>11</sup>

The list of accusations and grievances could go on indefinitely. This Committee makes its own recommendations in the following chapter. While HUD's responsibility for current conditions should not be understated, neither should the roles of the other participants be overlooked. For a long time FHA, the prime governmental mover in financing the exclusive suburb, was staffed almost exclusively by former real estate agents and mortgage lenders. Their perceptions of "proper" neighborhood development backed by "economic soundness", e.g., racially segregated, enforced by restrictive covenant, still find wide tacit approval today.

#### Minority Representation in the Housing Industry

Despite the 1968 Housing Act and its prohibition of racial discrimination in housing, research indicates that suburban realtors are not strongly committed to compliance with open housing laws.<sup>12</sup> The former president of the Real Estate Board admitted that he "fought tooth and nail" the city's fair housing ordinance.<sup>13</sup>

<sup>11</sup>Transcript IV, p. 198.

<sup>12</sup>Alan H. Shechter "The Impact of Open Housing Laws on Suburban Realtors", prepared for delivery at the 1971 Annual Meeting of the American Political Science Association, p. 26.

<sup>13</sup>Interview of January 12, 1973, p. 8.

The small number of minority members in the Real Estate Board was mentioned earlier (p. 29). The Home Builders Association of Greater Kansas City shows a similar paucity of minorities, and similar imprecision in counting them as well. Executive Secretary Olin C. Jones estimated "about half a dozen" of the 719 member builders are black or Mexican American.<sup>14</sup> The president of the Mortgage Bankers Association said he knew of only two black lenders "and I am not sure whether one is still in business or not."<sup>15</sup> He also said that the specialized training for his industry comes mostly from on-the-job experience and "there have been a very few black people employed by mortgage bankers and so they have not had the opportunity for training."<sup>16</sup>

All attempts by this Committee to ascertain what efforts the various elements of the housing industry were making to increase minority participation met with obtuse or uninformed responses. Industry spokesmen generally were unaware of any affirmative action program to recruit minority members other than the Kansas City Plan for construction workers. The other institutions--real estate, homebuilding and lending--appeared to accept minority under-representation as a normal fact of life. Only the mortgage banker spokesman, Richard Griswold, felt that minority participation would be a fitting topic for his association to pursue.<sup>17</sup> As long as the industry is allowed to be satisfied with its current racial tokenism, it is unlikely that governmental action will prove effective. Dual

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<sup>14</sup>Interview of February 22, 1973.

<sup>15</sup>Transcript III, p. 73.

<sup>16</sup>Ibid.

<sup>17</sup>Interview of March 7, 1973.

markets--and dual standards for taking part in them--exist because they are sanctioned by practitioners and paid little attention by "watchmen", public or private. In the long range, this could prove most devastating to the area's social well-being.

This Committee strongly urges that the private sector--whose concern for autonomy is expressed in the slogan "Regulate ourselves or it will be done for us"<sup>18</sup>--begin to devote its expert resources to the study of metropolitan development. We are confident that a concerted effort by local agents--including representatives from real estate, lending, home-building, trade unions, community organizations, Chambers of Commerce and others--would not only provide an expertise that is competent and balanced; it could also set in motion a coalition of diverse interests whose unity on the issue of housing would be extremely welcome to most government officials at every level. This Committee recognizes the abilities of the local industry, and urges their concerted effort.

Mayor Charles B. Wheeler of Kansas City, told this Committee:

The present system obviously isn't working, isn't solving our problems, is segregating our schools, is creating the need for busing, for equal educational opportunities, so the housing program itself to me has been a secondary factor.

The real primary emphasis should be on industrial development, job creation, and an economic mix in both private and public housing, and this is my answer to this terrible set of dilemmas that you have to deal with at this particular time.

Whether we have an enlightened enough industry in the real estate and housing construction areas in

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<sup>18</sup>Kansas City Realtor, October 26, 1973, p. 1.

this country at this particular time remains to be seen. Certainly other professions and industries have been placed under pressure by the Federal government and have responded in a constructive respect.<sup>19</sup>

#### Local Government Participation

Much of this report indicates that the two Kansas Cities have shared to a disproportionate degree the responsibility of housing the area's poor. Suburban sections by contrast have avoided that responsibility by selective use of Federal programs and local political controls. This general conclusion, however valid, should not be construed as praise for the former and excoriation of the latter. Kansas City, Missouri officials admit that low income housing has long been ignored by them. The city has spent far more time and money on attracting and accomodating commercial interests than it has on maintaining its neighborhoods. In a real sense it has been dragged kicking and screaming into the problem it so long ignored.

There is no cause, therefore, for boasting by any agency, private or public. At the same time this should allow all agency representatives to address the problem of balanced development dispassionately. Since no party dare cast the first stone, a cooperative climate can be hoped for. No villains nor scapegoats are necessary: to quote Pogo, "we have met the enemy and they is us".

Mayor Wheeler, a strong advocate for balanced development, said he has been "pleasantly surprised by the attitudes of the mayors of suburban

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<sup>19</sup>Transcript IV, p. 175.

communities and their willingness here in this midwestern metropolis to objectively consider the dispersal policy."<sup>20</sup> He described them as enlightened persons who "have a progressive attitude and would like to get on top of some of these problems."<sup>21</sup> This view was more optimistic than that of another official, who felt that the current mood of suburban elected officials was one of "let's make sure that none of us are overly impacted [with low income housing]."<sup>22</sup>

#### Mid-America Regional Council

The agency best suited for creating a formula for metropolitan action in housing seems clearly to be the Mid-America Regional Council. Aside from being alone as a planning agency with metropolitan scope, MARC can point to an involvement in housing, especially through its predecessor, Metroplan. Its current structure as a combined planner and council of government presents in this Committee's view, both advantages and disadvantages. By granting equal voting power to its constituent jurisdictions it grossly under-represents the central cities, especially the non-white population. (MARC staff members and Kansas City officials have expressed concern over the absence of minorities on the MARC voting board. They are attempting to remedy this by increasing minority involvement on its eight functional subcommittees.<sup>23</sup>) The advantage of MARC's present constitution, whereby voting members are also elected local officials, is that

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<sup>20</sup>Transcript IV, pp. 171-2.

<sup>21</sup>Ibid.

<sup>22</sup>Ibid., p. 199.

<sup>23</sup>Ibid., p. 194.

a plan which receives MARC approval can expect less local opposition than one prepared by planners only. Such plans frequently are shelved permanently for want of political support. The current arrangement also provides for direct exposure to regional problems.

On the other hand, it will take greater effort to motivate suburban elected officials to face up to a troublesome issue such as housing. A combination of pressures--from central city officials, particularly--will doubtless be applied to generate and sustain pursuit of this issue..

