

HOUSING IN MODEL CITIES

H. RALPH TAYLOR* AND GEORGE A. WILLIAMS, JR.†

INTRODUCTION

The Model Cities Program, authorized by title I of the Demonstration Cities and Metropolitan Development Act of 1966,¹ is a unique new federal program designed to bring to bear a variety of resources—public and private—in a comprehensive and coordinated attack on social, economic, and physical problems in large slum and blighted neighborhoods. It calls for focusing and interrelating all relevant existing federal grant-in-aid programs in a single area and for developing and testing out new and innovative approaches which cannot be financed under existing grant-in-aid programs.

Because it is a new concept and its potential is untried, the Model Cities Program is a demonstration program, to be carried out in a limited number of cities offering the best potential for achieving program objectives. It is hoped that through the solutions developed and demonstrated by participating cities, other cities may be able to cope more successfully with their urban problems.

The objective of the Model Cities Program can best be summarized as the elimination of opportunity-denying circumstances. The program calls for a locally developed plan to eliminate the blockages which prevent residents of slum and blighted areas from obtaining such things as decent housing, good jobs, and quality education. The specific objectives each local program is expected to meet are

to rebuild or revitalize large slum and blighted areas; to expand housing, job, and income opportunities; to reduce dependence on welfare payments; to improve educational facilities and programs; to combat disease and ill health, to reduce the incidence of crime and delinquency; to enhance recreational and cultural opportunities; to establish better access between homes and jobs; and generally to improve living conditions for the people who live in such areas . . .²

A major component of most, if not all, local programs will be directed at the problems of housing. Not only will much of the housing in the neighborhoods in which the program will operate be of poor quality, but in many instances it will be overcrowded or too expensive for its occupants in that the rental represents a dis-

* A.B. 1939, M.A. (Public Administration) 1947, Harvard University; M.A. (Government) 1946, Louisiana State University. Assistant Secretary for Demonstrations and Intergovernmental Relations, Department of Housing and Urban Development.

† B.S. 1949, University of Utah; LL.B. 1956, LL.M. 1963, Harvard University. Deputy Director for Program Operations and Technical Assistance in the Model Cities Administration, Department of Housing and Urban Development.

¹ 42 U.S.C. §§ 1453, 3301-13 (Supp. II, 1965-66).

² § 101, 42 U.S.C. § 3301 (Supp. II, 1965-66).

proportionate share of the occupants' limited income and impairs their ability to obtain adequate food, clothing, and other essentials.

Before discussing the specific approach to housing taken by the Model Cities legislation, some of the novel features of the program which influence that approach should be explained. As a federal grant-in-aid program the Model Cities Program is unique in a number of respects:

(1) It builds on activities financed under the other grant-in-aid programs and is designed to encourage the coordinated use of these other grant-in-aid programs. The supplementary financing provided by the program provides a powerful incentive to local concentration and coordination of federal grant-in-aid programs because it is based upon the non-federal contribution made to those federal grant-in-aid programs which the city includes and coordinates through its comprehensive plan.

(2) The statutory criteria which local programs are required to meet leave wide latitude for the local design of programs to meet unique situations. The statute provides that a comprehensive city demonstration program is eligible for assistance if

the program is of sufficient magnitude to make a substantial impact on the physical and social problems and to remove or arrest blight and decay in entire sections or neighborhoods; to contribute to the sound development of the entire city; to make marked progress in reducing social and educational disadvantages, ill health, under-employment, and enforced idleness; and to provide educational, health, and social services necessary to serve the poor and disadvantaged in the area, widespread citizen participation in the program, maximum opportunities for employing residents of the area in all phases of the program, and enlarged opportunities for work and training;

the program, including rebuilding or restoration, will contribute to a well-balanced city with a substantial increase in the supply of standard housing of low and moderate cost, maximum opportunities in the choice of housing accommodations for all citizens of all income levels, adequate public facilities (including those needed for education, health and social services, transportation, and recreation), commercial facilities adequate to serve the residential areas, and ease of access between the residential areas and centers of employment . . .³

These criteria are to be applied administratively as performance standards rather than specification standards which in effect dictate program content. Detailed regulations or manuals which specify in considerable particular what can and cannot be done have not and will not be developed.

