

PROPOSED PLAN FOR ADDITIONAL SUBSIDIZED

HOUSING IN ROANOKE , VIRGINIA

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CHAPTER I

INTRODUCTORY ANALYSIS OF GENERAL HOUSING PROBLEMS

Millions of Americans live in substandard, overcrowded or dilapidated homes, and their squalid environment contributes to many of our most serious social problems. Conditions are improving, as the number of ill-housed is gradually declining, but further and faster improvements are needed.

To hasten progress toward the national goal of "a decent home and suitable living environment for every American family", Congress authorized the construction and subsidization of six million units for low and moderate-income families over the decade beginning in 1968. In the last two years, production has increased markedly, but it has still lagged far behind targetted rates. Over the rest of the decade, the federal effort to build and subsidize low-cost housing will have to, and can be expected to, expand.¹

This effort involves the use of a number of separate housing subsidy programs which provide alternatives and complimentary approaches to the complex need of the ill-housed. These programs must be improved, their application rationalized, and increased emphasis given to those with the

greatest impact, if the most effective use is to be made of expanding housing funds.

PURPOSE

Therefore it is the intent of this thesis to highlight an area in which the problem of inadequate housing exists: Roanoke, Virginia. The city of Roanoke was chosen primarily due to the author's familiarity with its deteriorating housing needs, the city's exemplification of the problems that usually serve notice of areas with housing inadequacies, such as: over-concentration of certain dwelling units in a particular section of the city, negligence on the city's behalf to take positive steps toward alleviating the serious housing ills, as well as areas containing large numbers of minorities who, over a period of time, become targets of crime, discrimination, and high unemployment.

This area is also of interest to the writer because of the fact that housing ills in America provide much of the foundation for other daily sufferings such as high unemployment, fast rising crime rates, especially in the urban cores; as well as provide an impetus for slowly deteriorating lives that maintain bleak outlooks on life. It is indeed a fact that adequate housing is an essential factor to a person developing and maintaining a wholesome outlook on life.

Seemingly, if a person has to live in substandard shelter without adequate facilities, then they will likely encounter difficulty in the other aspects of their lives.

After having made a thorough analysis of the problems that generally involve substandard housing as well as the contingent problems, a comparison of these problems with those that exist in Roanoke will be made so as to organize a clear cut argument as to how the housing shortage can be overcome by suggesting a number of methods employed in either upgrading existing structures, destroying old structures or allocating funds and plans for the construction of new dwellings. Next, after an appropriate method has been chosen to best serve the needs of Roanoke with regard to its housing problems, then an analysis of the city's problems will be made; an overall assessment will be made, thus allowing for the proposing of further significant recommendations. Included in this explicit explanation will be reasons why money should come out of the pockets of Americans in order to construct such units for the financially unfortunate.

GENERAL HOUSING PROBLEMS

Housing problems have grown more serious and widespread, so that almost everyone is affected. Costs have spiralled while quality seemingly has declined. Credit has gotten to a point where it is most expensive and scarce, and this affects both the buyer and the builder. Vacancy rates have fallen to rock-bottom levels, very much restricting residential mobility. Worst of all the present slump in housing construction means that housing shortages are likely to continue for several years.²

These developments are perplexing and troublesome to the majority of Americans, but they are hardly overwhelming. Even though it is a general consensus that housing is too costly, that interest rates are too high, and that new homes and apartments are difficult to find, the economically mobile sector of society usually can make temporary adjustments with a fair degree of certainty that improvements will be forthcoming. Some continue to live in their present dwellings, postponing home purchases or moves to newer units. Others settle for less than the home of their dreams, and many increase the proportion of income spent on housing. Everyone would like cheaper, better quality, and more readily available housing than exists under present conditions, but it's

not a great majority of people who suffer excessively.

However, for a large minority, recent developments have further intensified problems which were already severe. This minority includes the millions of American families who live in substandard, overcrowded or dilapidated housing. According to the 1960 Census, eighteen percent of all occupied homes were substandard, based on a definition which would count almost any watertight building with indoor plumbing as standard.³ An additional eight percent were described as "deteriorating" and were, for the most part, barely livable; twelve percent had more than one person per room and were so overcrowded that their occupants undeniably were ill-housed. These conditions are intolerable, and their elimination is the very least which should be done.

Most of the families living in these physically inadequate or overcrowded units have a low income, even if they are above the poverty threshold. There are also many low-income families occupying "standard" dwellings, though they must spend an excessive portion of their income in order to buy and maintain these. In 1967 about one in eight American households would have had to use more than one-fifth of their income for housing despite the fact that the average household spends only fifteen percent. The millions who occupy minimally

adequate shelter by paying an exorbitant share of their income also need help. High costs, housing shortages, and inflated interest rates have been felt most severely by the families with the least income, those without the options which money provides.

The housing problems of the majority of Americans need more attention. Efforts must be made to expand mortgage funds, to lower interest rates, and to stimulate production so that the backlog of housing demand can be gradually met. Low-income families will benefit as housing markets loosen, vacancies increase, and the prices of older units fall; without such improvements their problems are made even more difficult to solve.

But even if general housing conditions improve, many families will still be ill-housed. It takes a long time for improvements to trickle down from the rich to the poor; and if a construction boom took place now for middle and upper-income housing, it would be years before low-cost markets would feel the effects with price reductions. Even, then, many families would have too little income to afford adequate shelter. Theirs is the really serious and intransigent "housing problem".⁴

Despite its intransigence, this low-income housing problem would probably disappear over several decades without

any increased efforts. Income gains in the past have been associated with substantial reductions in the number and proportion of substandard units. They declined by almost one-third in the fifties-17.0 million units in 1950 to 11.4 million units in 1959- and progress continued in the sixties, with an estimated decline to 6.2 million substandard units at the end of 1968. A projection of the 1968 rates of deterioration and replacement estimated that only 3.8 million substandard units will remain at the end of the current decade.⁵

It is difficult to justify why society should be more concerned with inadequate housing consumption than with inadequate consumption of clothing, food, and other necessities of life, if the reason for inadequate consumption is strictly lack of income. Individuals fail to distinguish between the two primary causes of inadequate housing. Although it would be difficult to estimate empirically how many families presently live in inadequate housing in the United States as a result of lack of income versus resource misallocation in the housing market, it would be safe to conclude that both considerations are important.⁶

Nevertheless, the misery and social ills caused by poor housing now are hardly mitigated by the long-run prospects of improvement. For instance, early childhood in a squalid

tenement can be permanently detrimental, and the damage may may be done before better housing is provided at the present rates of progress. Even if all substandard housing is eliminated within twenty years, and even if we are willing to accept all the ill effects in the interim, our standards must surely change. Even if all housing units were suddenly made watertight with indoor plumbing; squalor, filth, decay, and especially the overcrowding, which has increased in recent years, would still remain. Anthony Downs describes the analysis of housing goals and needs as follows:

"According to the official national goal, every American household which does not enjoy a decent home and a suitable environment is part of the housing problem. Unfortunately, this statement utterly fails to convey the appalling living conditions which give the housing problem such overriding urgency to millions of poor Americans. In fact most Americans have no conception of the filth, degradation, squalor, overcrowding and personal danger and insecurity which millions of inadequate housing units are causing in both our cities and rural areas. Until one has actually stumbled through the ill-lit and decaying rooms of a slum dwelling, smelled the stench of sewage and garbage and dead rats behind the walls, seen the roaches and crumbling plaster and incredibly filthy bathrooms, and recoiled from exposed wiring and rotting floorboards and staircases, you have no real idea of what bad housing is like. These miserable conditions are not true of all inadequate housing units, but enough Americans are trapped in the hopeless desolation of such surroundings to constitute both a scandal and a serious economic and social drag in our affluent society."⁷

If the plight of the ill-housed is to be eased in the near future, we cannot sit back and wait for the effects of improved housing conditions to filter down to the poor or for income improvements which will permit them to compete for existing adequate units. The simple fact is that many millions of families now have, and will continue to have for some time an income too low to afford minimally standard shelter. Without direct and increased assistance in meeting their housing needs they will continue to be ill-housed.

The responsibility for assisting those families lies almost entirely with the federal government. A few states and a few large metropolitan areas have played an active role, providing a variety of subsidies to low-income families and providing incentives to builders of low cost housing. In New York City, for example, almost two-thirds of the subsidized housing units are financially assisted by the state or the city.⁸ However, most state and local governments have invested little of their resources in low-income housing, and even the most active have had to cut back their efforts because of rising prices and increasing fiscal burdens. For the most part, if low income families are to be helped, increased assistance will be needed from the federal government.

Among the numerous other factors that impede the process

of providing adequate housing for needy Americans is discrimination against minority group families, which is also prevalent in the housing market. A black family of a given income may not have as many housing alternatives from which to choose as will a white family having the same income. As a result, black families may have to pay more per service unit for housing than do whites, since demand for a limited housing supply increases the price of housing.

It is possible for the operation of the private market system to make better housing available to lower income families, eventually reducing the amount of housing that is considered inadequate by society. Using the U.S. Bureau of the Census definitions of housing inadequacy, the statistics indicated that inadequate housing was substantially reduced from 1950 to 1960. The basic mechanism by which the private housing market has increased the number of adequate dwelling units is to build dwelling units yielding high levels of housing service for higher income families. This leaves old dwelling units (yielding lower service units) for occupancy by lower income families. However, unless subsidies are provided, the income of low income families must increase over time to permit them to move into better housing.

The problem of inadequate housing permeates a much

broader spectrum in the American society to the extent of placing more priority upon it, and this issue is the problem of poverty. It seems that in the areas of health, education and social development; substandard and deteriorated dwellings create such an environment that these vital living necessities are hindered and at some time become obscure to those who need these services the most. In the past it has been the attitude of the society at large to improve the physical structures to some degree in an attempt to solve the intangible and intergenerational problems of poverty. This process in itself is, of course, not a totally adequate solution for the simple reason that eradicating the symptoms of a problem does not necessarily eradicate the causes of the problem at hand.

ENDNOTES

1

Robert Taggart III, Low-Income Housing: A Critique of Federal Aid (Baltimore: The Johns Hopkins Press, 1970), p. ix.

2

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3

Ibid., p. 2.

4

Ibid., p. 3.

5

National Commission on Urban Problems, Building the American City (Washington, D.C.: Government Printing Office, December 1968), p. 70.

6

Arthur F. Schreiber, Paul K. Gatons, and Richard B. Clemmer, Economics of Urban Problems: An Introduction (Boston: Houghton Mifflin Company, 1971), p. 67.

7

Anthony Downs, Moving Towards Realistic Housing Goals: Agenda For The Nation (Washington, D.C.: The Brookings Institution, 1968), pp. 141-142.

8

First National City Bank of New York, Government's Role in Housing, (February 18, 1970. Mimeographed.)

9

Schreiber, Batons, and Clemmer, ibid., p. 72.

10

Ibid., p. 73.

CHAPTER II

COMPARATIVE ANALYSIS TO HOUSING PROBLEMS IN ROANOKE

Those problems which have been mentioned affect many cities throughout the nation, but in this particular case, Roanoke, Virginia, was chosen for investigation, like similar central cities, it contains a disproportionate share of the metropolitan area's low income households. Roanoke was also selected because of the author's familiarity with the city resulting from his work for the Fifth Planning District Commission, whose activities focus primarily on the city of Roanoke. Residents of Roanoke, as well as the rest of the metropolitan area, have been fortunate, however in that this increase has not been explosive. The deterioration of the central city is mild compared to what has occurred in other larger cities, even though the population of Roanoke declined by 4,995 (5.1 percent) between 1960 and 1970.

The dynamics of change in Roanoke are similar to those that have characterized many central cities in the post World War II era--the fast pace of housing construction of the Fifties and early Sixties generated by solid economic expansion and a growing desire for home ownership; the restriction of blacks to certain areas of the city, both by conscious

discrimination and by economic limitation; and the tendency for new office and commercial construction to take place out of the city's center. All of these are common to most metropolitan areas.¹¹

DISTINCTIVE HOUSING CHARACTERISTICS OF ROANOKE

There does exist a distinguishing characteristic in the case with Roanoke. The increase minorities in Roanoke City has not been as great as it has in other cities. The non-white population in 1960 accounted for 17.0 percent (16,538), where in 1970 there was an increase of 8.5 percent which raised the non-white proportion of the total population to approximately 20.0 percent. Such a small change in the racial composition of the city indicates a relatively stable situation in contrast to many northern cities, where the flight to the suburbs has resulted in heavily black central cities.

Using the neighborhood delineations established by the Roanoke City Planning Commission, the following neighborhoods contain the poorest quality housing in Roanoke: Gainsboro, West End, and the Central Business District. It has been estimated that approximately 90 percent of the housing in South Gainsboro and the Central Business District is substandard, while about 75 percent of the housing in the West End

is substandard. In 1970, these neighborhoods accounted for about 84 percent of all the substandard housing in the city. It is significant that although these neighborhoods contained only sixteen percent of the city's total 1970 population, they contained 74 percent of the non-white population and nineteen percent of the elderly population. Both of these groups have low household incomes, and there is a high correlation of low incomes with substandard housing in the metropolitan Roanoke area.