Fortunately, there seems to be considerable positive feeling toward MARC from most segments of the community. The HUD Regional Administrator expressed his pleasure at MARC's record thus far.<sup>24</sup> The only criticism received by this Committee, from a developer, concerned MARC's inability to control the actions of member governments.<sup>25</sup> Having no enforcement powers, MARC can only persuade through the expertise of its research and the confidence this begets in local officials.

Several regional planning agencies, particularly in Dayton, Ohio, and Minnesota's Twin Cities, have been successful in effectuating "housing allocation plans." Critical in motivating suburban areas to accept such plans has been the "Federal leverage tool," the A-95 Review. This review enables the regional planning agency to tell the Federal agency about to fund a particular request (for water and sewer facilities, roads, filtration plans, etc.) whether the requested project is in accordance with the

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<sup>24</sup>Interview of February 27, 1973, p. 4.

<sup>25</sup>Transcript III, p. 96.

overall plan for the region. If a community refuses to accept its fair share of low income housing it will not be given other Federal assistance. Thus, the incentive of Federal funds motivates a community to cooperate with the rest of the region.

The current housing freeze and the new form of distributing Federal funds (revenue sharing) throw a regional housing plan into question by removing some major motivating factors.<sup>26</sup> Yet Dr. Robert Bechtel,<sup>27</sup> housing researcher and Chairman of the Temporary Advisory Commission on Housing (TACH) and City Manager John Taylor<sup>28</sup> both believe that some form of inducement to accept housing units will be attached to Federal aid, even under revenue sharing. Federal spokesmen have been extremely laconic on the issue thus far.<sup>29</sup> One can only speculate whether this silence is merely strategic, or indicates that "no strings" community development funds will be forthcoming.

Irrespective of the ultimate form the funding may take, it is this Committee's belief that Federal civil rights laws should compel their non-discriminatory use. Consequently, the current moratorium, however unwelcome, does afford an excellent opportunity to look toward the future. It allows some "quiet time" for setting goals on housing allocation and for designing instruments to reach these goals. We urge MARC to use this time to

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<sup>26</sup>Transcript IV, pp. 180, 188.

<sup>27</sup>Ibid., p. 276.

<sup>28</sup>Transcript III, p. 128.

<sup>29</sup>See Speech by HUD Undersecretary Floyd H. Hyde to the Austin, Texas Federal Regional Council, April 3, 1973, p. 17.

address the region's housing difficulties with thoroughness. MARC should also take special care to involve both the business sector and the minority community in this effort.<sup>30</sup>

The TACH Report might well serve as a starting point for the task described for MARC. The preliminary report of January 1, 1973, contained 81 recommendations of widely variant scope (ranging from calling for a wholesale reorganization of the city government's housing functions to suggesting that housing designs consider the elderly and handicapped). The unranked character of the recommendations makes it difficult to distinguish priorities; and the report contributes little to the question of housing allocation, although many had expected it to do so.<sup>31</sup> Nonetheless, the TACH report provides this entire area with a tool that is both educative and problem-solving. It delves into virtually every aspect of housing with a sophistication rarely achieved by a citizen's group. This Committee voices its support for many of the TACH recommendations, particularly those calling for a comprehensive City Housing Department, for a central listing of all real estate properties currently for sale and for neighborhood development corporations.

Both MARC and HUD officials expressed approval of the TACH report. The former claimed to have cooperated closely with the Commission since its inception,<sup>32</sup> and HUD Director William Southerland told the Committee it was

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<sup>30</sup>MARC Director Davis claimed that thought has been given to increasing the involvement of both groups. See Transcript IV, pp. 194, 196.

<sup>31</sup>See City Ordinance 40102.

<sup>32</sup>Transcript IV, p. 196.



through his efforts initially that the TACH report came about.<sup>33</sup> At any rate it would appear this study should receive serious consideration from two agencies which have great influence on the metro region.

#### Vacuum of Leadership at the State Level

Throughout its investigation, the Housing Committee found little evidence of direct involvement in area housing by State agencies from Missouri or Kansas. The Missouri Department of Community Affairs has directed the bulk of its housing efforts to assisting governmental units in small, rural areas. Its Office of Planning contracted for the monumental Community Development Laboratory study, Freedom of Choice, cited in Chapter I. State officials are unaware of any program of follow-up for this excellent work.<sup>34</sup>

The Missouri Housing Development Commission was created two years ago "to provide the funds for making below market interest rate mortgage loans to non-profit and limited-dividend sponsors."<sup>35</sup> It ties in closely with Federal programs, using State funding to lower interest rates even further than the Federal subsidies. It has participated in one Kansas City project, 300 units of 236 housing in Clay County. Although it is too early to determine what influence MHDC will have on the area, it appears likely that its performance will hinge closely on that of the Federal programs.<sup>36</sup>

James Kushner, an attorney with the Legal Aid and Defenders Society, told the Committee that Missouri's housing laws are "excessively abusive

<sup>33</sup>Ibid., p. 246. Southerland's involvement was hotly contested by other participants in this study, who claimed that he offered little support to the TACH venture initially. The TAGH fulfilled a campaign housing pledge of Mayor Wheeler.

<sup>34</sup>Interview of April 23, 1973.

<sup>35</sup>Missouri Housing Development Commission, First Annual Report August 1972, p. 3.

<sup>36</sup>New legislation that would provide MHDC with broader financing powers is pending before the Missouri Legislature.

towards the poor."<sup>37</sup> The abovementioned study, Freedom of Choice in Housing, documents the consistently tolerant view of the State Supreme Court toward exclusionary zoning practices.<sup>38</sup> Kansas provides no indication of greater clemency toward the poor or minority.

Kansas City residents do not appear to seek much assistance from either State government. It is doubtful that much would be forthcoming, if sought. Some fear that the area's situation of belonging to two states diminishes its influence on state leadership.<sup>39</sup> This dilution of power is particularly painful when one considers that state governments have available to them the keys to many metropolitan solutions. For example, a Regional Housing Authority could be set up to provide assisted housing wherever need is determined.<sup>40</sup> This could help to eliminate many restrictive features of zoning codes yet preserve the residential character of neighborhoods. Likewise school districts--which are a surrogate of state power, but so crucial to neighborhood stabilization--could quickly be made less provincial, and more responsive to the total "regional city."

#### CONCLUSION

In the final analysis, the metropolitan area's housing problems must be seen in terms of economics and race. Americans, who condemn Europeans for their attention to class distinctions, exceed their Old World counter-

<sup>37</sup>Transcript II, p. 151.

<sup>38</sup>Op. cit., pp. 4-7.

<sup>39</sup>Transcript IV, p. 190.