(3) The supplementary funds are not narrowly restricted in their use by tight legislative or administrative requirements. They are "unearmarked," problem-solving funds. Cities are responsible for assessing and analyzing the problems and designing their own programmatic response. Any locally proposed use of supplementary grant funds which offers promise of achieving solution of physical, social, or economic problems of the area is a permissible use.

³ §§ 103(a)(2)-(3), 42 U.S.C. §§ 3303(a)(2)-(3) (Supp. II, 1965-66).

These unique features mean that there will be considerable variation in the approach taken to solve housing problems. No two local programs will be alike. Each program will be responding to somewhat different problems and circumstances and each program in its solution of those problems will respond differently to the opportunity to innovate and experiment. Nevertheless, each local program will be responding to the same statutory performance standards and, therefore, certain characteristics common to many of the local programs are likely to emerge.

I

THE HOUSING EMPHASIS

The emphasis of the Model Cities Program is on people. This emphasis, as it relates to housing, means that the focus will be on meeting the housing needs of the residents of the area in which the program operates and not on the physical condition of existing housing in the area per se. Of course, improvement of the quality of existing housing will be an important means of meeting those needs but it is only one means. The statute calls for a substantial increase in the supply of low- and moderate-income standard housing and for maximum opportunities in the choice of housing for all citizens of all income levels;⁴ thus the local housing effort must also include measures to add to the existing housing stock through new construction and to increase the availability of the existing stock to all groups.

II

HOUSING SUPPLY

A frequently-voiced criticism of the urban renewal program is that in eliminating slums and blight it has decreased the supply of low- and moderate-income housing, either by razing such housing or pricing it out of the reach of low- and moderate-income households through rehabilitation. This criticism is inaccurate in that it views the urban renewal program in isolation and fails to take into account that urban renewal is only one of a number of interrelated federally-assisted efforts to improve the quality of the physical environment. The impact of urban renewal should properly be considered in conjunction with the impact of the low-rent public housing program, the rent supplement program, and the moderate-income private housing (section 221(d)(3)) program. It may be true, however, that in a specific situation in a specific locality a decrease of the supply of low- and moderate-income housing resulting from the renewal activity has not been offset by an increase through the various federally-assisted housing programs. The Model Cities legislation is intended to avoid such a result. The statute requires a proper relationship between urban renewal activity and those programs which are designed to increase the supply of low- and moderate-income housing. While calling for a local program

⁴ § 103(a)(3), 42 U.S.C. § 3303(a)(3) (Supp. II, 1965-66).

which will remove or arrest blight and decay⁵ (urban renewal being the principal tool), it also calls for a program that will "contribute to a well-balanced city with substantial increase in the supply of standard housing of low and moderate cost."⁶

What is expected of localities in this regard? How much new construction will satisfy the statutory requirement of "substantial increase"? The quantity to be added will depend upon the needs of the people in the target area for such housing and upon the extent to which those needs can be met by the existing housing stock. Obviously the quantity needed in a community with a seven per cent vacancy rate in low- and moderate-cost standard housing is less than one with a two per cent vacancy rate. The quantity to be added to the supply must also be viewed against the dynamics of the particular housing markets involved. How many units and in what price ranges are currently being added by ongoing public programs and private market activities? How many units and in what range are being eliminated from the supply by various public actions (*e.g.*, highway construction, urban renewal, and code enforcement) and by private demolitions?