In addition, there is evidence that the decay that has afflicted the Central Business District, Gainsboro, and the West End is beginning to encompass the southeastern portion of the Melrose neighborhood. The northern part of Melrose is populated predominantly by middle and upper middle-income blacks, and the homes are well maintained. In the southern part of the neighborhood, however, north of Orange Avenue and west of Tenth Street, the incidence of substandard housing has begun to increase. This is due partly to a movement of very low-income people from the Kimball Urban Renewal Area after they were displaced. In a tight housing market, they found themselves with few housing options upon being displaced.

Other problems that are generally characteristic of urban centers with high densities of minorities and substandard

dwellings that exist in Roanoke are drug associated crimes, sporadic attempts at burglary, and a few cases of homicide. Indeed the rates of these occurrences are not as high as they would be in areas with high core populations such as Washington, Baltimore, or Chicago, but they do exist and most of the ill-effects are dealt upon the black community. In study after study, it has been shown with monotonous regularity that the offenses, the victims and the offenders are found most frequently in the poorest and the most deteriorated and socially disorganized areas of cities. Of the arrests made in the entire city of Roanoke in 1972, fifty-seven percent were made within a two mile radius of the three census tracts that house the majority of blacks in the city. However, it must be pointed out here that most of the fifty-seven percent of the arrests were for misdemeanors, further indicating that the city is not presently on the threshold of intense crime rates.

Those people in Roanoke who reside in substandard units do indeed suffer because the inner city has always been hard on whoever was living in it. Another point that should be highlighted is that unemployment, delinquency, and educational handicaps are forever present in the dismal environment provided by substandard housing.

It is commonplace today to observe that educational preparation is increasingly required for getting and holding a steady job. One would expect, therefore that dropping out of school and being unemployed might be related to one another. Undereducated people are eligible only for unskilled jobs; it is hard for them to get information about the local job market and they lack prior work experience. Most of them consequently do not, in any real sense, choose a job. Rather, they drift into jobs, and since the jobs rarely meet the aspirations that applicants bring with them, frustration typically results. Further, the search for a job may become even more discouraging when a person has a delinquency record. There is evidence that many employer's make improper use of such records. A person's adjudication record is required by law in most jurisdictions to be private and confidential, but in practice the confidentiality of these records is often violated. The employment application may require the applicant to state whether he was ever arrested or taken into custody, and employers may ask some applicants to sign waivers permitting the court to release otherwise confidential information.¹⁴

One may readily perceive that, comparatively speaking, Roanoke could very well be considered safe. On the other

hand, as mentioned previously, the city is hard on whoever lives in it and by glancing over areas like First Street and Luck Avenue with its dilapidated dwellings, dirty streets, and throngs of people who seem to make the "block" their home, one would readily list Roanoke among those cities that have their share of urban problems.

Therefore, before proceeding further in making an explicit assessment as to how the needs of Metropolitan Roanoke should be met, the next section will show the present condition of the city's subsidized housing programs along with an administrative assessment both for and against the idea of housing subsidies.

ENDNOTES

11

Hammer, Greene, Siler Associates, Fifth Planning District Housing Report Phase II (Washington: Hammer, Greene, Siler Associates, 1972), p. 36.

12

Ibid., p. 37.

13

President's Commission of Law Enforcement and Administration of Justice, The Challenge of Crime in a Free Society, A Report by the President's Commission on Law Enforcement and Administration of Justice (Washington: United States Government Printing Office, 1967), p.75.

14

Ibid.

CHAPTER III

ADMINISTRATIVE EVALUATION OF PUBLIC HOUSING

The Nixon administration has announced a temporary halt in government subsidized housing programs so that an evaluation may be made of the programs which began thirty years ago and alternate plans developed. Actual construction, already approved, will still proceed in calendar 1973 at about the same pace as in 1972.

Should the Federal Government stop subsidizing housing for low-income families? The following criteria are arguments for both sides of this pertinent question.

First of all, it has been said that Federal Housing programs simply are not working. Subsidized housing programs are in urgent need of reform, and the Department of Housing and Urban Development which administers them, is plagued by large numbers of defaults and foreclosures as well as disclosures of corruption within the Department.

The Federally subsidized housing programs are intended to help families to acquire housing they could not otherwise afford and to encourage the production of housing. Lower-income families are assisted under the low-rent public housing and the rent supplement program. Other low-income

families with incomes too high for public housing are assisted through homeownership (Section 235) and rental (Section 236) assistance programs.

These programs, particularly the Section 235 and 236 programs, have suffered massive failures in the central cities.

Despite frequent success in the programs outside the central cities, massive amounts of bureaucratic red tape have been necessary, because, in former HUD Secretary George Romney's words, they have not been "subjected to the needed competitive market disciplines". The programs have been abused, he said, and "made the vehicle of inordinate profits gained through shoddy construction, poor site location and questionable financing arrangements".¹⁵

Low-rent public housing is at a crisis point. Since 1969, when Congress liberalized the eligibility requirements, the units began increasingly to fill up with lowest-income and no-income families, many of whom have displayed antisocial behavior.

The predominance of the lower-income families and increased vandalism has served also to weaken the financial base of the local public housing authority and to increase its reliance on an operating subsidy from the Federal government.

As a result of the problems in housing programs, HUD,

through foreclosures and other actions, owned as of October 31, 1972, 59,234 single-family homes and 101 multi-family properties with 24,133 units, figures which are relatively low.¹⁶

Beyond the operational problems of these programs is the question of whether these are the right programs at all. A number of alternatives have been suggested.

ARGUMENTS FOR THE CONTINUANCE OF FEDERAL HOUSING PROGRAMS

For the other side of the issue, Senator Charles H. Percy (R-Ill.), one of the early advocates of homeownership for the poor, said on January 9th that stopping these programs is "a negative step, a backward step in a situation which requires bold and affirmative action". Meeting the goal of decent housing for all, he said, "will be an extremely costly proposition. It cannot be done quickly or expensively".¹⁷

To stop these programs now without working alternatives is, according to Rep. Wright Patman (D-Tex.), a "crushing blow to the hopes of millions of Americans". Beyond the millions of Americans who would benefit by a better living environment are the builders, home furnishers, and the workmen, the mortgage lenders-the persons to whom the benefits of a sustained level of housing starts and rehabilitations

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are essential.

Sponsors and builders may lose faith in the programs' continuity and be reluctant to commit time and money when another moratorium may come along.

So, basically, public housing has become an unwanted stepchild in the Nixon administration. Without fanfare and relatively little public attention, the administration has moved systematically to exclude many of the nation's poorest families from the housing programs designed to serve them.

By asking Congress for less operating subsidy than needed for public housing, while at the same time establishing stringent new financial requirements for housing, the administration has moved away from the national goal set in 1949 to provide a decent home in a suitable environment for every American.

To be sure, the movement has occurred for some ostensibly sound reasons. The housing programs have had serious problems. Frequently they have concentrated large, low-income families in crime-ridden high-rise ghettos. Security and maintenance costs have spiraled while rental income has not kept pace. Public housing has been, administration officials complain, a money-eating monster out of control.

Administration officials have contended that a time of

reflection and retrenchment is needed. The critics, both tenant activists and redevelopment officials, are also unhappy with the programs. But typically, Robert Maffin, Executive Director of The National Association of Housing and Redevelopment officials, says of administration agonizing, "You can ponder, and everyone should, but, while you're pondering, don't let what you have go down the drain".¹⁹

In the inner councils of the administration, some people, notably former Housing and Urban Development Secretary George Romney, have said the same thing. But, they have usually lost out to the hard-nosed officials of the White House's Office of Management and Budget. This office is not supposed to set policy, but its budgetary constraints are, in effect, exactly that.

HUD takes sole responsibility, however, for a host of other policies which limit who qualifies for housing programs. Such policies, says Jeffrey Schwartz, Counsel for the National Tenants Organization, "are indicative of the administration's lack of concern for poor people".²⁰

ARGUMENTS AGAINST THE CONTINUANCE
OF FEDERAL HOUSING PROGRAMS

On the otherhand, people like Norman Watson, Assistant Secretary for Housing Management, is the official directly responsible for many of the policies. A former Public Housing

Director from Florida, Watson believes the Administration is on the right track. "We're not breaking down the doors to double the funding of what we have because it is not working properly. We've got to stop and take a look", he says. And, he insists, "There is no plan to cut back on housing the poor. We've housed more poor than any administration".²¹

But, Watson acknowledges that the waiting lists are no shorter today than four or eight years ago.

People are waiting for vacancies in the more than one million existing units of public housing. Such housing is managed by local authorities and leased to low-income families (ranging in income, roughly, from \$4,500 to \$4,800). According to census figures, nearly eight million American families make less than this minimum; and some nineteen million families fall within this income range.

There are also 110,660 units built with Federal assistance, primarily for moderate-income families in the \$6,000 to \$13,000 range, under the 1968 Housing Act. There are some twenty million American households in this income range.

Congress created public housing in 1937, and in its early years public housing was filled largely by whites on their way up. As poor blacks, often lacking education and job skills, migrated to the cities, they filled the projects.

There are many of them, their children, and grandchildren that still remain. Since public housing rents are based on income, these permanent poor, as a group, paid less rent than their predecessors. Meanwhile, operating costs, maintenance, security, and staff salaries rose. In some instances, rent hikes resulted in tenant strikes, which meant less money for maintenance and this led to the deterioration of projects.

To ease the rent squeeze on poor tenants, the so-called Brooke Amendment was passed in 1969. Sponsored by Senator Edward Brooke (R-Mass.), it mandated that all public housing tenants pay no more than 25 percent of their income for rent. A federal subsidy was supposed to make up the difference between operating expenses and the drastically reduced rental income resulting from the law.

On December 1st, George Romney announced "guidelines" for allocation of one hundred million dollars in federal money for subsidized housing construction. The new HUD rules place limitations on federal funding of operating subsidies so that local housing authorities "wishing to incur additional expenses or provide expanded services would be expected to absorb such additional costs through more efficient management, or development of local funding sources".

The bulwark of all attempts to redevelop cities is the ability to relocate large low-income families. There is no other recourse (to public housing) for poor people-none. Everytime it is cutback, it affects not only public housing, but the ability of cities to do anything. Washington, D.C., for example, is tied up in knots. It is a very serious situation. The June, 1971, HUD rules implies that it was all right for local authorities to bar or evict mothers with out-of-wedlock children, despite a Supreme Court ruling to the contrary. Authorities could not do so automatically, but could if such action were to protect the health, safety, morals and comforts of public housing tenants, the circular noted.

Last December, HUD put new public housing into the fiscal wringer, declaring that no more units could be built unless operating expenses could be held down to 85 percent of rental income. Again, to achieve this goal, higher-income poor would have to receive preference. It has made clear its opposition to building new or supporting old concentrations of "poor problem families". Watson, and others, say they favor instead the home ownership program created in 1969. In December, 1971, HUD made it very difficult for many families to qualify without exceeding 25 percent of their income. Families

must be able to afford ten percent more than their present monthly payment for housing, the reason being that this would be a fail-safe stipulation against future changes in the family's income that might require an operating subsidy.

From an administrative perspective, it seems as though poor people and low-income minorities are being evicted, and they have had little or no control over the suitability of their environment. It seems as though most people in HUD feel that the problems that occur within the public housing field are inherent in the inhabitants themselves, but such an evaluation is by no means totally correct. An important point to note at this stage is that regardless of where public housing programs are being scrutinized, whether it be in Washington or in Roanoke, anti-social behavior should not be utilized as an excuse for curbing public housing, nor should poor people be made to compete for inferior shelter while the potential for satisfactory housing for all exists.

DESCRIPTION OF PLANNING DISTRICT AND LISTING OF OPERATIVE
AND INOPERATIVE FEDERAL HOUSING PROGRAMS

The following programs are those which fall under the auspices of the Housing and Urban Development Authority. The programs will be reflected in the Fifth Planning District,

either as being operative or inoperative. The Fifth Planning Commission is a comprehensive regional planning commission that coordinates the growth activities of the counties of Roanoke, Craig, Botetourt, and Allegheny, as well as the cities of Covington, Clifton Forge, Salem, and Roanoke.

PROGRAMS OPERATING AND NOT OPERATING
IN FIFTH PLANNING DISTRICT

Due to the severe cutback in programs and funding, the following programs in the Fifth District have been discontinued.

A. Out

221D-3

235

236

All subsidized Public Housing

College Housing

Programs within the Fifth District which will continue to operate are as follows:

B. In

Non-subsidized Programs

207 (multi-family)

221D-4 (multi-family)

231

213 Non-subsidized Cooperatives

234 Non-subsidized Condominium

232 Nursing Homes

207M Mobile Home Parks

The following list presents an even more current picture of how housing programs in the Fifth Planning District will be affected.