<sup>40</sup>The State of Missouri has commissioned the Community Development Laboratory at the UMKC School of Law to draft a comprehensive statute including 1) Regional Housing Authorities; 2) Planning and Zoning at the State and Regional level; and 3) new landlord/tenant legislation. The draft is scheduled for completion by mid-June, 1973.

parts in one aspect at least. We practice "residential snobbery," so that, in one glance at our address everyone will know how successful we (or our parents) are.

But there is also a racial problem, let us be reminded. As long as the correlation remains high between the absence of low income housing and the absence of minorities in an area, one can hardly disagree with a past president of the Homebuilders Association who told the Committee, "I mean, it is just bigotry, that is all."<sup>41</sup>

Ironically, the statement of two realtors (one black, one white) that most minorities want to live together, is probably true.<sup>42</sup> Research indicates that approximately 70 percent of this country's blacks prefer living with other blacks.<sup>43</sup> In this respect they are no different from other ethnic groups. Typically, a ghetto does not dissolve until a second or even third generation has established itself in a city. In light of this fact it would seem that a balanced housing development policy would be in the best interest of middle class whites. It would eliminate the current pattern of block-by-block turnover, from which few neighborhoods are totally immune.<sup>44</sup> Establishing genuine free choice in housing for minorities is the only ultimate protection residents have against blockbusting, steering, and property devaluation because of rapid turnover.

A recent national survey indicates that for the first time a majority of white Americans believes that blacks are discriminated against in

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<sup>41</sup>Transcript III, p. 89.

<sup>42</sup>Transcript III, pp. 19, 42.

<sup>43</sup>Transcript IV, p. 284.

<sup>44</sup>Transcript I, p. 11.

obtaining decent housing.<sup>45</sup> Interestingly, housing is the only area in which most whites agree that racial bias occurs. Given this majority awareness nationally, this Committee believes that an area-wide coalition, including elected officials, business leaders, and housing advocate groups, using the expertise and forum provided by the Mid-America Regional Council coupled with new legislative authority is the most effective vehicle available for developing and carrying out a rational plan for balanced housing. Achieving this will prove as important to the job market as any airport or stadium; it will alleviate the pressures still mounting on local school systems. And the sound distribution of safe, decent, and attractive housing units will do more for the image of Kansas City than the most efficient public relations campaign.

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<sup>45</sup>Louis Harris, "Majority Sees Racial Bias in Housing" Washington Post January 15, 1973, p. 4A.

## VII. RECOMMENDATIONS

This report has repeatedly called attention to other studies on area housing, particularly Freedom of Choice in Housing and the recently completed work by the Kansas City Temporary Advisory Commission on Housing. Both studies have much to say, and this Committee will work to obtain their broadest circulation. As mentioned earlier, the Committee urges their use as a starting point to create a local coalition for balanced housing development.

This Committee has noted a definite lack of coordination in the use of Federal programs for overall metropolitan development. This imbalanced usage has both intensified and been encouraged by traditional operations in the private sector, with the result that virtually all new residential development for upper income persons has occurred outside the central city. By contrast, the inner city has received the vast majority of low income housing units, although market analyses support higher income developments there.

The need is urgent for some rational, co-operative action on a metropolitan scale. A plan for balanced housing development is critical to the entire area, if the current trend toward apartheid--both racial and economic--is to be averted. Such a plan will allow, but in no way coerce, minority migration to suburban areas. Thus far similar plans implemented elsewhere (particularly Dayton, Ohio) have seen some residential integration, but no single community has been impacted. At the same time proximity to suburban industrial parks may prove a magnet to attract minorities seeking housing near their place of work.

Rather than reiterate many of the recommendations contained in the two aforementioned studies as well as other works, this report recommends the following priority actions to be taken by the appropriate agencies.

#### United States Department of Housing and Urban Development

Finding 1: Information regarding local use of HUD programs is hard to obtain, due to HUD's complicated recording processes. Some programs are categorized by municipality, others by county; some records are kept only in Washington. As a result, little comprehensive review of program distribution has occurred and efforts by the public to obtain information are frustrated.

Recommendation 1: This Committee recommends that HUD use its computers with greater sophistication to develop a data retrieval system which enables the area offices to have current information (in dollar amounts and unit numbers) on all programs subdivided according to municipality.

Finding 2: Records show that suburban communities have made much use of HUD programs to attract high income residential and commercial development. At the same time they have underused low income programs. This has resulted in a sharp economic and racial separation between central cities and outlying areas.

Recommendation 2: This Committee recommends that program funds be allocated equitably, with all communities being required to assist in housing low income people. To this end an allocation plan, developed consensually by the area's communities, is vitally important. HUD should assist the development of such a plan. Additionally HUD should be particularly sensitive to attempts of central cities to attract an economic mix in its neighborhoods.

#### State Government

Finding 3: Neither the State Government of Kansas or Missouri has demonstrated serious concern over development patterns and housing conditions in the Kansas City area. This apathy perpetuates the predatory actions of local governmental bodies, thus intensifying the area's racial isolation in housing, employment, and education.

Recommendation 3a: This Committee recommends that the legislative bodies of both States provide permanent status for the Mid-America Regional Council, and give the Council appropriate funding.

Recommendation 3b: This Committee recommends that both State Legislatures create a joint body of its members to examine and take appropriate follow-up action on the study Freedom of Choice in Housing.

Recommendation 3c: This Committee recommends that both State Legislatures empower the Public Housing Authorities of Kansas City, Missouri, and Kansas City, Kansas, to build or lease public housing units in adjacent counties within their respective states.

Recommendation 3d: This Committee recommends that the Kansas State Legislature enact legislation providing for a housing development agency having its own financing and insuring powers.

#### Mid-America Regional Council

Finding 4: As a combined regional planning body and council of governments, MARC holds a crucial position in this area's development. Its youth, its structure (disproportionate voting power to the suburbs) and its tenuous existence (heavily dependent on categorical grants which revenue sharing may eliminate) have limited its housing accomplishments heretofore.

Recommendation 4: This Committee recommends that MARC's housing division prepare to develop and implement a plan for the intelligent, efficient distribution of housing throughout the metropolitan area. Such preparation should include consultation with area employers and business leaders, housing client groups, and local officials. Special effort should be made to dispel negative public perceptions regarding assisted housing development.

#### Private Sector

Finding 5: The great proliferation of functions within the housing industry enables individual institutions within the industry (real estate brokers, lending agencies, developers) to operate without respect to any social responsibilities. They have been able to thrive on government programs without financial risk or any need to give attention to problems created by their activities.

Recommendation 5a: This Committee recommends that each of the major trade associations in the local housing industry--the Real Estate Board, the Homebuilders Association, and the Mortgage Bankers Association--begin an affirmative program to recruit minority members. Such program should include training programs conducted in minority areas.