The Model Cities Program *Guide*, which provides administrative interpretation to the statutory requirements, states the requirement this way:

The program should add to the overall supply of low- and moderate-income housing, not decrease it. The needed increase in the housing supply should be based on the number of people in the model neighborhood area and in the city as a whole living in substandard housing, in overcrowded housing or in standard housing at higher prices than they can reasonably afford (based on expenditures for housing of more than 20 or 25 percent of income, dependent on family size and other factors). The program should increase the supply of standard low- and moderate-cost housing in the model neighborhood area, or elsewhere in the city and metropolitan area, by an amount sufficient to meet the need for such housing by neighborhood residents. It should do so without adversely affecting other low- and moderate-income families outside the model neighborhood area, which would occur if relocated households were moved into areas in which existing housing is in short supply. If such housing is in short supply the program should also add to the total supply of low- and moderate-income housing over and above the amount needed to provide all area residents with standard housing at rents they can afford.

While the community-wide need for low- and moderate-income housing may be greater than can be met through the Model Cities Program alone, there should be an awareness of the magnitude of the shortage of standard housing of low- and moderate-cost and a program should be developed to overcome such shortages. As a first step, an estimate of housing needs should be developed showing the gains projected, losses, and gaps in housing for the city as a whole. Programs can then be shaped in terms of overall needs.⁷

General estimates of city-wide housing needs and of the effective demand for various kinds of housing are being developed with more and more sophistication in

⁵ § 103(a)(2), 42 U.S.C. § 3303(a)(2) (Supp. II, 1965-66).

⁶ § 103(a)(3), 42 U.S.C. § 3303(a)(3) (Supp. II, 1965-66).

⁷ U.S. DEP'T OF HOUSING AND URBAN DEVELOPMENT, *IMPROVING THE QUALITY OF URBAN LIFE, A PROGRAM GUIDE TO MODEL NEIGHBORHOODS IN DEMONSTRATION CITIES* 15 (1966).

various community renewal programs around the country. They are also being included with increasing frequency in community-wide general plans for physical improvement. In the absence of such existing estimates of community-wide housing needs and effective demand, the local staff planning the Model Cities program will be expected to develop its own general community-wide estimates in addition to the specific needs and effective demand of the residents of the neighborhoods on which the program is focused. This will indicate the total dimensions of the housing problem against which the locality's effort under the Model Cities program can be measured.

III

HOUSING CHOICE

The statute also provides that the program contribute "maximum opportunities in the choice of housing accommodations for all citizens of all income levels."⁸ Opportunity in the choice of housing is dependent on whether there is a sufficient vacancy rate for standard units of various sizes and prices to allow for the exercise of choice, whether such housing is located outside slum or deteriorating areas, and whether existing housing is available to all residents of the city. A Model Cities program must, therefore, be concerned not only with the sufficiency of the supply of housing, but also with the location of that supply and its availability to all citizens of all income levels.

A. Location

To provide an adequate range of choice in the city the program should contribute to the provision of a reasonable mix of various housing types and price levels in various parts of the city. It should not result in intensifying the concentration of lower-cost housing of a particular price level in slum or deteriorating areas of the city. Therefore, the location of various kinds of new housing will be an important consideration. This will particularly be so with respect to new low- and moderate-income housing being provided as a relocation resource. The Model Cities effort to avoid perpetuation of concentration of low-income housing in one area is reinforced by new Public Housing regulations stipulating that any proposal to locate housing only in areas of racial concentration will be *prima facie* unacceptable.⁹ All this adds up to a broad HUD program to prevent federal assistance to housing from being used to solidify ghetto housing patterns. These measures may not affect the patterns of discrimination by which suburbs exclude minority persons and they do not necessarily require the opening of all parts of the city itself to minority persons. But if a city is to take advantage of substantial federal housing assistance it will have to give minority persons the chance to live outside the ghetto.

⁸ § 103(a)(3), 42 U.S.C. § 3303(a)(3) (Supp. II, 1965-66).

⁹ U.S. HOUSING ASSISTANCE ADMINISTRATION, DEP'T OF HOUSING AND URBAN DEVELOPMENT, *LOW RENT HOUSING MANUAL* § 205.1, at 7 (1967).