HOUSING

FHA 235

Roanoke City 163
 Salem 111
 Vinton 62
 Covington
 Craig
 Clifton Forge
 Roanoke County
 Botetourt
 Alleghany

Three Stages-FHA

1. feasibility
2. conditions commitment
3. firm commitment, then start construction

FHA 236

Roanoke City

1. Patrick Henry Hotel--617 South Jefferson Street
 121 Units- rehab under construction
 FHA 207 rehab.
Working
2. Tinker Creek Manor Apartments-2001 Tinker Drive
 N.E. 100 Units-FHA 236
 Mortgage closed-just started renting
Working and Completed
3. Caru Apartment-943 35th Street N.W.
 116 Units-221D3 rent supplement
 100 percent complete- 90 percent rented
Working and Completed

4. Colonial Square Apartments
221D4-48 Units
Two percent complete (probably foundation poured)
Working
5. Greenway North Apartments
221D4-120 Units
Conditional Stage (midway in process)
6. Caru East (Section Two)
221D3 rent supplement
128 Units
Firm commitment (3rd stage)
Dismissed and application for supplement returned
7. Tanglewood South
FHA 236-171 Units
Feasibility stage, probably to be rejected
lack of potable water
Working
8. River Arms Apartments
221D4-156 Units
Feasibility stage, probably to be rejected
next to public housing, cannot get moderate rents
Working
9. Manor Arms Apartments
FHA 236 (for elderly)
100 Units-high rise
Firm commitment (construction to begin in two-
three months probably)
May not operate
10. Ferncliff Apartments-3533 Ferncliff Avenue N.W.
FHA 236-144 Units
100 percent complete-100 percent rented
Working
11. Cherry Hill Manor
FHA-236-15 Units
Two percent (foundation poured-however, FHA probably
will have to buy it back-in urban renewal area-
won't get finished)
Working

12. Shenandoah Homes-5300 Hawthorne Road N.W.
FHA 236(elderly)-144 Units
Construction over 50 percent completed
Working and in process of asking for mortgage increase
13. Ferncliff East(second section of Ferncliff)
FHA 236-120 Units
Feasibility stage-no funds probably a year or two
away from funding
Dismissed
14. Tinker Creek Manor (Section Two)
FHA 236 - 110 Units
Feasibility state- 50/50 chance of funding(in two years)
Dismissed
15. Operation Breakthrough
FHA 236-164 Units
Phase III-waiting for a firm commitment(specs, etc.)
3 sites-2 in core city and 1 on Salem Turnpike
between two cemeteries
Project was funded, asked for increased; if goes
o.k., 50/50 chance of operation.
16. Cavalier Arms
FHA 236-187 Units
Early feasibility stage-at least two years before
Funding might be available-then only 50/50 chance
funding
Dismissed
17. McVitty Apartments(non-profit possibly)
FHA 236-60 Units
Early feasibility stage-probably at least 18 months-
probably will be funded
Dismissed
18. Public Housing
Montrose-Montrose Avenue, etc.
Dismissed
19. Kennedy Apartments
221D3 (BMIR)-108 Units
Working

Salem

1. Boulevard Nursing Home(now Camelot Hall-1995)
Roanoke Blvd., Salem
FHA 232-120 Beds
Working
2. Camelot Hall-an addition to Boulevard Nursing
Home-120 Beds
FHA 241-program for new additions feasibility, but
will be a long time before funding
Working
3. Caroline Forest Apartment-Kerner at Boulevard
FHA 236-72 Units
Over 2/3 completed construction
Working
4. Oak Park Apartments
FHA 236-144 Units
Construction is almost 100 percent completed
Working

Vinton

1. Lakewood Apartments
FHA 236-108 Units
Firm commitment(construction will start in 2 or
3 months)
Dismissed
2. Northhampton Apartments
FHA 236-144 Units
Early feasibility stage-odds against funding-
next to Southhampton
Dismissed

Covington

1. Dolly Ann Apartments
221D3 rent supplement, limited dividen sponsor
108 Units
Under construction-probably 15-20 percent complete
Working

Clifton Forge

1. Mr. Rose thinks a FHA 236 or rent supplement pro-
gram is in the making. However, nothing is under
construction.

Dismissed

Botetourt, Craig, and Alleghany Counties-None

The following summary gives a clear idea of how the Fifth Planning District has been affected by cutbacks on housing funds, as well as showing what possible steps may be taken in the future in an attempt to relax the financial strain:

SUMMARY								
Location	Total Units	FHA 235	FHA 236	FHA 207	FHA 232	FHA 241	FHA 221-04	FHA 221-03
City of Roanoke	2375	163	1315	121	--	--	324	352
Salem	567	111	216	--	120	120	--	--
Vinton	314	62	252	--	--	--	--	--
Covington	108	--	--	--	--	--	--	--
Clifton Forge	0	--	--	--	--	--	--	--
Botetourt	0	--	--	--	--	--	--	--
Craig	0	--	--	--	--	--	--	--
Alleghany	0	--	--	--	--	--	--	--
Totals	3264	336	1783	121	120	120	324	460
		(-100%)	(-32%)					(-28%)

From above data for the City of Roanoke one concludes that of the 1785 units under FHA program 236, 577 (32%) of the units will not be completed, subsidized or constructed. For the same area, but under program 221D3, 128 units(36%)

will fall in the same category. In the Town of Vinton, of the total 252 units, all have been affected either by the construction halt, or by lack of financial subsidy which subsequently would prevent completion. As for FHA program 235, the freeze has affected the District totally.²³

The City of Roanoke indeed is in dire need of housing assistance as, exemplified by the general urban problems that exist there as well as by the way its been effected by the Federal Housing Freeze. Therefore, to maintain clarity of thought in dealing with Roanoke's problems, the following section will present methods from which the best solution for improving Roanoke housing conditions will be drawn.

ENDNOTES

15 Washington Post, Outlook Section, "Public Housing, Eviction of the Poor", December 10, 1972, p. 9.

16 Ibid.

17 Ibid. , p. 10.

18 Ibid.

19 Ibid. , p. 11.

20 Ibid.

21 Ibid.

22 Ibid. , p. 12.

23 Carl A. Banks, "Pro's and Con's for Additional Subsidized Housing in Roanoke", Special paper presented to Social Planning Class, Blacksburg, Va. March, 1972.

CHAPTER IV

SOLUTIONS FOR ALLEVIATING URBAN HOUSING PROBLEMS

There probably exist a number of solutions which could deal with the housing situation in Roanoke, but this section will briefly explain the major programs most often used when certain housing needs are to be remedied.

Generally speaking, the issue of subsidies and existing housing will include such details as how and where these subsidies will be injected into the filtering process as well as forecast the important repercussions throughout the entire housing market. Basically most federal subsidies are for new construction units. The reasoning behind such a method is that by increasing the number of units in the housing market you increase the number of older units available for low-income families, primarily through a filtering process.²⁴

COMPONENTS OF REHABILITATION

The major subsidy programs are used to a lesser extent to promote substantial rehabilitation of deteriorated properties. Rehabilitation adds no net units to the housing stock, and thus has less impact through the filtering process, while on the other hand, rehabilitation directly eliminates

some substandard housing, while new construction may not. In many instances rehabilitation is frequently seen as a quick inexpensive way to solve the housing problems of the poor. A point to remember is that when employing rehabilitation to improve substandard housing, experience suggests that it can be time consuming, complex, and relatively costly when the value of the final product is considered.

CODE ENFORCEMENT AND SPOT CLEARANCE

Another method to be considered when trying to improve the quality and condition in a particular area is code enforcement and spot clearance. In this process there is more of an attempt to instill confidence in owners, builders, investors and lenders that the overall quality of a neighborhood will improve if there is a concentrated campaign to enforce housing codes, health codes, and similiar measures. The occurence of such activity indicates to owners and lenders that neighborhoods are destined to improve, thus making these people a little less reluctant to initiating private rehabilitation. On the one hand, strict code enforcement may mean the immediate abandonment of buildings in deteriorated condition, and their eventual destruction in order to prevent the blight of these derelict buildings.

Even though strict code enforcement initially seems to have numerous advantages, the negative side of this housing alternative should be reviewed before any decision to use it is taken. One of the disadvantages is that code enforcement may have the adverse consequence of raising rents. This in essence means that low-income families will be caught in an economic squeeze. First of all, these families can not afford to pay for standard housing, and if housing subsidies are not available, then poor tenants are evicted and poor homeowners are forced to sell. Also, if housing subsidies do not exist at the time of code enforcement, then resentment and possible hostilities evolve that may in the long run become costly. Secondly, code enforcement does not necessarily resolve underlying problems such as obsolete land use, inefficient street systems, and unacceptable densities.

URBAN RENEWAL IS A POSSIBLE OPTION

With such limitations of code enforcement in mind, one may very well consider urban renewal as an alternative to crowded, deteriorated housing conditions, as well as a remedy to housing shortages. Initially urban renewal was employed because code enforcement was too simple a step to take in

relinquishing deplorable housing problems, in this case provide additional decent housing. Urban renewal programs were first exercised so as to completely overhaul an entire neighborhood.²⁶ In the renewal process a local agency will acquire a large tract of land, then sell to a private developer. In some cases the Federal Government will pay up to 75 percent of the costs incurred by the local agency for the development as well as give its final approval on many decisions involving the area. Also, early in the 1960's Urban Renewal Projects emphasized total clearance and commercial or high cost residential development, rather than low-cost subsidized housing. So this in essence meant that the supply of low cost housing decreased sharply.²⁷ This leaving the lower-income families in a bind. Another ill effect brought about in the housing market by this emphasis on total clearance is that over a period of time the token subsidies that existed for the purpose of supplementing low-cost housing diminished, virtually leaving many Urban Renewal programs at a stalemate.

As a result of urban renewal programs not meeting the needs of lower income families, emphasis has been placed on housing for low and moderate income families. In addition, federal housing laws require that such action as new construction

be done with the lower-income in mind, so now programs such as Model Cities emphasize not only physical improvement but better overall facilities. At one time many of the obsolete structures were cleared entirely, but today much of the basic infrastructure of a neighborhood is retained; this reduces relocation problems, preserves those buildings with cherished historical value, and allows for the maintenance of some harmony between tenants and developers.

In cases such as those that do not meet housing needs, numerous factors enter the picture as to whether urban renewal can be initiated and carried out and whether this method will be the most beneficial, financially and otherwise. Some of these points are whether clearance or rehabilitation will meet the desires of the inhabitants, and whether renewal would redevelop the land so that it would have an appreciable tax assessment. Next, points such as the cost of renewal versus the cost of demolition and new construction, present, past and future land use patterns, population densities, and the time needed for renewal all pose a varying degree of difficulty in regard to which alternative to choose. On the other hand, there are other methods available in dealing with the housing shortages.

RELOCATION CAN BE TRIED

A fourth choice which has been used on many occasions is relocation. Some types of housing predicaments, such as shortage of developable land, inconvenient working areas or political conflicts may warrant construction of new dwellings elsewhere in the area other than in the vicinity of the present dwellings. Such action depends a lot on logistics, due to the simple fact the improper timing can cause a number of inconveniences.²⁸ In some cases a complete change of scenery, a different location in a different part of the city will be of enormous help in restoring vitality to a neighborhood as well as to the inhabitants themselves. Conversely the following factors must be considered before the relocation process is employed: Relocation must be coordinated with construction timetables, each occupants' requirements must be matched with the supply, if possible occupants desiring to remain in the area should be relocated when new units become available, but when such is not possible temporary relocation facilities should be provided until new properties are available; social problems of individual families identified in the relocation interviews should be referred to appropriate agencies for action; and probably

one of the most important factors of consideration is that in a social sense families relocated to new and strange neighborhoods should be counseled until appropriate adjustments are made.

29

Indeed some progress has been made in removing some of the inconveniences caused by relocation. Such easements occur in the form of government allowances up to \$1,000 over a period of two years to accommodate displaced persons, as well as \$5,000 disbursements to the owners of a one or two-family structure for an Urban Renewal Project. As was the case with renewal, relocation requires constant examination to reduce hardships.

CONSTRUCT ADDITIONAL SUBSIDIZED UNITS

Finally, an approach of construction additional units of subsidized housing, while at the same time improving the maintenance of those areas in dire need of upkeep, seemingly will best resolve the substandard housing situation that presently exists in Roanoke. First, having made an intensive income to housing study of minorities in the city of Roanoke, the author found that the households of blacks in the city are located in particular sections. This is all well and good where people live where they want to live, but when its time

to move these same people are faced with the same problem of trying to relocate in an apartment setting of a neighborhood that is pleasant to their tastes. In other words, when a black family moves from a low income area constructed primarily to meet their incomes, there may not be much or any physical improvement. Poor maintenance and unattentive code enforcement makes a new residential section look dilapidated in half the time it took to construct it. So in essence, the disenchanted family may be even more distressed once they move to a pseudo-improved area for they have not really improved their living conditions or they may become reluctant to move because they already know what to expect and would rather not be bothered.