Recommendation 5b: This Committee recommends that the same associations, plus the Chamber of Commerce participate directly-- not merely through representation by member firms--in the Housing Committee of the Mid-America Regional Council. These associations, whose operations have contributed to the current imbalanced housing patterns, have considerable resources and valuable insights to aid in alleviating these problems. Large employers and utilities should be urged to fulfill their social responsibility and their coincident self-interest by helping to create better housing opportunities.

Recommendation 5c: This Committee also recommends that the Real Estate Board of Kansas City, Missouri urge the larger member firms to begin doing business in all parts of the two Kansas Cities. The same board should assist in the development of a central listing service for all residential properties being sold in the metropolitan area.



APPENDIX A

Black Members of the Real Estate Board  
of Kansas City, Missouri

BLACK REAL ESTATE FIRMS (REALTORS)  
Members of the Real Estate Board of Kansas City, Missouri

Fred Curls Real Estate 2706 E. 31st St. Kansas City, Mo. 64128	-	921-7470
Dobi-Ty Corporation 4900 Swope Parkway Kansas City, Mo. 64128	-	861-2800
Scott Hill Realty 7118 Prospect Kansas City, Mo. 64132	-	444-6760
Herman A. Johnson 502 Merchants Produce Bank Bldg. 531 Walnut Kansas City, Mo. 64106	-	221-1771
Charles Murchison P. O. Box 4115 Shawnee Mission, Ks. 66204	-	888-9849
Mid-Central Mortgage Co. 1815 E. 63rd St. Kansas City, Mo. 64130	-	363-8200
Nathaniel Re'Voal, Realtor 5924 Prospect Kansas City, Mo. 64130	-	361-2980
W. Aaron Strawn Realty 2643 Indiana Kansas City, Mo. 64127	-	921-4997
James H. Taylor Realty 2608 Troost Kansas City, Mo. 64108	-	421-2822

SOURCE: Real Estate Board of Kansas City, Missouri (January, 1973)

APPENDIX B

Kansas City, Missouri Urban Renewal Data

LAND CLEARANCE FOR

REDEVELOPMENT AUTHORITY

OF KANSAS CITY, MO.

JOSEPH H. BRUENING, CHAIRMAN  
ERNEST A. DICK, VICE CHAIRMAN  
ROBERT L. SWEENEY  
ROBERT A. GOODMAN  
MICHAEL T. MYERS  
A. J. HARMON, EXECUTIVE DIRECTOR AND COUNSEL

318 ARGYLE BLDG.  
306 EAST 12TH ST.  
KANSAS CITY, MO. 64106  
PHONE: 221-0636

January 23, 1973

Mr. Thomas L. Neumann,  
Director, Central States Region  
United States Commission On Civil Rights  
911 Walnut Street - Room 3103  
Kansas City, Missouri 64106

Dear Mr. Neumann:

Our recent meeting and brief discussion of urban renewal and its' activities was very enjoyable.

Enclosed is some printed informational material which we feel will help broaden your knowledge of the program being conducted in Kansas City, Missouri.

In addition, listed below are a few facts about our program which have occurred since this agency's inception in 1953 that may be of interest to you.

1. Acres of Land Acquired

310.2

2. Housing Production Thru New Construction or Rehabilitation (Number of Dwelling Units)

a. New Construction

Federally Assisted

Low-Moderate

3,439

Other

179

3,618

b. Rehabilitation

4,360

Total

7,978

3. Acres Developed and Dollar Value Of Construction (Completed or Underway)

Acres

Dollars

a. Residential

92.2

\$ 30,758,000

b. Commercial

20.9

58,275,000

c. Industrial

2.6

2,700,000

d. Institutional

67.7

99,143,400

e. Public Development

848,801

Total

\$191,725,201

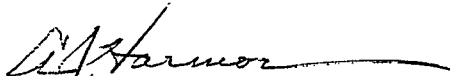
To: Mr. Thomas L. Neumann  
From: Mr. A. J. Harmon  
Date: January 23, 1973  
Page: Two of Two

4. Market Value of Land and Improvements  
On Land (Before and After Redevelopment)

- |   |                  |
|---|------------------|
| a. Actual Acquisition Costs<br>Land and Improvements  | \$ 37,731,885.00 |
| b. Completed or Underway<br>and Projected Development | \$405,064,900.00 |

If we can be of assistance in any way or if additional information is desired, please do not hesitate to contact us.

Sincerely,



A. J. Harmon  
Executive Director and  
Counsel

enc.

LAND CLEARANCE FOR

**REDEVELOPMENT AUTHORITY**

OF KANSAS CITY, MO.

JOSEPH H. BRUENING, CHAIRMAN  
ERNEST A. DICK, VICE CHAIRMAN  
ROBERT L. SWEENEY  
ROBERT A. GOODMAN  
MICHAEL T. MYERS  
A. J. HARMON, EXECUTIVE DIRECTOR AND COUNSEL

318 ARGYLE BLDG.  
306 EAST 12TH ST.  
KANSAS CITY, MO. 64106  
PHONE: 221-0636

March 9, 1973

MAR 13 1973

Mr. Thomas L. Neumann  
Director  
United States Commission on Civil Rights  
Central States Regional Office  
911 Walnut Street, Room 3103  
Kansas City, Missouri 64106

Dear Mr. Neumann:

The following information is provided in accordance with the request of the Commission at the hearing today.

The Authority records show that 5,716 substandard residential units have been demolished in the course of carrying out 22 urban renewal projects over a period of 19 years. A total of 3,618 new residential units have been built or are in the process of being built within such project areas. In this connection it should be kept in mind that we have large tracts of land available and designated for the development of several hundred more residential units, but we have been stopped - first by the famous Project Selection Criteria, and now by the Housing Moratorium. In other words, the figures on demolition and new construction will be far more in balance when we are able to complete the designated residential development.

With regard to rehabilitation, we have been responsible for the rehabilitation of 3,970 residential units in the above projects.

Sincerely,

*A. J. Harmon by jfw*

A. J. Harmon  
Executive Director and Counsel

APPENDIX C

The University/Rosedale Urban Renewal Project  
Kansas City, Kansas  
(see page 32)

June 1, 1962

Mr. Fred Mann,  
State Director  
FHA  
627 Monroe  
Topeka, Kansas

Re: Proposed University Type Urban  
Renewal Project

Dear Mr. Mann:

The Agency is in the process of making a survey and planning application for a proposed project in the vicinity of the Kansas University Medical Center. This project is contemplated as a rehabilitation project with some spot clearance. The present character of the area is predominately residential with some businesses at infrequent locations in the project area. There is one commercial strip along Southwest Boulevard at the northern end of the area. We are enclosing a reduced scale quarter section map which indicates the current proposed project boundaries.