Another dimension of the locational aspects of housing choice relates to the location of housing units offered as relocation resources to households displaced by the program. The requirement of maximum opportunities in the choice of housing accommodations means that relocatees must be given a reasonable opportunity to relocate in housing at rents or prices they can reasonably afford in areas free of blight. This adds to the usual relocation requirements in federal programs. Under the urban renewal program, for example, relocation housing must be decent, safe, and sanitary, and the neighborhood in which the relocation housing is located must be "not generally less desirable in regard to public utilities and public and commercial facilities"¹⁰ and "reasonably accessible to their places of employment."¹¹ This means that present relocation requirements may be met by providing relocation housing which itself is standard but which is located in a blighted neighborhood, if the former neighborhood was itself blighted.¹² Under Model Cities Program requirements a relocatee must have a real option to select housing in a neighborhood that represents an improvement in the quality of his surrounding physical environment.

B. Availability

With respect to making the existing supply available to all citizens of all income levels, there are a variety of ways in which a Model Cities program could meet the performance standard of providing "maximum opportunities" in the choice of housing accommodations. One way would be through enforcement of an open occupancy ordinance. However, such an ordinance is not a requirement for carrying out a program. The original proposal for using the Model Cities legislation as an aggressive instrument to compel open occupancy was specifically deleted by the Congress. Nevertheless, existing legal requirements and regulations applying to various program components will continue to apply. Thus, any relocation of families and persons will be subject to existing relocation policies and the housing which is to be relied on as a relocation resource must be housing which is available on a non-discriminatory basis.

In addition, the housing that is developed in order to comply with the statutory requirement of a "substantial increase in the supply of standard housing of low- and moderate-cost" will most likely be federally-aided housing, and therefore subject to

¹⁰ *Id.* at 12.

¹¹ *Id.*

¹² The area should not, however, be subject to serious hazards or nuisances or in an area scheduled for major clearance activity in the near future to be eligible for relocation adjustment payments. U.S. URBAN RENEWAL ADMINISTRATION, HOUSING AND HOME FINANCE AGENCY, LOCAL PUBLIC AGENCY LETTER NO. 321, at 4 (Jan. 13, 1965). Localities are advised that relocation standards "should not contemplate the use of a dwelling unit for rehousing if it is in a neighborhood that is officially programmed for clearance action in the near future." HHFA, URBAN RENEWAL ADMINISTRATION, DETERMINING LOCAL RELOCATION STANDARDS, TECHNICAL GUIDE No. 9 (1961).

requirements of title VI of the Civil Rights Act of 1964¹³ and the Executive Order on Housing.¹⁴

These considerations aside, the legislation affords the locality a wide degree of latitude as to the manner in which it will provide "maximum opportunities in the choice of housing accommodations for all citizens of all income levels." The statute contemplates imaginative measures for maximizing choice, and open occupancy laws are only one method. Alternatively, a locality might, for example, undertake such activities as the establishment of housing information services geared to meet house-hunting needs of minority families, cooperative arrangements with private fair housing organizations, or an education program designed to assure full compliance with various legal requirements such as the Civil Rights Act of 1964 and the Executive Order on Housing.

IV

COMPREHENSIVE HOUSING DEVELOPMENT

The Model Cities Program adds a new dimension to local governmental concern for housing. In meeting the housing requirements of the statute many participating cities will be developing a comprehensive approach to housing development directly tied to implementation, and will be tying together the efforts of a variety of governmental agencies and the efforts of private housing developers and sponsors into a unique public-private housing development effort.

This effort can be seen as the next logical step in the growing concern for housing on the part of municipal government. Local government involvement in housing began in the last century with the regulation of construction by ordinance to protect public health, safety, and welfare. In the 1930s the concern was extended to direct public ownership of housing for low-income households. With the urban renewal program came governmental involvement in large scale elimination of substandard housing and in marketing land, temporarily in public ownership, for a variety of re-uses, including housing. This marketing process involved localities in consideration of questions of housing market demand and community needs for various kinds of housing.