Once local agencies and land developers come to realize this, then maybe units can be built and be properly maintained while avoiding the inconveniences of immediate and complete relocation. Also when the discontentment of the tenants become so great as to pose a threat of upsetting the morale and the physical structure of the community, then this too can move some one into the positive direction of improving housing facilities.

With continued increases in population--especially with emphasis on those people who fall in the lower and lower

middle-income brackets--then it seemingly should be much easier to have additional subsidized units already available for these people rather than having people wait on houses to be filtered down from middle class families. With such an approach in mind, people don't necessarily have to be herded into ghetto-like tenements with little or nothing to aspire for in terms of good appealing living sites.

The continued failure of federal programs to meet their desired goals such as rehabilitation, strict code enforcement, and relocation in past operations have also influenced the writers' decision in developing housing resolutions around the concept of additional subsidized units for now and also for the future. The following plan is one for the City of Roanoke, and it suggests construction of additional subsidized housing units in order to alleviate some of its present problems as well as prepare for future housing ills.

ENDNOTES

²⁴President's Committee on Urban Housing, A Decent Home, A report of the President's Committee on Urban Housing (Washington: United States Government Printing Office, 1968), p. 100.

²⁵Ibid., p. 106.

²⁶Ibid.

²⁷Ibid.

²⁸Ibid., p. 107.

²⁹Basil G. Zimmer, Rebuilding Cities: The Effects of Displacement and Relocation on Small Business (Chicago: Quadrangle Books Inc., 1964), p. 109.

CHAPTER V

PROPOSED PLAN FOR SUBSIDIZED HOUSING IN ROANOKE, VIRGINIA

The following analysis of housing conditions in the Roanoke Metropolitan area has been provided to clearly depict the essential needs of the area, as well as to have an appropriate background on which to make beneficial suggestions in regard to future subsidized dwellings. Probably the major reason in prompting such an analysis is the shortage of adequate, desirable shelter throughout low-income neighborhood as well as the undesirable conditions of many existing subsidized units.

In addition to the above circumstances, the economic gap that exists between families and neighborhoods is accentuated by the continued existence of degraded housing. It seems as though the market system of housing allocation tends to promote the geographic concentration of housing units by similar price levels, thus neighborhoods become stratified while people below a certain income level are excluded, due to different factors, from the better neighborhoods.

One of the basic tools used throughout this analysis, is the census tract. As background material on the subject,

in each decennial census the Bureau of the Census tabulates population and housing information for each tract—hence the name "census tract". Local groups have increased the value of the census tract data by tabulating locally collected data by tracts.

POPULATION PREREQUISITES

The principal prerequisite for the establishment of census tracts is that the central city have a minimum population of 50,000. In 1950 the Bureau of the Census extended the area eligible for census tracting to include all of the standard Metropolitan statistical area in 1959 by the Bureau of the Budget.³⁰

Census tract data should be considered in two groups; (1) information provided by the Bureau of the Census, and (2) information gathered locally. Both types of data are invaluable, and the greater advantage of information gathered locally by census tracts is that it can be kept current. Census tracts provide the greatest benefit to users when local information is evaluated together with the Federal census tabulations. For approved census tracted areas, the Bureau of the Census publishes a census tract bulletin with information of population and housing.

Census tracts are small, permanently established, geographical areas into which large cities and their environs have been divided for statistical purposes. They remain the same for a long time so that statistical comparisons can be made from year to year and from census to census.

The average tract has over 9,000 people and is originally laid out with the intention of achieving uniformity of population characteristics, economic status and living conditions.³¹

MAJOR COMPONENTS TO BE CONSIDERED: ANALYSIS

Throughout this analysis, elements such as city bus lines, racial composition of the elementary schools, existing subsidized housing, and vacant developable land will be highlighted so as to project a clear picture of the housing patterns that now exist in the Roanoke area. These characteristics are major conditions which affect the suitability of specific neighborhoods for subsidized housing. Further explanation will show the importance of each component.

1. Ethnic minority elementary school enrollment

It is generally recognized that subsidized housing (particularly Public Housing Authority units) are inhabited predominantly by persons of ethnic/racial minority origins.

Since one of the primary goals of this housing plan is to increase the opportunities for greater neighborhood integration, it follows that neighborhoods with proportionately few ethnic minority persons should receive a higher priority rating for additional subsidized units. The City-wide average for the enrollment of ethnic minority children in elementary schools is 25.8 percent.

2. Mass transit availability (City Bus Route)

One of the major problems confronting low-income persons is the lack of transportation to places of employment and to other activity centers. Therefore, the proximity to a city bus route is an important factor in determining a neighborhood's suitability for subsidized housing.

3. Existing Subsidized Housing

The overconcentration of subsidized housing in a neighborhood precluded opportunities for greater inter-cultural contact among diverse economic and ethnic groups and may generate negative externalities for surrounding properties. Therefore, it is reasonable to assign priority values to neighborhoods in inverse proportion to the percentage which subsidized housing represents of each neighborhood's housing stock.

4. Availability of suitable vacant land

The distribution of vacant land suitable for subsidized housing developments is a critical consideration in that it indicates the relative physical capacities of the various neighborhoods to absorb additional units in an unscheduled and unplanned manner. Priority values are assigned to the neighborhoods in direct proportion to the amount of such land in each neighborhood. The neighborhoods are arrayed placing the neighborhood with the greatest amount of vacant land at the top and then weights were assigned by dividing the array into three equal parts. Total vacant land was located through the use of aerial photographs followed by field inspectors. Unsuitable or unavailable land was eliminated according to the following criteria:

- a. Land with high-water-table problems.
- b. Land which would be accessible to floods.
- c. Land with alternative plans was eliminated.
- d. Land judged to be much more suited for alternative uses (commercial, industrial, public or open space) was screened-out.
- e. Land located outside of the present serviceability³² area of the City's utility systems was eliminated.

In addition, the distribution of future government subsidized housing is a district problem involving the different considerations in the delivery of urban and rural housing.

In this regard, the establishment of site selection and design criteria at the district level for subsidized housing could significantly affect the success of such projects and their acceptance by local communities. Site selection and design decisions will affect the variety of housing options available to low and moderate income families; the quality of the environment in which these families can find housing; and ultimately the overall quality of the district housing supply.

While pocket areas with uniform house values and monthly rents do exist, these homogenous areas are relatively small. The overall metropolitan characteristic of socio-economic heterogeneity would be favorable to the scattering of new, low and moderate income housing throughout the metropolitan area.

The distribution of developable vacant and suitable land for the development of low and moderate income housing is a more serious problem for Roanoke City. The Planning Commission staff has been involved in a search for suitable sites for future subsidized housing in the district. However, rather than attempt to identify specific sites at this stage, the Commission has developed site criteria applicable to ten general areas within the metropolitan area; four

of which will deal directly with future sites for Roanoke.

The Hollins area--along state road 648 on either side of the Roanoke-Botetourt line--was judged a suitable location for development of housing under FHA's Rental and Cooperative Housing Loan Program and the Homesite Development Loan Program. The area, located below Tinker Mountain, is characterized by both rolling and hilly terrain, offering a number of sites suitable for development. The land is relatively wooded, and is not affected by the Carwins Creek flood plain which runs northwest of the area. ³³

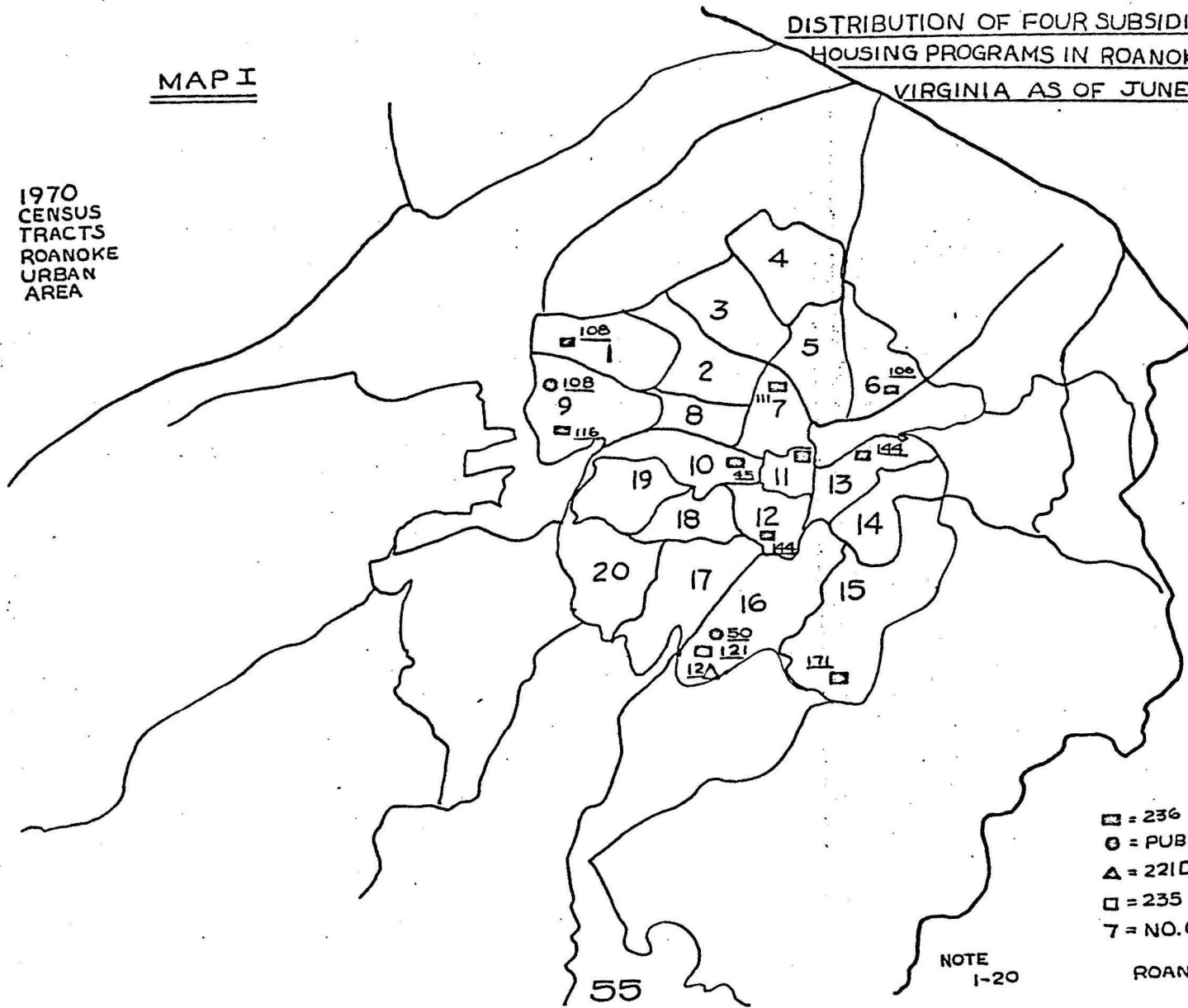
Traffic zone 343 in the Roanoke County corridor between Salem and Roanoke City was found particularly suited to FHA 235 single family housing. The topography of the area, bordered by Salem Turnpike to the north and Roanoke Boulevard to the south, is generally rolling or hilly with particularly good mountain vistas and an abundance of trees.

The Hardy Road area in the vicinity of Lake Drive Plaza Shopping Center contains several sites suitable for construction of FHA 235 or 236 units in Vinton. While the topography is generally hilly, there are small tracts of rolling land suitable for development. The contour of the land could be a very favorable natural feature if considered in the layout and design of housing units. Most of the

DISTRIBUTION OF FOUR SUBSIDIZED
HOUSING PROGRAMS IN ROANOKE,
VIRGINIA AS OF JUNE, 1973

MAP I

1970
CENSUS
TRACTS
ROANOKE
URBAN
AREA



□ = 236 RENT
 ○ = PUBLIC HOUSING
 △ = 221D3-RENT
 □ = 235 PURCHASE
 7 = NO. OF UNITS
 ROANOKE CITY

NOTE
1-20

area is zoned R-2, multiple-family with the exception of the new sub-divisions in the area zoned R-1, single family. The area is characterized by moderate income housing with a mix of older and newly constructed units.

Finally, of the site areas under consideration, the northwest portion of Roanoke City, north and west of Syracuse and Norris Streets and south of I-581, a large tract of land was judged suitable for FHA 235 or 236 units. The topography of the area is generally rolling or hilly with scenic fields and wooded areas. Running diagonally to the north of the area is Lick Run flood plain, which would not affect the site.