In accordance with Chapter 10-2-1 of the Urban Renewal Manual we are to inquire with FHA on the following items:

1. Suitability of the area for continued residential use.
2. Type of residential redevelopment or conservation proposed for the area.
3. Adequacy of proposed neighborhood standards and community facilities and services.
4. Feasibility of conservation to the level contemplated.
5. Availability of financing and related considerations, including use of FHA Section 220 mortgage insurance.

We hope to submit this survey and planning application in the immediate future and would therefore welcome an early opportunity to either discuss the project with you and inspect it on the ground if this is necessary in order that we may have some written concurrence from FHA on the above

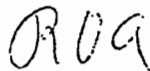


Mr. Fred Mann

June 1, 1962

consultation items. Please feel free to call or write us at your convenience concerning this project.

Sincerely,

A handwritten signature in cursive script, appearing to read 'RVA'.

Rex V. Allender  
Chief Engineer

RVA/sr



HOUSING AND HOME FINANCE AGENCY  
OFFICE OF THE ADMINISTRATOR WASHINGTON 25, D. C.

Federal Housing Administration  
Public Housing Administration  
Federal National Mortgage Association  
Community Facilities Administration  
Urban Renewal Administration

APR 28 1965



Mr. Darrel H. Stearns  
Executive Director  
Urban Renewal Agency  
619 Ann Avenue  
Kansas City, Kansas 66101

Dear Mr. Stearns:

Subject: Project No. Kans. R-20, University-Rosedale Project  
Certification of Section 220  
Mortgage Insurance

I am pleased to advise you that I have certified to the Federal Housing Commissioner that all necessary conditions have been met which were prerequisite to making mortgage insurance available under Section 220(d)(1)(A) of the National Housing Act, as amended, with respect to the project identified above.

While this certification will enable the Federal Housing Administration to consider applications for mortgage insurance under Section 220, each property to be mortgaged, as well as each mortgage, mortgagee, and mortgagor, must of course meet such standards and conditions as the Federal Housing Commissioner may prescribe.

We are glad to be able to continue our cooperation with you in carrying out this worthwhile project for Kansas City.

Sincerely yours,

  
Administrator

URBAN RENEWAL AGENCY of KANSAS CITY, KANSAS

755 MINNESOTA AVENUE  
KANSAS CITY, KANSAS 66101

phone (913) 321-6000

January 28, 1972

The Honorable Robert Dole  
United States Senate  
Senate Office Building  
Washington, D. C. 20510

Dear Senator Dole:

Recently, we were advised (verbally) by the local H.U.D. Area Office that in the opinion of the local FHA Area Office staff the undertaking of a 304 unit development on a 20 acre site located on the north end of the University-Rosedale Urban Renewal Project was not feasible under the 220 FHA guaranteed program. The reasons given were mainly that they felt the market would not support this type of project and there was some inference that the location of the site was detrimental to support this type of an undertaking.

The University-Rosedale Project was approved by the Federal Government in February of 1965 and both the Federal Government and the local government have expended approximately \$11 million to make this 256 acre project a viable part of Kansas City, Kansas. Since approximately 1967, after the approval of the project, there was some concern on the part of FHA as to the environment in the vicinity of the north end of the project area. Also, there was some concern on the part of the FHA office about the Agency impacting the north end of this project area with a sea of approximately 500 units of 221(d)(3) housing or housing of a similar nature (moderate income level). After continued communication with the Topeka FHA office and changing conditions on the north end where residential rehabilitation did not prove out, the Agency undertook a major plan change in mid-1968, which was subsequently approved by the Federal Government. This plan change included additional acquisition of properties which FHA felt were detrimental to an apartment environment as proposed by the plan for this vicinity.

1/28/72

In order to reconfirm previous decisions as to the land uses and quality of construction for this area, the Agency hired the firm of Lawrence-Leiter and Company to update the land use and market studies for this area. An updated report was submitted to the Agency in March of 1971 which basically reaffirms that the above mentioned area in the north end of the project would support higher quality housing. Also, the report states that this undertaking would not be jeopardized by another Section 220 project which was being contemplated by another party in the vicinity of Rainbow and Adams, which is located at the south end of the University-Rosedale Project area. (See excerpts of market study attached.)

With the above information and assurance in mind, the Agency recently put approximately 40 acres up for bid on the private market. We received two bids for 20 acres of proposed development, both of which proposing high quality construction in the ranges that can be guaranteed by the Section 220 program. Of the two, the Agency selected William C. Haas Inc. as the successful bidder. The Agency feels that high quality construction such as that guaranteed by the 220 program is marketable in this area and for us to think otherwise would be to negate an \$11 million expenditure that has been undertaken by both the Federal Government and local government bodies. Also, the Agency feels that high quality construction in this area will most certainly affect the kind and quality of land disposition on the remaining parcels to be sold in the University-Rosedale Urban Renewal Project area, mainly those that lie to the east and to the west of this particular 20 acre site. Also, we feel that this entire project area has location going in its favor by the mere fact that it is centrally located in the built-up area of the Kansas City Metropolitan area and it is also approximately 10 minutes from downtown Kansas City, Kansas, 7 minutes from Kansas City, Missouri and less than 5 minutes from the Plaza area in Kansas City, Missouri. It is also in the I-35 apartment development corridor and has high accessibility to the entire interstate system, both existing and proposed. The Agency feels that this particular project area merits heavy consideration mainly because a Section 220 guarantee for this particular undertaking will expedite the land disposition in this project area and will greatly affect the close out of this project, which is the name of the game as far as we are concerned.

1/28/72

We feel that in observing the FHA funding pattern currently being undertaken in the Kansas City Metropolitan area, there is a distinct lack of high quality construction funding in the inner core of the Metropolitan area as is evidenced by the enclosed map. As you will notice, high quality construction (under 221(d)(4) and 207) is mainly occurring in the suburban area of the Kansas City Metropolitan area and low quality construction under programs such as 236 is occurring in the inner core of the Metropolitan area. The only projects which we have been able to identify as having been funded under 220 are the River Hills Project in Kansas City, Missouri and the Rainbow Towers in Kansas City, Kansas.

The Agency feels that we need high quality construction in the inner city if we are to eventually retain an economic mix of families and individuals in the inner core and from the attached map it seems that FHA funding patterns are mainly oriented toward funding high quality construction in the suburbs and lower quality construction in the inner core. Also, from the attached map we notice that the State of Kansas portion of the Metropolitan area has received considerably less attention in terms of high quality construction especially in the inner core and we feel that this fact should not be ignored by the local HUD Area Offices. If both Kansas City, Kansas and the Federal Government are to achieve maximum return on their investment of approximately \$11 million in this project area, they cannot ignore the fact that there is a definite lack of high quality construction in the inner core of Kansas City, Kansas. This is the first project which the Agency has supported higher quality construction above a 221(d)(3) or 236 range because we feel that it does merit it. This is not to say that we have ignored the 221(d)(3) program or the 236 program because our record of providing sites for the above programs is as follows: Gateway Project, Kans. R-1, 1st phase, 158 units 221(d)(3), 2nd phase, 129 units 221(d)(3); Argentine Heights Project, Kans. R-6, 320 units 221(d)(3); Silver City Project, Kans. R-12, 160 units 221(d)(3), 66 units turnkey (public housing), 22 units 236, 105 units Section 202 housing for the elderly (1st phase Crosslines). Recently, the Urban Renewal Agency Board approved a 236 proposal for 127 units in the Jersey Creek N.D.P. activity area.