Over the years, concern for quality of the existing stock of housing has increased. The 1940s and 1950s saw the development of housing codes providing for standards applicable to existing housing. Under the prodding of the workable program requirements¹⁵ local code enforcement agencies have begun to develop far-reaching

¹³ 42 U.S.C. §§ 2000d to 2000d-4 (1964).

¹⁴ Exec. Order No. 11,063, 3 C.F.R. 261 (Supp. 1962), 42 U.S.C. § 1982 (1964).

¹⁵ Section 101(c) of the Housing Act of 1949 provides:

"Commencing three years after the date of enactment of the Housing Act of 1964, no workable program shall be certified or re-certified unless (A) the locality has had in effect, for at least six months prior to such certification or re-certification, a minimum standards housing code, related but not limited to health, sanitation, and occupancy requirements, which is deemed adequate

programs for maintaining the quality of housing. The increasing emphasis placed on rehabilitation in the urban renewal program has involved local government, through the local public agencies administering the urban renewal program, in the provision of assistance to homeowners in obtaining financing and contractor services and, with the advent of section 312 rehabilitation loans,¹⁶ with the actual making of loans.

The enactment of low- and moderate-income private housing programs in recent years has begun to involve local government in the active promotion of private residential construction; in many instances, local urban renewal agencies are employing staff to encourage and assist non-profit sponsors of 221(d)(3)¹⁷ and rent supplement housing¹⁸ in renewal areas. Finally, city planning efforts, particularly in the development plans, have become increasingly concerned with housing and particularly with an appraisal of the community-wide need for housing of various types and income ranges.

Taken together, these efforts amount to a broad involvement of local government in many different aspects of housing. However, these various housing activities are still by and large disparate. They tend to be undertaken as separate, discrete efforts by a variety of different agencies and not as a part of a total comprehensive program. What is needed in many localities is a pulling together of all the various efforts directed at the quantity and quality of new and existing housing into a comprehensive and coordinated housing development program, and the construction of an implementing mechanism by which estimates of overall housing needs can be translated into actual construction of housing units meeting those needs.

The Model Cities Program is calculated to achieve such a result. The Model Cities planning process will require the locality to set housing goals relative to the number of units of various types and prices to be added to the supply, and to determine how the goals are to be achieved and by whom. In order to provide the administrative machinery to carry out the program on a consolidated and coordinated basis as required by the statute,^{18a} the Model Cities agency overseeing the carrying out of the housing program will be tying together the efforts of private housing sponsors and builders of low- and moderate-income housing, the city planning department, code enforcement agencies, the public housing authority, and the urban renewal agency.

The private sector will be responsible for a large portion of the task of meeting the housing goals, yet the local government will have overall responsibility for seeing that the goals are met. This means that municipal government must take affirmative steps to work with private enterprise in meeting housing needs. Such steps could

by the Administrator, and (B) the Administrator is satisfied that the locality is carrying out an effective program of enforcement to achieve compliance with such housing code."

42 U.S.C. § 1451(c) (Supp. II, 1965-66).

¹⁶ Housing Act of 1964, § 312, 42 U.S.C. § 1452b (1964, Supp. II, 1965-66).

¹⁷ National Housing Act § 221(d)(3), 12 U.S.C. § 1715f(d)(3) (Supp. II, 1965-66).

¹⁸ Housing and Urban Development Act of 1965, 12 U.S.C. § 1701s (Supp. II, 1965-66).

^{18a} § 103(a)(4), 42 U.S.C. § 3303(a)(4) (Supp. II, 1965-66).

include activities designed to develop competent non-profit sponsors of low- and moderate-income housing. Provision of "seed money" and continuing technical assistance might be an appropriate use of supplementary funds. Analysis of the factors inhibiting construction activity and efforts to remove unnecessary blockages would also be required; appraisal and possible modification of building codes, zoning ordinances, and taxation policies would be an essential part of this effort.