The weights that were mentioned previously are assigned to each of the above components on a 1-3-5 and a 2-4-6 numerical scale as follows:

INDEPENDENT VARIABLES

	<u>Weights</u>
1. Ethnic minority elementary school	
Enrollment (Enrollment of Ethnic minority students as a percentage of total enrollment)(Table II)	
Greater than 25.8 percent	2
25.8 percent to 12.9 percent	4
Less than 12.9 percent	6
2. Existing Federally Subsidized Housing Projects (percent of existing housing stock) (Table IV)	
At least .182	2
Less than .182 percent but greater than 0	4
Zero	6

DEPENDENT VARIABLES

3. City Bus Routes (Mass Transit Availability) (Table III)	
No Routes in the area	1
Route adjacent to area	3
Route within the area	5

4. Available suitable vacant land (Table V)	<u>Weights</u>
Percentile 1th-33rd percentile	1
Percentile 34th-67th percentile	3
Percentile 68th-99th percentile	5

Factor weights are then assigned to each neighborhood according to each neighborhood's current situation regarding each of the composition. This is shown in Tables II through VII following.

Priorities for each neighborhood are then determined by computing for each neighborhood the sum of the factor component as shown in Table VI, and evaluating each composite factor according to predetermined cutoff points. Composite factors can range between 6 and 22 with a simple mean of 14. Therefore, a reasonable priority system would be as follows: Composite factor above 14--high priority, composite factor equal to 14--medium priority, and composite factor below 14--low priority. These neighborhood priorities for the further development of subsidized housing are shown in Table VII and on Map III.

The following observations regarding the diversity between races in the Metropolitan Roanoke vicinity reveal the following statistics. Out of the twenty Census tracts in the city itself, four show a 50 percent or greater

percentage of blacks, and the areas boundaries are virtually adjacent to one another. Of the 23 elementary schools located in the Metropolitan area, three schools (Forest Park, Hurt Park, and Melrose) have enrollments that are 50 percent minority or greater. Maintaining this same line of thought, the units of public housing in the area are located virtually in the same sections of the city as the greater percentage of the black population.³⁴

As general background material related to the census tracts in question, the following characteristics lend much to the reasoning as to why they developed as they did and tend to remain in their present conditions.

To begin with Census Tract 7, with 7,880 inhabitants, is the largest populated tract in Roanoke City. The 7,000 nonwhites make this census tract the largest non-white census tract within the Roanoke SMSA. Similar to Census Tract 6, most of the homes are valued at less than \$16,500, many of which need repair. There is considerable renting of housing units and the monthly rent is generally less than \$40,00. Located in the northern part of this tract is the low rent housing development known as Lincoln Terrace; it has approximately 300 housing units constructed as garden apartments which provides living quarters for 1,200

individuals. The median rent of a unit in Lincoln Terrace is \$36,00.³⁵

Census Tract 8 is composed of approximately 5210 inhabitants of which 53 percent are non-whites. The population pyramid of this tract reveals that it is transitional in terms of race and age characteristics. Currently, one-fourth of the population of this tract is non-white within the 0-19 age category. It was at one time believed that Census Tract 8 should increase with non-whites as the median age of individuals in the tract drops.

Older frame houses in the southern part of the tract give away to the "newer" brick structures to the north. Industrial plants and warehouses are located along Shenandoah Avenue adjacent to the railroad tracks. Two blocks south of the northern boundary is the heavily travelled U.S. Highway 460. Now a person may readily see that the location of these dwellings does not exactly make it the ideal place to live.

The situation with Census Tract 10 is that it is completely developed to start with and it is chiefly residential and approximately one-third residential. In the industrial category the railroad tracts occupy the largest portion of land. Most of the inhabitants of Census Tract 10 are located in the

eastern half of the tract which contains 43.4 percent non-whites living primarily in the northern part along the railroad tracks. Within the last five years, non-whites have expanded southward to Patterson Avenue and westward to 17th Street.³⁶

Still, as of much importance as the descriptions of the three major census tracts in question is the fact that 81 percent of the 19,885 blacks living in the metropolitan study area live within this small central city area. Eighty-six percent of the population in this area is black.

The poorest housing within the area is found in the Gainsboro neighborhood (part of census tract 7) the central business district (census tract 11) and the West End neighborhood (part of census tract 10). In 1970, forty-seven percent of the city of Roanoke's black population and eighty-four percent of the city's substandard housing were located in these three neighborhoods.

The low incomes and poor quality of housing for these sub-areas are not adequately represented in the census tract statistics, due to variability below the census tract level. The consultant firm Hammer, Green and Siler, Inc., has estimated that almost 90 percent of the housing in south Gainsboro and in the central business district is substandard.

They also estimate that 75 percent of the housing in the West End is substandard.³⁷

A recent study of the Gainsboro area showed the median income to be \$3,115 per year. Two-thirds of the housing units in the Gainsboro area are owner occupied; however, the number of rental units is steadily declining presumably as younger renting families find better housing outside of this neighborhood. When residents were questioned recently about the plans of the Gainsboro Neighborhood Development Program, almost 71 percent of the households expressed a desire to stay in the Gainsboro area. It should be noted that the average age of the household heads is now 62.3 years of age.

The mean income for the central black area, including the neighborhoods described above, is low. Examining the six census tracts which include parts of the central black area, the following mean family income levels apply:

Census Tract 7	\$5,001-6,000
Census Tract 6,8,11	\$6,001-7,500
Census Tract 2,10	\$7,501-9,000

Therefore, an attempt has been made on behalf of the public sector to improve the allocative processes of the housing market through the provision of dwelling units whose prices or rents are subsidized for low and moderate income

families. In any event, the demand for these subsidized units has always exceeded their supply and the organizations responsible for producing lower income housing "fulfilled" their responsibilities as long as they produced more units; it was not "necessary" to have any particular regard for their location. However, for several reasons, this is no longer sufficient; the setting, the environment and the location of lower income housing are as critical as its production.

In Roanoke a serious shortage of subsidized units exists, and in the absence of specific local guidelines, it is possible that the construction of additional units will become over concentrated in some areas or will be located on unsuitable sites. Thus, it is the intent of this paper to develop the dominant residential characteristics of any given neighborhood and, more positively, to assist in providing a more optimum setting of these units.

REASONS FOR USING THE QUADRANT METHODOLOGY

To aid in this development, a quadrant allocation methodology will be used for the following reasons.

Quadrant Allocation Methodology

1. Geographic division of the city which contains approximately the same number of people. (23,000)

2. Equal proportions distribution would allocate an equal amount of additional subsidized units to each neighborhood.

3. Distribute units in direct proportion of year-round housing stock so as not to overwhelm any one area.

4. The higher-income-families factor (relative distribution of families with income more than three times greater than the poverty level) provides a measure of the distribution that would be obtained if additional subsidized units were allocated to the presumably more socio-economically developed and stable neighborhoods.

5. In order to prevent overconcentration of subsidized units, the fifth factor allocates units in inverse proportion to the existing percentage distribution of subsidized dwelling units in the city.

6. Because one of the main objectives of this additional subsidized housing allocation plan is to promote greater ethnic balance in Roanoke's school system, the final distribution factor allocates units in inverse proportion to the percentage distribution of the City's ethnic minority population.

7. Each of these six indicators represents only one dimension of a rational allocation pattern of low and moderate income housing; on balance no one factor is likely to have any more

significance than any other factor. Therefore, a suggested final percentage distribution of subsidized housing can be made by adding equal weights to each of the six factors and computing the simple average, which takes in consideration both the dependent and the independent variables.

8. A preliminary absolute distribution by quadrants of additional subsidized housing can be made by applying the suggested final percentage distribution by quadrants to the community-wide estimate of required subsidized units (the number of low-income families and unrelated individuals occupying substandard dwelling units). A preliminary absolute distribution of these households is presented in column 8 of the following table.

TABLE I

SUGGESTED INTER QUADRANT FAIR SHARE ALLOCATION
OF SUBSIDIZED HOUSING IN ROANOKE, VIRGINIA

JUNE, 1973

Distribution that would be obtained if new units were allocated in proportion to:

Quadrant	Equal Proportion (1)	All Yr. Around Dwelling Units (2)	Low and Moderate Income Families (3)	Inverse of Current Subsidized Housing (4)	Higher Income Families (3tol) ratio fam.inc. to poverty Level (5)	Percent Distri. of Roanoke's Min. Pop. (6)	Simple Average Columns (7)	Prelim.Abs. District of low Income Housing (8)
<u>Northwest</u>	25.0%	20.1	27.7	10.5	21.3	27.4	22.0	410
<u>Northeast</u>	25.0%	22.0	20.1	25.8	24.2	21.0	23.1	440
<u>Southwest</u>	25.0%	28.0	25.8	32.2	31.0	23.1	27.5	516
<u>Southeast</u>	<u>25.0%</u>	<u>29.0</u>	<u>26.4</u>	<u>31.5</u>	<u>23.5</u>	<u>28.5</u>	<u>27.3</u>	<u>438</u>
<u>Total</u>	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	1794

^a U.S. Bureau of Census, Census of Population and Housing, Census Tracts, Roanoke, Virginia, SMSA. 1970

Note: Column totals may not equal 100% due to rounding.

The preliminary absolute distribution of column 8 is probably best interpreted as a guideline relating to the optimum number of additional subsidized housing units which should be constructed in any of the City's quadrants in the absence of extenuating circumstances such as the availability of unusually desirable sites, etc. This is depicted on Map II, following. Moreover, the specific numbers in Column 8 refer only to low income units--public housing and FHA-221(d) three rent supplement apartments. Housing projects intended for moderate-income families--FHA 235 and 236--are probably best evaluated on a project-by-project basis according to neighborhood priorities and predetermined site evaluation criteria as discussed later in this report.

MAP II

SUGGESTED INTER-QUADRANT ALLOCATION OF ADDITIONAL
SUBSIDIZED HOUSING IN
ROANOKE, VIRGINIA

1970
CENSUS
TRACTS
ROANOKE
URBAN
AREA

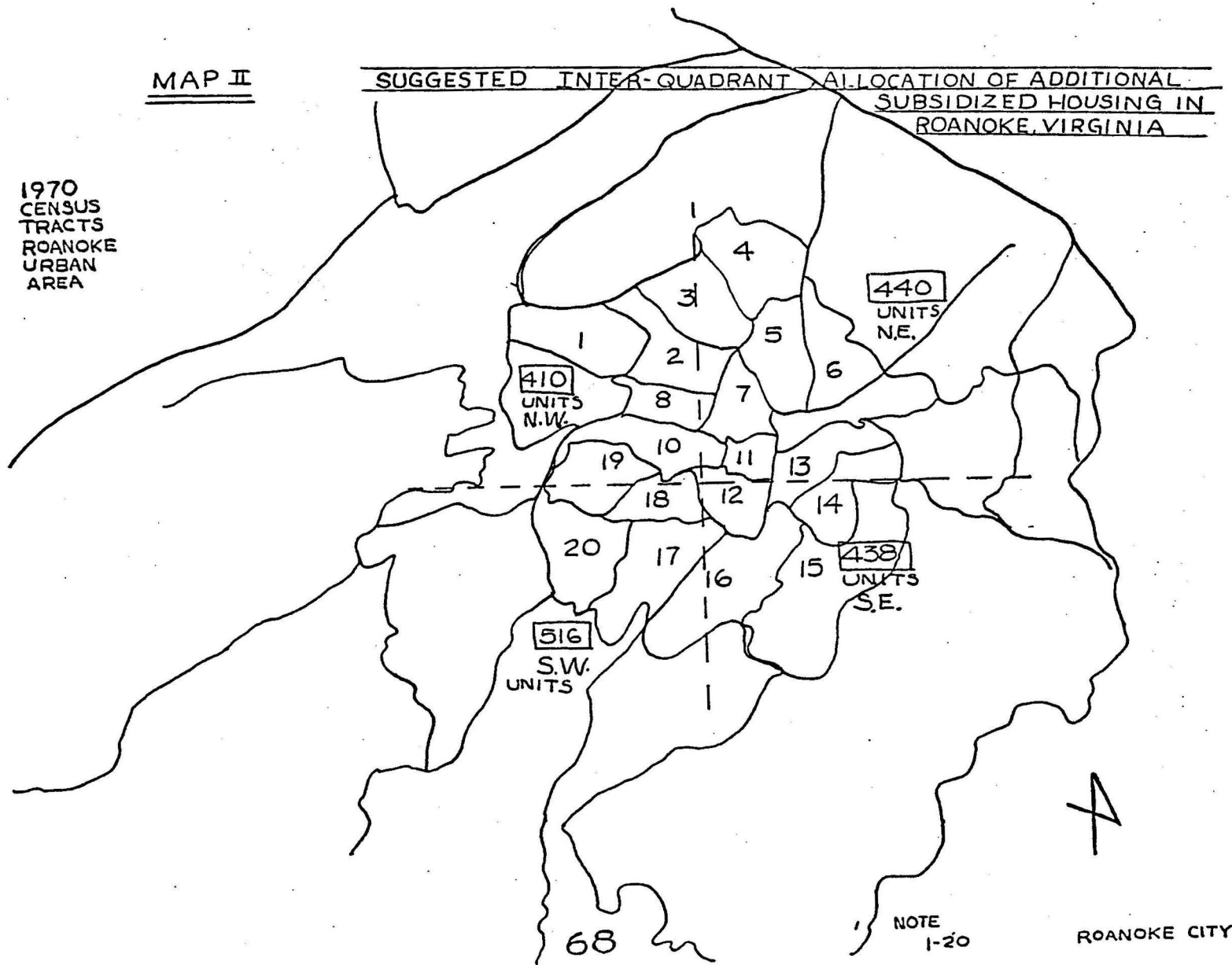


TABLE II

ETHNIC ENROLLMENT

<u>Quadrant</u>	<u>Neighborhood Elementary School Attendance Zones</u>	<u>Percent Minority</u>	<u>Rating</u>
		<u>48.7</u>	
<u>Northwest</u>	Fairview	30.0	2
	Forest Park	57.0	2
	Huff Lane	33.6	2
	Westside	43.9	2
	Melrose	79.1	2
		<u>26.0</u>	
<u>Northeast</u>	Monterey	24.2	4
	Lincoln Terrace (northeast according to Quadrant)	24.2	4
	Oakland	19.2	4
	Preston Park	26.9	2
	Round Hill	35.8	2
		<u>25.7</u>	
<u>Southwest</u>	Fishburne Park	21.8	4
	Grandin Court	17.7	4
	Highland Park	19.0	4
	Hurt Park	51.7	2
	Raleigh Court	21.4	4
	Virginia Heights	21.9	4
	Wasena	16.6	4