The Honorable Robert Dole  
page four

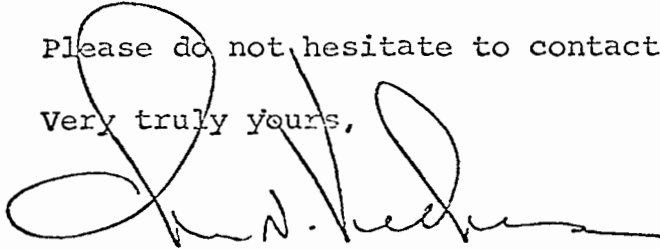
1/28/72

We are requesting that your office look into this matter further mainly because we feel that this project is of vital importance to Kansas City, Kansas because it does provide the retention of an economic mix in the inner city and is very important to the acceleration of the close out of the University-Rosedale Project.

Attached are supporting exhibits which are itemized.

Please do not hesitate to contact us for any additional information.

Very truly yours,



Chris N. Vedros  
Executive Director

Enc.

cc: The Honorable James B. Pearson  
The Honorable Larry Winn, Jr.  
Mr. William B. Frazier, Kansas Representative to  
Senator Robert Dole  
Mr. Richard L. Bond, Administrative Assistant to  
Congressman Larry Winn, Jr.  
The Honorable Richard F. Walsh, Mayor  
City of Kansas City, Kansas  
Mr. Hugh P. Doherty, Commissioner of Boulevards,  
Parks and Streets  
Mr. Patrick G. Hanlon, Commissioner of Finance,  
Health and Public Property  
URA Board of Commissioners: Maurice A. Walker, M.D. Chairman  
Arthur J. Green, Vice-Chairman  
Claude F. Pack  
Carl V. Rice  
Shirley M. Wood

William C. Haas Inc.

CNV:en

URBAN RENEWAL AGENCY of KANSAS CITY, KANSAS

755 MINNESOTA AVENUE  
KANSAS CITY, KANSAS 66101

phone (913) 321-6000

April 27, 1972

Mr. William R. Southerland  
Area Director  
Department of Housing & Urban Development  
One Gateway Center, State at Fifth  
Kansas City, Kansas 66101

RE: HUD Market Analysis of Kansas City SMSA and  
Continuing Market Research Material

Dear Mr. Southerland:

As per our conversation during our recent meeting (April 12) relative to the Section 220 housing proposal in the University-Rosedale Project, Kans. R-20, we are requesting a copy of your in-house study, which your staff utilized in making their determination concerning this project. Your letter of March 1, to Senators Dole and Pearson and Congressman Winn refer to it as the HUD Market Analysis of the Kansas City SMSA. In addition to the market analysis we would also like copies of the continuing market research, which is mentioned in the last paragraph of your letters to the Senators and Congressman, which was also utilized to arrive at your decision concerning this particular proposal.

At the meeting on the above date you mentioned that this would be made available to us; therefore, we are making this request at this time. Thanking you in advance for any consideration given.

Sincerely,

*Miguel P. Maduga*

for → Chris N. Vedros  
Executive Director

MPM:nah

U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
755 MINNESOTA AVENUE -  
KANSAS CITY, KANSAS 66101

phone (913) 321-6000

May 12, 1972

The Honorable James B. Pearson  
Senate Office Building  
Washington, D. C. 20510

ATTENTION: Mr. Lee Thompson

RE: 220 Housing Proposal, University-Rosedale Project,  
Kans. R-20 (Market Study)

Dear Senator Pearson:

We are in receipt of your letter of May 9, 1972, which advises us that Secretary Romney has assigned this matter to the Kansas City HUD Regional Office for further investigation. We trust that the Regional Office will be more objective than the Area Office has been concerning this matter.

We were hoping that the Secretary would have assigned this matter to someone out of the Central Office. (If given a choice, this is still our preference.)

Regardless of whoever makes the inquiry locally, we hope that they will visit our office for a review of the documents that we have here which do reflect more objectivity about this matter than the Area Office has indicated in their communications.

In addition to previous information furnished to you, attached is a letter of April 27, 1972, which we addressed to the Area Office requesting the market information utilized by that office to arrive at their decision concerning this particular proposal. To date, we have not received an answer to this request; and it seems odd to us that, after such an important decision was made based on market studies (and inter-office studies) supposedly conducted by the Area Office, they cannot respond to a request for information that should be readily available

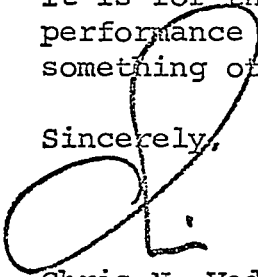


May 12, 1972

if such information does exist. It is odd that there has been no response within a two-week period of time. Either there is a breakdown of communications within the Area Office or the information does not exist; and, if it does exist, then why isn't it made available to us?

It is for the above reasons (based on past HUD Area Office performance on this matter) that we are apprehensive for something other than a Central Office investigation.

Sincerely,

A large, stylized handwritten signature in black ink, appearing to be 'C. Vedros', written over the word 'Sincerely,'.

Chris N. Vedros  
Executive Director

MPM:bam

Enclosure

# United States Senate

WASHINGTON, D.C. 20510

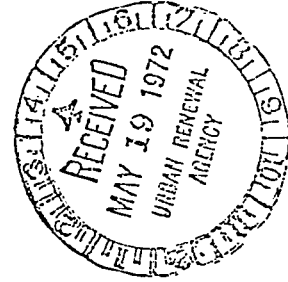
May 16, 1972

PUBLIC WORKS

SELECT AND SPECIAL COMMITTEES:

SMALL BUSINESS

NUTRITION AND HUMAN NEEDS



Mr. Chris N. Vedros  
Executive Director  
Urban Renewal Agency  
755 Minnesota Avenue  
Kansas City, Kansas 66101

Dear Mr. Vedros:

Thank you for the copy of your letter addressed to Senator Pearson concerning the recent appointment of Mr. William Haas of Kansas City, Missouri as one of the incorporators of the new National Center for Housing Management. I appreciate the capabilities of Mr. Haas and am sure that he will contribute greatly to the development of the Center.