V

IMPACT ON REHABILITATION

The Model Cities Program expands the emphasis already being given to rehabilitation in the urban renewal program. The Model Cities Program *Guide* provides: "The overall emphasis of the physical improvement activity in the Demonstration Cities Program is on rehabilitation. Therefore, as a general rule, model neighborhood areas should contain substantial numbers of residential buildings that can be rehabilitated."¹⁹ Since each local program will be operating in large areas of the city containing as much as ten per cent of the total population, rehabilitation activity will be undertaken at a scale which should materially quicken the development of the much-needed rehabilitation industry in the United States. Rehabilitation can proceed at a volume at which significant reductions in costs can be realized, since there will be a market sufficiently extensive to attract the development and utilization of new materials and construction techniques.

A major concern of most local programs will be on how to bring rehabilitated housing within the financial means of low- and moderate-income households. Utilization of the whole array of federal rehabilitation tools—section 23 low rent housing in rehabilitated private accommodations,²⁰ section 221(d)(3)²¹ and rent supplement financing²² of rehabilitated housing, section 312 three per cent rehabilitation loans,²³ and section 115 rehabilitation grants²⁴—are anticipated. In addition, the imaginative use of Model Cities supplementary funds to achieve results which cannot be achieved under existing programs is expected. The flexibility permitted in the use of supplementary grant funds can result in their being used to solve problems which presently inhibit rehabilitation activity. For example, the present rehabilitation grant provided under section 115 of the Housing Act of 1949 is limited to \$1500. This is not always sufficient to permit the low-income elderly homeowner to meet the cost of rehabilitation. The Model Cities supplementary grant funds could be used in a number of ways to solve this problem: an additional rehabilitation grant payment might be provided; a loan with interest and amortization provisions scaled to the owner's ability to pay and secured by a lien payable on resale at the owner's

¹⁹ U.S. DEP'T OF HOUSING AND URBAN DEVELOPMENT, *supra* note 7, at 6.

²⁰ 42 U.S.C. § 1421b (Supp. II, 1965-66).

²¹ 12 U.S.C. § 1715l(d)(3) (Supp. II, 1965-66).

²² 12 U.S.C. § 1710s (Supp. II, 1965-66).

²³ Housing Act of 1964, § 312, 42 U.S.C. § 1452b (1964, Supp. II, 1965-66).

²⁴ 42 U.S.C. § 1466 (Supp. II, 1965-66).

death might be used; or the housing unit might be purchased by a non-profit corporation which would rehabilitate it and then lease it back to the former owner for life.

Supplementary funds can also be used in other ways to make rehabilitation "feasible." Owners of substandard buildings, faced with the expense of bringing property up to rehabilitation standards and without the prospect of attracting higher income groups of tenants, may not find rehabilitation "economically feasible." Absent the ability to charge higher rents, rehabilitation is economically feasible only if it will result in an increase in the capitalized value of the property by (1) improving the occupancy rate, (2) decreasing maintenance and operating expenses, (3) extending the economic life of the building, or (4) reducing risk of ownership and thereby reducing the required rate of return on investment.²⁵

However, economic feasibility in the sense used here is feasibility from the private owner's point of view: will the increase in net income as a result of rehabilitation be worth the cost of rehabilitation? But from the standpoint of the public interest, economic feasibility should be measured against the alternative cost of providing needed housing through new construction. In terms of public investment it may be less costly to absorb some of the cost of rehabilitation of existing housing than to provide a standard unit for low- and moderate-income occupancy through new construction. Therefore, there may be sound reason to provide public subsidy of that portion of the cost of rehabilitation which will make the remaining portion "economically feasible" from the private investor's point of view. This is precisely what could be done by employing section 107 of the Housing Act of 1949²⁶ to write down the cost of existing property in need of rehabilitation for low- and moderate-income housing. Here the cost of acquired property is written down to a price which, with the addition of the cost of rehabilitation, can be supported by rents that can reasonably be afforded by low- and moderate-income families.