TABLE II- Continued

<u>Quadrant</u>	<u>Neighborhood Elementary School Attendance Zones</u>	<u>Percent Minority</u>	<u>Rating</u>
<u>Southeast</u> ³⁸	Belmont	<u>16.1</u> 13.0	4
	Crystal Spring	15.1	4
	West End	37.0	2
	Garden City	11.1	6
	Jamison	22.9	4
	Morningside	13.6	4

TABLE III
 BUS LINE PROXIMITY

<u>Quadrant</u>	<u>Neighborhood (Elementary School Attendance Zones)</u>	<u>Factor Weight</u>
<u>Northwest</u>	Fairview	3
	Forest Park	5
	Huff Lane	3
	Westside	5
	Melrose	5
<u>Northeast</u>	Monterey	5
	Lincoln Terrace (according to quadrant)	5
	Oakland	5
	Preston Park	3
	Round Hill	5
<u>Southwest</u>	Fishburne Park	5
	Grandin Court	3
	Highland Park	5
	Hurt Park	5
	Raleigh Court	5
	Virginia Heights	3
	Wasena	5

TABLE III-- Continued

<u>Quadrant</u>	<u>Neighborhood (Elementary School Attendance Zones)</u>	<u>Factor Weights</u>
<u>Southeast</u> ³⁹	Belmont	5
	Garden City	5
	Jamison	5
	Morningside	5
	West End	5
	Crystal Spring	3

TABLE IV

Quadrant	Neighborhood Elementary School Attendance Zones	Total Dwelling Units	No, of		Factor
			Subsidized Units	Percent Subsidized	
<u>Northwest</u>	Fairview	<u>6777</u> 1673	<u>512</u> 0	<u>.07</u> 0	6
	Forest Park	2078	108	.05	4
	Huff Lane	1341	144	.11	4
	West Side	1651	144	.08	4
	Melrose	2067	116	.05	4
<u>Northeast</u>	Monterey	<u>7200</u> 1231	<u>384</u> 0	<u>.05</u> 0	6
	Lincoln Terrace	1950	120	.06	4
	Oakland	1441	100	.067	4
	Preston Park	1252	164	.13	4
	Round Hill	1487	0	0	6
<u>Southwest</u>	Fishburne	<u>9627</u> 751	<u>327</u> 0	<u>.034</u> 0	6
	Grandin Court	943	0	0	6
	Highland Park	2335	156	.065	4
	Hurt Park	1157	171	.14	4
	Raleigh Court	947	0	0	6
	Virginia Heights	1687	0	0	6
	Wasena	1135	0	0	6

TABLE IV--Continued

<u>Quadrant</u>	<u>Neighborhood Elementary School Attendance Zones</u>	<u>Total Dwelling Units</u>	<u>No. of Subsidized Units</u>	<u>Percent Subsidized</u>	<u>Factor Weight</u>
<u>Southeast</u>	Belmont	<u>10033</u> 1470	<u>196</u> 0	<u>.018</u> .00	6
	Garden City	1217	0	.00	6
	Jamison	1857	15	.008	4
	Morningside	1380	60	.04	4
	Crystal Spring	1413	0	0	6
	West End	1171	121	.11	4

TABLE V

SUITABLE VACANT LAND

<u>Quadrant</u>	<u>Neighborhood Elementary School Attendance Zones</u>	<u>Number of Acres</u>	<u>Factor Weight</u>
		<u>1120.24</u>	
<u>Northwest</u>	Fairview	35.74	3
	Forest Park	253.82	5
	Huff Lane	249.13	5
	Westside	320.25	5
	Melrose	261.39	5
		<u>816.85</u>	
<u>Northeast</u>	Monterey	93.73	5
	Lincoln Terrace	90.64	5
	Oakland	154.14	5
	Preston Park	35.00	3
	Round Hill	443.91	5
		<u>661.30</u>	
<u>Southwest</u>	Fishburne Park	274.81	5
	Grandin Court	57.96	3
	Highland Park	49.15	3
	Hurt Park	39.52	3
	Raleigh Court	128.99	5
	Virginia Heights	10.87	3
	Wasena	100.00	5

TABLE V--Continued

<u>Quadrant</u>	<u>Neighborhood Elementary School Attendance Zones</u>	<u>Number of Acres</u>	<u>Factor Weight</u>
<u>Southeast</u> ⁴⁰	Belmont	<u>1391.63</u> 00.00	1
	Garden City	604.58	5
	Jamison	74.91	3
	Morningside	368.62	5
	Crystal Spring	237.81	5
	West End	105.81	5

TABLE VI

SUMMARY OF FACTOR WEIGHING FOR
NEIGHBORHOOD PRIORITY ASSIGNMENTS

QUADRANT	Neighborhood (Elementary School Attendance Zones)	Existing			Suitable			Ethnic Min. Bus Route Compos.						
		Subsidized Housing			Vacant Land			Enrollment Proximity Factor						
		Factor Weights			Factor Weights			Fac. Weig. Fac. Weig.						
		2	4	6	1	3	5	2	4	6	1	3	5	
<u>Northwest</u>	Fairview			6			3			2			3	14
	Forest Park		4					5		2			5	16
	Huff Lane		4					5		2			3	14
	Westside		4					5		2			5	16
	Melrose		4					5		2			5	16
<u>Northeast</u>	Monterey			6			5			4			5	20
	Lincoln Terrace		4					5		4			5	18
	Oakland		4					5		4			5	18
	Preston Park		4				3			2			3	12
	Round Hill			6				5		2			5	18
<u>Southwest</u>	Fishburne Park			6			5			4			5	20
	Grandin Court			6			3			4			3	16
	Highland Park		4				3			4			5	16
	Hurt Park		4				3			2			5	14
	Virginia Heights			6			3			4			3	16
	Wasena			6				5		4			5	20
	Raleigh Court			6				5		4			5	20
<u>Southeast</u>	Belmont			6			5				6		5	16
	Garden City			6			5				6		5	22
	Jamison		4				3			4			5	16
	Morningside		4					5		4			5	18
	Crystal Spring			6			5			4			3	18
	West End		4					5		2			5	16

TABLE VII

NEIGHBORHOOD COMPOSITE WEIGHTS AND PRIORITY RATINGS
FOR ADDITIONAL SUBSIDIZED HOUSING DEVELOPMENT

<u>Quadrant</u>	<u>Neighborhood Elementary School Attendance Zone</u>	<u>Composite Weights</u>	<u>Priority Rating</u>
<u>Northwest</u>	Fairview	14	Medium
	Forest Park	16	High
	Huff Lane	14	Medium
	Westside	16	High
	Melrose	16	High
<u>Northeast</u>	Monterey	20	High
	Lincoln Terrace	18	High
	Oakland	18	High
	Preston Park	12	Low
	Round Hill	18	High
<u>Southwest</u>	Fishburne Park	20	High
	Grandin Court	16	High
	Highland Park	16	High
	Hurt Park	14	Medium
	Raleigh Court	20	High
	Virginia Heights	16	High
	Wasena	20	High

TABLE VII--Continued

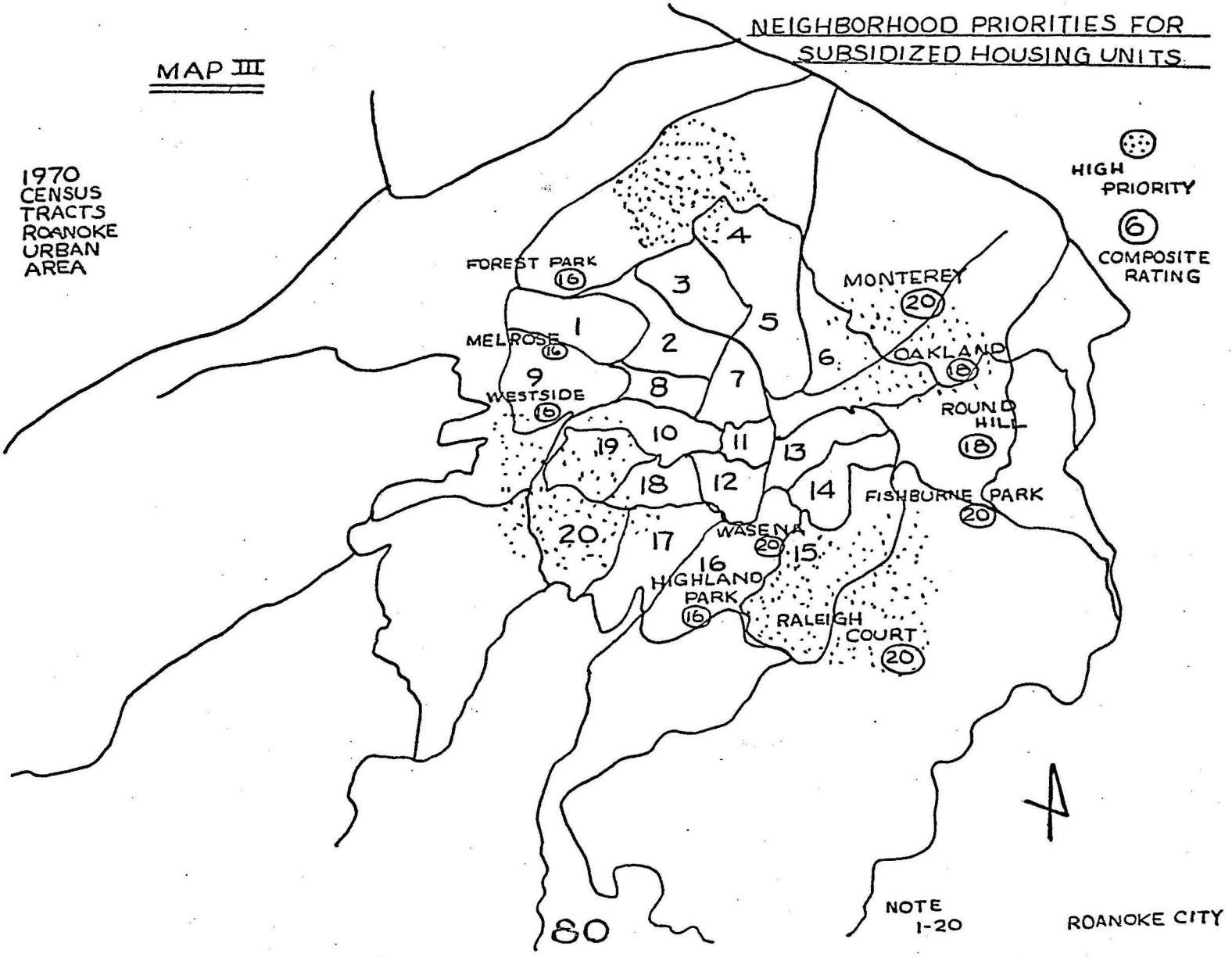
<u>Quadrant</u>	<u>Neighborhood Elementary School Attendance Zone</u>	<u>Composite Weights</u>	<u>Priority Rating</u>
<u>Southeast</u>	Belmont	16	High
	Garden City	22	High
	Jamison	16	High
	Morningside	18	High
	Crystal Spring	18	High
	West End	16	High

NEIGHBORHOOD PRIORITIES FOR
SUBSIDIZED HOUSING UNITS.

MAP III

1970
CENSUS
TRACTS
ROANOKE
URBAN
AREA

● HIGH
PRIORITY
⑥ COMPOSITE
RATING



NOTE
1-20

ROANOKE CITY

SITE EVALUATION CRITERIA

In addition to the spatial allocation methods considered above (inter-quadrant assignments and intra-quadrant neighborhoods priorities), proper siting of subsidized dwelling units also requires the specification of criteria by which the suitability of specific proposed sites can be evaluated. One of the most significant uses of such criteria will be to facilitate the A-95 "review and comment" process with respect to housing proposals. In this regard, the criteria are not intended to be used as rigid technical standards but as a set of desirable qualities and as a systematic framework for evaluating a great deal of information concerning the several characteristics reflecting the desirability or suitability of a proposed site.