I have been in contact with Senator Pearson concerning recent developments on the 220 proposal in the University-Rosedale Urban Renewal Project and understand that the Regional HUD Office is currently reviewing the Area Office's decision on the 220 proposal. I am hopeful that this review will result in a decision satisfactory to both HUD and your Agency.

I have also contacted Mr. Southerland in the Area Office concerning release of the HUD marketability study on the 220 proposal. He has asked that consideration of this request be delayed pending the Regional Office's review of his decision on the 220 project. I will contact him later on this point.

Thanks again for the letter. I know that you are working with Senator Pearson on the University-Rosedale Project and I will remain in close contact with him concerning any new developments.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Bob Dole".

BOB DOLE  
United States Senate

BD:clj

755 MINNESOTA AVENUE  
KANSAS CITY, KANSAS 66101

phone (913) 321-6000

May 26, 1972

The Honorable James B. Pearson  
Senate Office Building  
Washington, D. C. 20510

Re: 220 Housing Proposal, University-Rosedale Urban  
Renewal Project, Kansas City, Kansas

Dear Senator Pearson:

We are in receipt of your letter of May 18, 1972 conveying to us the HUD Regional Office's response to your request for an impartial inquiry concerning the denial of the 220 Housing Project in the University-Rosedale Urban Renewal Project area. We wish to offer you the following statements and conclusions in light of the Regional Office's response to this subject matter:

1. Generally speaking, we find that the Regional Office has done nothing more than to paraphrase the Area Office letters of March 1, 1972 and April 26, 1972 (both by Mr. Southerland). This Agency was apprehensive that the Regional Office would reach this type of conclusion and this was our reason for our letter to you of May 12, 1972, reflecting our concern for objectivity about this matter. Apparently, our reason for being apprehensive on May 12th has been confirmed.
2. We do not believe that we have received an impartial inquiry as you requested from the Department of Housing and Urban Development concerning this matter for at no time did the Regional Office bother to contact us by telephone, letter or otherwise, about this matter during its investigation. We feel that the word "impartial" means that both sides of the matter will be scrutinized objectively and we feel that your request for an impartial inquiry has not been met or honored.

5/26/72

3. To this date, we have not received a copy of the market study and other related material which the Area Office used to base their decision. Even Senator Dole appears to have indicated some reservation as to why the market study was not released to us. (See third paragraph of Senator Dole's letter of May 16, 1972 concerning this subject matter attached hereto.)
4. We noticed that at no time has the Area Office nor the Regional Office mentioned or commented about the letter (dated April 28, 1965) which this Agency received from Dr. Robert Weaver, the former administrator of HHFA and later the Secretary of the Department of Housing and Urban Development whereby he certified the University-Rosedale Project as being eligible for Section 220 Mortgage Insurance. Apparently, both the Area Office and the Regional Office has chosen to completely ignore this letter. The question arises as to why they have chosen to do so.
5. Both the Area Office and the Regional Office failed to mention the Major Amendment No. 3 to the Urban Renewal Plan (approved by HUD in 1968) whereby this Agency acquired additional properties located along the peripheral areas of this apartment site in order to further assure that the certification as issued by Dr. Weaver in 1965 would not be jeopardized. If HUD has some reservations about the inharmonious land uses located at the north end of the project area, why weren't these reservations about this project area indicated to us at that time.
6. Even more recently, if HUD had reservations about the area not being able to support two 220 projects at one time, then they should have notified this Agency when they issued the feasibility letter for the Rainbow Towers project on or about April 1, 1971.

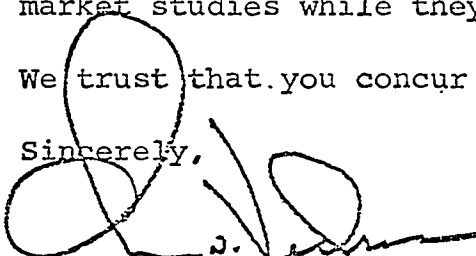
5/26/72

7. In their latest letter, the Regional Office points out that this Agency approved and supported the other 220 development (Rainbow Towers) proposal located at 38th and Adams. We would have been foolish to do otherwise especially when our market study indicated to us that this project area would support two separate 220 proposals. We felt then and we still feel that high-quality development of this kind is desirable for Kansas City, Kansas. We would be greatly remiss in our obligations to the City if we did not support a venture of this nature which is both complimentary to the renewal undertaking in this area of Kansas City, Kansas but also fulfills the need of the citizens of Kansas City, Kansas. Even HUD will admit that there is hardly any luxury apartment type of development in Kansas City, Kansas and we are of the opinion that the Kansas side of the State Line is not getting its proportional share of this type of development especially in an area that has received heavy public investment.

We believe that the above is sufficient to reiterate our reasons for the original inquiry--and a need for further inquiry into this matter. We are also enclosing a position letter from Lawrence Leiter and Company which backs our original market study. It is unfortunate that our market analyst did not have the benefit of the HUD Area Office's market studies while they (HUD) had the benefit of our study.

We trust that you concur with our judgment.

Sincerely,



Chris N. Vedros  
Executive Director

Enc.

cc: The Honorable Robert Dole                      The Honorable Richard F. Walsh  
The Honorable Larry Winn, Jr.                      Commissioner Hugh P. Doherty  
William C. Haas & Company                      Commissioner Patrick G. Hanlon  
Urban Renewal Agency Board of Commissioners



DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
AREA OFFICE  
ONE GATEWAY CENTER OFFICE BUILDING, 5TH. AND STATE, P.O. BOX 1339  
KANSAS CITY, KANSAS 66117  
January 9, 1973

AREA OFFICES  
Kansas City, Kansas  
Omaha, Nebraska  
St. Louis, Missouri

REGION VII  
REGIONAL OFFICE  
KANSAS CITY, MISSOURI

JAN 10 1973

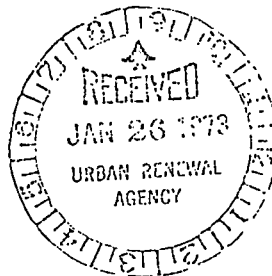
IN REPLY REFER TO:

7.1 PM

Honorable Larry Winn, Jr.  
Congress of the United States  
House of Representatives  
Washington, D. C. 20515

Dear Congressman Winn:

Subject: University-Rosedale  
Kansas City, Kansas



This is in reply to your letter of December 15, 1972, regarding the University-Rosedale Project in Kansas City, Kansas.

Most simply stated, we have concluded that market conditions in the University-Rosedale Urban Renewal area will not support housing requiring the rents normally associated with the Section 220 Program. Similarly, the Urban Renewal Agency and City of Kansas City, Kansas have indicated strongly that they feel this neighborhood is not appropriate for subsidized housing.