The emphasis placed on rehabilitation in the Model Cities Program, plus the requirement of a substantial increase in the supply of standard units of low- and moderate-cost, is likely to result in a significant increase in the utilization of section 107. It is also likely to result in utilization of the supplementary funds to absorb some of the cost of rehabilitation. One technique would be to use supplementary funds as working capital for a non-profit corporation which would buy substandard housing, rehabilitate it and resell it at a price which would be supported by low- and moderate-income rents. There are many others. The possible uses of the supplementary funds are limited only by the nature of the housing problems in the locality and the ingenuity of local officials. Whatever offers promise of solving a housing problem would be an appropriate expenditure of supplementary funds.

²⁵ Jarchaw, *Feasibility of Property Rehabilitation Financing Under FHA Section 220*, in *RESIDENTIAL REHABILITATION* (M. McFarland & W. Vivrett eds. 1966).

²⁶ 42 U.S.C. § 1457 (1964).

VI

HOUSING COSTS

The Model Cities legislation envisions experiments to make new housing available to low- and moderate-income households through a variety of subsidy techniques, from straight "front-end" subsidy of a portion of the capital cost of housing to various devices to subsidize a portion of the cost of taxes and interest. It is hoped that supplementary funds will also be used to test a variety of techniques to achieve homeownership by lower-income families.

The program should also stimulate efforts to reduce the cost of construction. The statute requires that the local program make maximum use of new and improved technology, including cost-reduction techniques.²⁷ In their applications for planning grants applicants are asked to specify the steps which are to be taken to implement this provision. It is hoped that communities participating in the program will experiment in various new and innovative techniques to lower the cost of housing.

The statute also provides that substantive local laws, regulations, and other requirements must be consistent with the objectives of the program.²⁸ Here cities will be expected to examine building, housing and zoning regulations to assure that they do not unnecessarily impede the use of materials, methods and technical innovations that could lead to lower cost construction.

VII

OTHER IMPACTS OF THE PROGRAM ON HOUSING

The Model Cities Program is expected to have indirect impact on housing through the activities to be carried out in the fields of health, education, employment and social services. The following examples are but random illustrations.

A basic thrust of the program is to enhance job skills and job opportunities; as this is done—as incomes rise—so will the effective demand for standard non-assisted housing.

In the program, public assistance activities will be linked to physical development activities, thus bringing into public focus the fact that in many cases payments sustain slums and that the shelter component of welfare allowances is too low to permit the recipient to live in standard housing. A number of localities are expected to work on this problem with state agencies and their state legislatures.

The Model Cities statute calls for citizen participation in all phases of the program.²⁹ One of the benefits of total involvement in community building, in which the

²⁷ Demonstration Cities and Metropolitan Development Act of 1966, § 103(b)(3)(C), 42 U.S.C. § 3303(b)(3)(C) (Supp. II, 1965-66).

²⁸ § 103(a)(4), 42 U.S.C. § 3303(a)(4) (Supp. II, 1965-66).

²⁹ § 103(a)(2), 42 U.S.C. § 3303(a)(2) (Supp. II, 1965-66).

residents—owners and tenants—have both a stake and a voice, is expected to be an increased respect for property and desire to maintain it.

The Model Cities legislation calls for provision of “social services necessary to serve the poor and disadvantaged in the area.”³⁰ It is anticipated that a number of such services provided through local community action agencies will be directed to housing problems. These services might include such things as the provision of housing advisors to help citizens work for better housing conditions through landlord-tenant discussions, and legal services to provide representation of the interests of low-income tenants. The concentrated focus on the needs of the poor and disadvantaged should give impetus to new and imaginative shaping of the law to better meet those needs. Experiments with new kinds of legislation such as rent escrow, the use of receiverships and provisions to ferret out true owners of slum property would be appropriate.

CONCLUSION

The Model Cities Program will not provide all the answers to housing problems—there is still far too much we need to learn in order to reach the goal of “a decent home and a suitable living environment for every American family.” But it will provide a fertile testing ground for experimentation and innovation, and through the emphasis given to housing and through the freedom allowed in the use of funds a significant advance can be made toward that goal.

³⁰ *Id.*