Obviously, it is not appropriate or even practical to include all site-evaluation characteristics in a report of this nature. For instance, those characteristics designed to analyze the economic feasibility of developing a site were eliminated. The characteristic considered below are intended to reflect the most essential criteria for locating subsidized housing for low-and moderate-income households. These criteria relate to the following three groups of characteristics:

1. Specific Site Characteristics--size, slope, and

- configuration of site; availability of utilities;
2. Site Locational Characteristics--proximity to employment, community services, commercial areas, parks, and open space, transportation; and
 3. Character and Suitability of the Surrounding Area--existing densities; surrounding land use, adequacy of streets and roads; socioeconomic characteristics.

On the following pages is a comprehensive list of specific characteristics related to the above general grouping.

The transformation of some of these characteristics into evaluation criteria requires "yes or no" type answers whereas for others it is necessary to establish maximums, minimums, or standards which convert the characteristics into criteria. Quantitative evaluation criteria for the latter group of characteristics are presented on the pages following the evaluation characteristics.

SITE SELECTION CRITERIA

1. Topography-Rough percentage:

level _____
 undulating _____
 rolling _____
 hilly _____

2. Natural Features:

no features _____
 wooded _____
 streams _____
 lakes _____
 rocky _____
 favorable com-
 bination of above _____
 unfavorable com-
 bination of above _____

3. Flood Plain: _____

4. Access:

highway _____
 public transportation _____

5. Existing uses in site areas: _____

6. Existing population characteristics:

population _____
 dwelling units _____
 per acre _____
 general income level _____
 other _____

7. Utilities:

water _____
sewer _____

8. Hazards and Nuisances:

site flooding _____
drainage problem _____
smoke nuisances _____
unsightly views _____
unpleasant odors _____
combination of above _____

9. Distance of Community Facilities:

librarys _____
community center _____
hospital _____
clinic _____
park and recreation _____
facilities _____

10. Description of Schools:

11. Proximity to Employment:

Via Public Transportation _____

Within 30 minutes driving time _____

12. Proposed Capital Improvements and New Facilities _____

13. Existing Zoning in Area I _____

ENDNOTES

³⁰ U.S. Bureau of the Census, General Housing Characteristics, Virginia: 1970. Population, I, 3.

³¹ Ibid.

³² Pueblo Area Council of Governments, A Plan for Allocating Subsidized Housing in Pueblo, Colorado, A Report by the Pueblo Regional Planning Commission (Pueblo, Colorado: Council of Governments, 1973), p. 9-11.

³³ Hammer, Greene, Siler, p.23.

³⁴ Department of Pupil Personnel Services, Roanoke City Public Schools, Roanoke, Virginia.

³⁵ Ibid.

³⁶ Hammer, Greene, Siler, pp. 4-7.

³⁷ Ibid.

³⁸ Department of Pupil Personnel Services, Roanoke City Public Schools, Roanoke, Virginia.

³⁹ Department of City Planning, City of Roanoke, Va., 1972.

⁴⁰ Data Maintenance Report, Transportation Planning Data, City of Roanoke, 1968.

⁴¹ Pueblo Area Council of Government, p. 19.

CHAPTER VI

HOUSING ASSESSMENT AFTER IMPLEMENTATION OF
ADDITIONAL SUBSIDIZED UNITS

From the proposed plan with all of its details and trends, it becomes quite evident that Metropolitan Roanoke is in urgent need of more equally distributed housing units. On the other hand if this situation of substandard deteriorated housing is allowed to continue, then the city of Roanoke should prepare itself to continually deal with its share of urban related problems.

For explanation purposes, say that everything that has been proposed in this thesis is implemented or maybe even one of the other suggested methods; that is to say that this will be a guarantee against further housing shortage and additional deterioration? From a very practical sense, nothing assures us that substandard housing will be completely eradicated from Roanoke or any where else for that matter. In essence, the position taken in this thesis is one that, in accordance with the given situation as well as the available channels will best remedy the housing ills that have long impeded environmental harmony throughout various segments of Metropolitan Roanoke.

As mentioned in the very beginning of the paper, some

of the contingent problems of substandard housing range from the city's negligence toward proper housing maintenance, to sections of the city becoming targets for crime. drugs, discrimination, to high unemployment and rising suicide rates.

These questions presumtuously will occur in peoples minds that will read this proposal, and they are certainly justified for doing such. In this day and time with high interest rates and money as difficult as it is to come by, one needs some degree of confidence that their involvement, whether it be a builder, investor, or redeveloper, will have some positive returns. When such a situation as this case of recommending how to go about resolving housing problems in Roanoke; there are many aspects involved that one may be faced with the question of whether to do something or to do nothing at all.

Contrastingly, even if additional housing units were built in the city of Roanoke for the next ten years, what is to assure pepple that housing illls will not persist as they have in other cities, such as Richmond, Norfolk, or Alexandria? A probable answer to this question may well be that the necessities of the housing market are dealt with much like the solutions to other urban problems and that is priorities

as well as attitude affects the final decision as to who gets what, and when they get it.

In essence much of the federal money that is allocated toward housing subsidies, frequently gets in the pockets of those who do not have as much need as compared to those whom it was originally intended. Builders, investors, and redevelopers have more times than not, been guilty of such activity and this by no means improves the housing situation for American's urban poor.⁴²

Between 1970 and 1971, the level of federally subsidized housing production reached over 500,000 units annually, and this output nearly doubled the amount of subsidized housing produced in the first thirty-five years since federal legislation was enacted in 1934. Questions have continuously risen on the costs and effectiveness of such an output in meeting the nation's housing goals as was reaffirmed in the Housing Act of 1968, of a "decent home and suitable living environment for every American Family", and still continues to gain momentum and depth of these concerns create fundamental issues about federal housing policies.⁴³

Between April, 1950 and April, 1970, ninety-six percent of the nations total housing production was built for ownership by the private sector. During this period there was

substantial improvement in the housing conditions, but only a small proportion of total production was oriented toward "housing poor" families.⁴⁴ Because this was the trend of progress between the 1950's and the 1970's, it only seems natural that questions of similar nature should arise regarding the extent of this progress, as well as similar questions in the case of Roanoke.

Secondly, there are numerous loopholes in which many of us are aware that covertly impede the progress of Housing Programs' original intent. The following will factually present an economic benefit worth overview of housing programs.

The 1968 Housing Act created formidable housing programs to implement subsidized housing output. In essence these programs embody the principle that the federal government subsidize the mortgage interest cost of new or rehabilitated housing for moderate-income families from the market rate down to an interest rate of one percent. This effectively reduces monthly housing costs by one-third to nearly one-half when partial tax exemption from real estate taxes under state and local programs is included.

In terms of legal eligibility for housing assistance, nearly half of the nation's population can qualify under one

or another of the direct housing assistance programs. The sharp increases in federally assisted housing output from about six percent of the total in 1970 has been accompanied by alarmed reactions about both the costs and the effectiveness of housing production.⁴⁵ Many of these loopholes concerning the effectiveness of housing production covers the following spectrum: Housing being built in the wrong places for the wrong people, much of it is shoddily built and overpriced, enriching careless or unscrupulous builders and real estate dealers at the expense of buyers or renters, entire units being repossessed by the Department of Housing and Urban Development through mortgage defaults to the argument that many units are being produced in locations where customers are too poor to pay the necessary rents; thus vacancies, rent delinquencies and mortgage defaults follows.⁴⁶

On the other extreme, when better housing is developed in better neighborhoods, the charges are that families of substantially similar incomes are paying full housing costs while their more fortunate economic peers receive the benefits of federal subsidies. This raises political as well as equity questions about the allocation of housing assistance.

Another charge in regard to the placement of this new

subsidized housing is that it is not going to places where it is needed, such as suburban areas of employment growth where employee's in intermediate pay scales (\$3.00 to \$4.50 per hour) are demanded in large numbers but cannot afford new housing at conventional rents or prices. It is in such growth areas that available housing at modest costs also tends to be in short supply.⁴⁷

Also an additional impedent to the progress of subsidized housing is that a large proportion of high costs involved with this housing does not go to the intended beneficiaries but are lost to private and governmental intermediaries in the assisted housing production process. These include promoters, builders, realtors, investor, local housing authorities, as well as numerous governmental agencies.

So the above arguments may form the very same criteria within the same persons minds when the issue arises today in regard as to construct new subsidized units or whether to wait and opt for some other alternative to the housing problem. Regardless of the method employed to aid the housing shortage, the question involves one that was mentioned earlier in this section, and that was even if additional subsidized housing units were built as is suggested in this thesis, will the primary problem of poverty which

substandard housing breeds along with several other contingent
ills, be altered in any way?

ENDNOTES

⁴²Ibid.

⁴³F.S. Kristof, "Federal Housing Policies: Subsidized Production, Filtration and Objectives": Part II, Land Economics, XLVIII (November, 1972), p. 1.

⁴⁴Ibid.

⁴⁵Ibid., p. 310.

⁴⁶The President's Third Annual Report on National Housing Goals, June 1971, Table 2, p. 8.

SUMMARY

Obviously the answer to the question of reducing substandard housing and poverty lay in several solutions. In evaluating federal housing policies, three primary questions arise and these are: what services do federal housing programs provide, who benefits from them, and how efficiently are they provided? In all probability, such questions are the very same that arise in persons minds today when they are confronted with resolving urban housing problems. Money should come out of the taxpayers pockets for numerous reasons in order to ease the housing problems. A lucid example of the rationale for the taxpayers support is depicted in this summary.

The actual implementation of this proposed plan for additional subsidized housing is by no means the final and only answer to the problem of substandard housing in Roanoke. One very important aspect of this plan that should and must be considered is the plan's political feasibility.

The idea of additional subsidized housing units has both its' political advantages and disadvantages. If this proposal were put before the black community in the city of Roanoke and voted upon favorably, additional units would be placed

accordingly and; lower income blacks and whites would effectively lose their inner city voting strength which in the long run could have severe consequences. In essence, lower income blacks, as well as other minorities with housing problems would be attracted to the city's perimeter where these new subsidized units would be constructed. So in a sense these people will be faced with the question of voting in such a way to obtain better housing in the immediate future or voting in such a manner so as to maintain an inner city majority for continued voting strength.

Another problem that is most likely to present itself to the construction process of subsidized units outside the core of Roanoke is that of land zoning, as well as whites not desiring the proximity of low-income families in their neighborhoods. If a certain area of land is only zoned for certain types of dwellings, then subsidized housing is at a roadblock. In addition, whites generally have the voting strength to prevent the construction of such units in their neighborhoods along with their representatives sitting on the city council who generally think along the same lines as themselves. Such an obstacle is very real and does exist in cities that are faced with similar housing problems. Therefore blacks and other low-income families have one basic

alternative and this is to push for high rise units in the city.

In many instances, this alternative has been pursued, being successful on some occasions and not so successful on other occasions. Usually when this solution of building new housing units within the city is used, problems ranging from space, money, reluctant developers, relocation to reluctance on behalf of those persons being affected generally present themselves. When there is inadequate maintenance and neglected code enforcement on present housing units, then this is all the more reason for everyone involved to believe that future innercity structures hold no relief for a malingering problem.

Having taken these points in mind, one may wonder about the reasoning and usefulness behind such a proposal. One thing is for certain and that is the housing problem in Roanoke as well as throughout the nation will not be resolved by mere benign neglect, the attitude that seems to have been so prevalent in the past. Thus, something has to be done about the problem.

As previously mentioned The Housing and Urban Development Act of 1968 was passed as a measure to resolve much of the nation's housing controversy, but also was to respond to

two premiere housing problems. A huge increase in the number of families was imminent, as children born during the post World War II baby boom matured, left home, and formed households of their own. Clearly, these new families would create a housing shortage unless residential construction increased rapidly. Even after the war there was a crunch on the housing market.⁴⁸

However, during this time, the United States conspicuously and embarrassingly failed to fulfill the much quoted pledge of the Housing Act of 1949 to provide a decent home and a suitable living environment to all Americans. This meant that millions of people continued to live in housing units officially classified as dilapidated, deteriorated, or overcrowded; many others were adequately housed only because they spent a burdensome proportion of family income on shelter. In short, America continued to suffer from a "bad housing" problem.⁴⁹

To deal with the "bad housing" problem, the national housing goal called for construction or rehabilitation of six million housing units with federal assistance. Nearly all of the direct assistance has since been channeled through five programs; low rent public housing and rent supplements directed towards low income families, and

mortgage assistance, rental assistance, and subsidized loans for rural and small town borrowers directed toward lower middle income families.