Under these circumstances, the only residential reuse which appears feasible would be a modest development at the lower end of the Section 220 Program. Such a development would involve moderate income rentals normally associated with the Section 221(d)(4) Program operated outside of Urban Renewal areas. Such a development would necessarily preclude High Rise design. The proposal would likely necessitate staged take-down of the land and a construction schedule which would be subject to acceleration or delay based upon the success or failure involved in marketing the initial phase of the project.

Any more specific description of possible activities will necessarily require negotiations between the Renewal Agency, the ultimate developer, and this office. Even should construction commence on the 40 acres in question, other land disposition and redevelopment activities would not appear to permit project completion at this time.

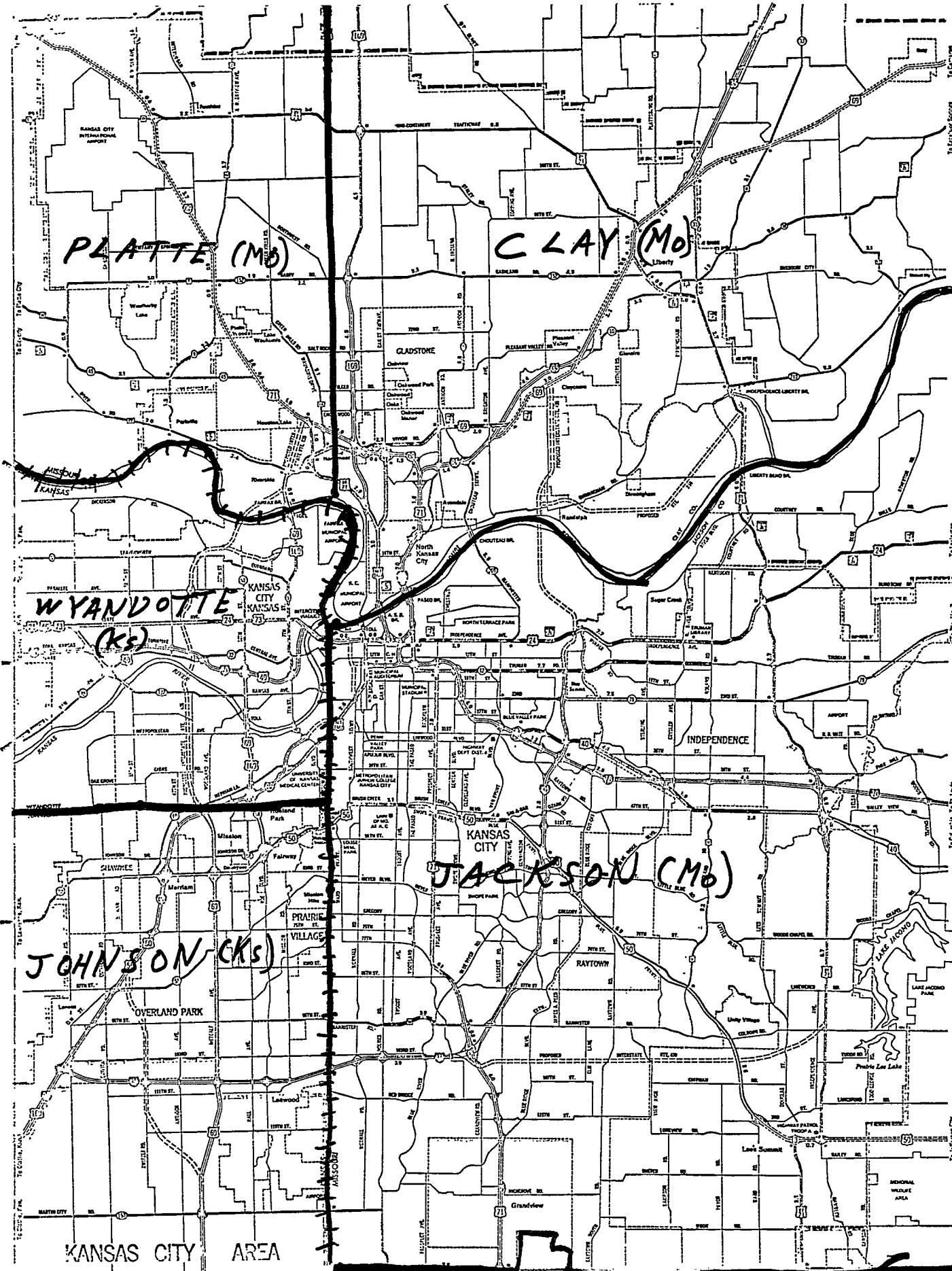
Sincerely,

William R. Southerland  
Area Director

Enclosure

APPENDIX D

Map of Kansas City Area  
Published by the Greater Kansas City  
Chamber of Commerce  
Copyright 1969  
(Reproduced by permission)



**PLATTE (MO)**

**CLAY (MO)**

**WYANDOTTE (KS)**

**JACKSON (MO)**

**JOHNSON (KS)**

**KANSAS CITY AREA**

**KANSAS CITY KANSAS**

**KANSAS CITY**

**INDEPENDENCE**

**RAYTOWN**

**Grandview**

**PRAIRIE VILLAGE**

**OVERLAND PARK**

**GLADSTONE**

**North Kansas City**

**SHOPE PARK**

**LAKE JACKSON**

**LAKE HANCOCK**

**PROBIE LAKE**

**LAKE WOODRIDGE**

**LAKE SUMMIT**

**LAKE WILDFIRE**

**MEMORIAL WILDFIRE AREA**

**LAKE WILDFIRE**

**LAKE WILDFIRE**

**LAKE WILDFIRE**



APPENDIX E  
MARC Regional Housing Policy Statement

The Mid-America Regional Council resolution of May 1972 to prepare a policy for the location of subsidized housing in the KCMR.

RESOLUTION

WHEREAS, there is a critical need to increase the supply of decent, safe, and sanitary housing in the Kansas City Region; and

WHEREAS, there are many issues involved in the location, financing and provision of such housing units throughout the metropolitan region; and

WHEREAS, each individual governmental unit in the metropolitan region has a key role individually and collectively in providing such housing units; and

WHEREAS, numerous Federal programs exist to assist in the financing of such housing units, and such Federal programs have heretofore been substantially utilized in a manner inconsistent with the individual and collective needs of local government; and

WHEREAS, there is a need to coordinate the interests of local, state, and Federal governments in the provision of such housing throughout the Region through an agreed to, and adopted regional housing policy; and

WHEREAS, the Mid-America Regional Council functions as an agent for local governments to arrive at a consensus of regional issues and understanding.

NOW, THEREFORE, BE IT RESOLVED That the Mid-America Regional Council prepare and adopt a Regional Housing Policy for the location of assisted housing projects which takes into account the interests and wishes of local, state, and Federal governments.

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**WASHINGTON, D. C. 20425**

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