Therefore it appeared that there was an urgent need on behalf of the federal government then as it is today, to fulfill the housing needs of the American people. Demand is continuously exceeding supply, and everything from housing discrimination, excessive construction and materials costs, to America trying to relieve their past housing shortage crisis of 1950 all add to this perpetual cycle of poverty, which on many occasions this housing shortage may be considered. Other factors such as race, myths, and so called self-fulfilling prophecies, all make the implementation of a good solution to housing problems very difficult. Therefore, if problems as those mentioned throughout this thesis are continuously dealt with as they have been in the past, then there does not seem to be much hope for hurrying the housing problems in Roanoke or anywhere for that matter. The writer does feel that much could be done by way of this proposal and it would be highly probable that many people could benefit from the suggestions made. Housing problems, like many other problems in this nation, cannot resolve themselves, but must be effectively acted upon by

the people who have the power to make suitable changes. Hopefully the people of Roanoke will take pride in their city so as not to let bad housing deter its' image.

It is because of these reasons that money should and must come out of taxpayer's pockets to provide adequate housing for the low income families of America. The situation that many of us are faced with, is one such that we do not feel responsible for, but while at the same time we hate to see exist. To put it frankly, each generation must deal with a lot of problems throughout their lifetime and the eradication or reduction of bad housing is one such problem.

In conclusion, the writer has emphasized adequate housing for a number of reasons. Without a roof over a person's head it seems only natural that the other aspects of ones life will be below desired expectancy. Also the treacherous cycle of poverty seems to initially-begin somewhere in the house, whether it starts when one is growing up at home or whether shortcomings become reinforced in their own homes once they encounter the world for themselves. Sub-standard housing naturally tends to become targets for high crimes rates, high rates of homicides, as well as an area for a large number of unemployed. Once again, it may very

well not be the fault of the people who live in these conditions, but the answer may lie in the ignorance of those who ignore and are not cognizant of the forces that create bad housing in the first place.

ENDNOTES

48 Freedom of Choice in Housing, Report of the Advisory Committee to the Department of Housing and Urban Development. National Academy of Sciences, National Academy of Engineering, Washington, D.C., 1972. (p. 41).

49 Ibid., p. 51.

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APPENDIX

FHA LISTING AND DESCRIPTION
OF PROGRAMS DISCUSSED IN THESIS

FIFTH DISTRICT PLANNING COMMISSION:

FEDERAL HOUSING PROGRAMS

Vol. 32, Sec. 4, January, 1972

INTEREST REDUCTION PAYMENTS-RENTAL & COOPERATIVE HOUSING FOR
LOWER INCOME FAMILIES (236)

Federal Agency: HOUSING PRODUCTION AND MORTGAGE CREDIT/FHA,
DEPARTMENT OF HOUSING AND URGAN DEVELOPMENT

OBJECTIVES: To provide good quality rental and cooperative housing for persons of low-and moderate-income by providing interest reduction payments in order to lower their housing costs.

TYPES OF ASSISTANCE: Direct payments for Specified Uses;
Guaranteed/Insured Loans.

USES AND USE RESTRICTION: FHA insures tenders against losses on mortgage loans. Insured mortgages may be used to finance the construction or rehabilitation of rental or cooperative detached, semidetached, row, walk-up, or elevator-type structures. The unit mortgage limits are as follows: efficiency, \$9,200; one bedroom, \$12,937; two bedrooms, \$22,137. Unit mortgage limits are somewhat higher for elevator type structures. In areas where cost levels so require, limits per family unit may be increase up to 45%.

ELIGIBILITY REQUIREMENTS:

Applicant Eligibility: Eligible mortgagors include nonprofit, cooperative, builder-seller, investor-sponsor, and limited-distribution sponsors. Public bodies do not qualify as mortgagors under this program.

Beneficiary Eligibility: Families and individuals, including the elderly and handicapped, eligible to receive the benefits of the subsidies must fall within certain income limits as determined locally on a case by case basis. Families with higher incomes may occupy apartments, but may not benefit from subsidy payments.

Credentials/Documentation: A nonprofit sponsor must receive from FHA certification of eligibility prior to submission of a formal project application.

APPLICATION AND AWARD PROCESS:

Preapplication Coordination: The sponsor will have a preapplication conference with the local HUD Area Office or FHA Insuring Office. Intent to file must be coordinated with the Office of Management and Budget Circular No. A-95.

Application Procedure: Sponsors submit FHA Form No. 2013. Application for FHA Review of Proposed Development, to local HUD Area Offices or FHA Insuring Office.

Award Procedure: The Local reviews the application to determine proposal feasibility. Market need, correct zoning, architectural merits and availability of community resources are considered. The local office grants feasible proposals a reservation of contract authority and the sponsor is invited to apply for mortgage commitment.

Deadline: Deadlines are established on a case by case basis by the local office and mutually agreed to at the pre-application conference.

Range of Approval/Disapproval Time: Proceeding time will range from six to nine months.

Appeals: If an application for mortgage insurance is refused, FHA will state the reasons for the refusal. If re-application is desired, the applicant may reapply subject to concurrence of the lender.

Renewals: The term of a commitment to insure may be extended when more time is required.

INTEREST SUBSIDY-ACQUISITION AND REHABILITATION OF HOMES FOR RESALE TO LOWER INCOME FAMILIES-234(j) Project Mortgage

Federal Agency: HOUSING PRODUCTION AND MORTGAGE CREDIT?FHA?
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

OBJECTIVES: To make it possible for a nonprofit organization or public body to finance the acquisition and the rehabilitation of housing what will be sold to lower income families.

TYPES OF ASSISTANCE: Guaranteed Insured Loans; Direct Payment for specified uses.

USES AND USE RESTRICTIONS: FHA insures lenders against loss on mortgage loans. These loans may be used to finance the purchase and rehabilitation of housing for subsequent resale to lower income families. Nonprofit sponsors as well as the home purchasers can receive the benefits of interest-reduction payments. The project must consist of four or more single-family or two-family dwellings, or dwelling units in a multi-family structure for which a plan of family units ownership is approved. The maximum insurable loan per unit is \$18,000, or up to \$21,000 in high-cost areas. An additional amount up to \$3,000 is available to large families when the property contains four or more bedrooms.

ELIGIBILITY REQUIREMENTS:

Applicant Eligibility: Eligible sponsors are private nonprofit organizations and public bodies that have been approved by HUD. Sponsors must have capacity to purchase, accomplish the rehabilitation and sell the finished properties to low income purchasers and provide counseling to the new homeowner.

Beneficiary Eligibility: Purchasers of the rehabilitated dwelling units must have incomes within specified (as determined by locality on a case by case basis) and be recommended by the nonprofit sponsoring organization.

Credentials/Documentation: Documentation regarding the characteristics of the property and the qualifications of the mortgagors are assembled by the mortgagee and submitted with the application.

APPLICATION AND AWARD PROCESS:

Preapplication Coordination: New or inexperienced sponsors will have a preapplication conference with the local FHA insuring office to determine the preliminary feasibility of the project before a formal application is submitted.

Application Procedure: The sponsors submits a formal

application FHA form 2013 RS through an FHA approved mortgagee to the FHA insuring office or HUD area office.

Award Procedure: (Award approved by local HUD area office.) Interest assistance payments will be paid to the mortgagee on behalf of the nonprofit sponsor/mortgagor on the outstanding loan balance starting with the final endorsement of the project mortgage.

Deadlines: Deadlines are established on a case by case basis by the local HUD office, and are mutually agreed to at the preapplication conference.

Range of Approval/Disapproval: Proceeding time, depending upon the degree of preparation by the sponsor, will range from four to eight weeks.

Appeals: If an application for mortgage insurance is refused, FHA will state the reasons for the refusal. If reapplication is desired, the applicant may reapply subject to concurrence of the lender.

Renewals: Not applicable.

INTEREST SUBSIDY-HOMES FOR LOWER INCOME FAMILIES 235 (j)

Federal Agency: HOUSING PRODUCTION AND MORTGAGE CREDIT/FHA,
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

OBJECTIVES: To make home ownership more readily available to lower income families by providing monthly payments to lenders for FHA insured mortgage loans on behalf of the lower income families.

TYPES OF ASSISTANCE: Guaranteed/Insured Loans; Direct Payments for Specified Uses.

USES AND USE RESTRICTIONS: FHA insures lenders against losses on mortgage loans. These loans may be used to finance the purchase of a single-family dwelling, a two-family, or a unit in multi-family structure which has been rehabilitated by a nonprofit sponsor. Maximum insurable loans for an occupant mortgagor are as follows; One-family home, \$18,000, or up to \$21,000 in high cost areas; two-family homes, \$24,000, or up to \$30,000 in high cost areas. For a large family, the limit

for a single home is \$21,000, or up to \$24,000 in high cost areas.

ELIGIBILITY REQUIREMENTS:

Applicant Eligibility: Families eligible to receive the benefits of the subsidies and the mortgage insurance must fall within certain income and asset limits (as determined by locality on a case by case basis) as explained in program literature.

Beneficiary Eligibility: Same as applicant eligibility.

Credentials/Documentation: Documentation regarding the characteristics of the property and the qualifications of the purchaser are assembled by the mortgage lender submitting the application.

APPLICATION AND AWARD PROCESS:

Preapplication Coordination: Application conference with the mortgage lender submitting the application is suggested.

Application procedure: Application, along with necessary exhibits, is submitted to local HUD-FHA office through the approved mortgage lender. Intent to file must be coordinated with Office of Management and Budget Circular No. A-95.

Award Procedure: The HUD-FHA office informs the mortgage lender of approval.

Deadlines: None.

Range of Approval/Disapproval Time: Normal processing time is five days for approval of the property and three days for approval of the home purchaser.

Appeals: HUD-FHA will state the reason for refusing an application. The applicant may reapply, subject to concurrence of mortgage lender.

Renewals: Not Applicable.

INTEREST SUBSIDY-PURCHASE OF REHABILITATED HOMES BY
LOWER INCOME FAMILIES (235(j) Homes)

Federal Agency: HOUSING PRODUCTION AND MORTGAGE CREDIT/FHA.
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.

OBJECTIVES: To assist lower income families to purchase rehabilitated and standard existing homes from nonprofit sponsors at prices they can afford.

TYPES OF ASSISTANCE: Guaranteed and Insured Loans; subsidies.

USES AND USE RESTRICTIONS: FHA insures lenders against loss on mortgage loans. These loans may be used to finance the purchase of a single-family dwelling, a two-family dwelling, or a unit in multi-family structure which has been rehabilitated by a nonprofit sponsor. Maximum insurable loans for an occupant mortgagor are as follows. One-family home-\$18,000 or up to \$21,000 in high cost areas; two-family home-\$24,000, or up to \$30,000 in high cost areas. For a large family, the limit for a single home is \$21,000, or up to \$24,000 in high cost areas.

ELIGIBILITY REQUIREMENTS:

Applicant Eligibility: Families eligible to apply for mortgage insurance and receive the benefits of the subsidies must fall within certain income limits as explained in program literature.

Beneficiary Eligibility: Same as applicant eligibility.

Credentials/Documentation: Documentation regarding the characteristics of the property and the qualifications of the mortgagor are assembled by the mortgagee and submitted with the application.

APPLICATION PROCESS:

Preapplication Coordination: None.

Method of Application: Application is submitted to an FHA insuring office through an FHA-approved mortgagee.

Deadlines: None

Range of Approval/Disapproval Time: Normal proceeding time is five days for approval of the property and three days for approval of the mortgagor.

Appeals: FHA will state the reasons for refusing an application. The applicant may reapply subject to concurrence of the lender.

Renewals: Not Applicable.

ASSISTANCE CONSIDERATIONS:

Assistance: For eligible families, the down payment may be as low as \$200.00. Assistance payments are made monthly by FHA to the mortgagee, and may bring down the effective interest paid by the homeowner to as low as one percent.

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PROPOSED PLAN FOR ADDITIONAL SUBSIDIZED
HOUSING IN ROANOKE, VIRGINIA

BY

Carl A. Banks

(ABSTRACT)

A close examination and review of the housing programs in Roanoke, Virginia indicated that there was a grave need for structural improvement within the city as well as an overall need for improving existing federal housing programs. Also, the deteriorated look of certain sections of the city warranted the need for some type of housing improvement.

The thesis (1) explores into the elements which contribute to general housing problems while at the same time makes an overall comparison to housing problems in Roanoke; (2) explains much of the reasoning behind administrative attitudes toward certain federal housing programs; (3) presents a framework of possible solutions from which a suitable method can be chosen to reduce the housing problems in Metropolitan Roanoke; and (4) explains the political feasibility of the suggested plan for construction of additional subsidized units.

Discussions with housing planners as well as an immediate

need to update present housing statistics of the Fifth District Planning Commission provided much of the incentive and framework for the construction of this thesis.

All along the formulating process of this thesis, it became apparent that the numerous amendments, and proposals suggested would not be all that is needed to make the desired changes in the city of Roanoke. Therefore, it seems that in order for any of the suggested proposals to provide any benefit, that similar constructive attitudinal changes will have to occur also, especially on the behalf of policy making bureaucrats, people in the suburbs, as well as low-income families, too.