

EXERPTS FROM A LETTER BY JANE REINHEIMER,
HOUSING OPPORTUNITIES PROGRAM, AMERICAN
FRIENDS SERVICE COMMITTEE, TO HHFA
ADMINISTRATOR ALBERT M. COLE, DATED
AUGUST 14, 1953

"...Out of the experience of our housing work, we should like to offer a number of recommendations for your consideration:

I. Private Housing- Our contacts with builders, mortgage lenders and real estate dealers indicate that the majority of industry leaders express a belief in equality of opportunity and a concern about the present patterns of segregation. Their cordial welcome to our representatives makes clear their wish to act in ways consonant with their ethical and religious beliefs.

A. Non discrimination policy - We have found consistently that industry people do not operate on a belief that racially integrated housing will receive support of the governmental agencies with which they deal. In fact it is not unusual for industry leaders to feel that an open sales policy for housing outside existing minority group neighborhoods would be treated as a negative factor by FHA representatives either through refusal to insure or through lowering of valuations.

We therefore recommend - 1. The formulation of a clear-cut policy of nondiscrimination with reference to private housing benefiting from such aids as mortgage insurance; 2. Compilation and analysis of existing successful experience in open-occupancy private housing, including study of techniques used to secure true integration in such projects; 3. Interpretation of this policy to the housing industry through all appropriate methods, such as literature, conferences and statements of top officials; and 4. Thorough and regular training of all federal housing personnel in order to secure understanding of the policy and knowledge of techniques for its implementation.

B. Metropolitan patterns - The observations of our staff bear out a trend noted by many housing experts. Our metropolitan areas are hardening into a pattern of minority group occupancy of the central city and majority group occupancy of the suburbs. The Philadelphia Housing Association has analyzed population increase figures for the period 1940-50 for 18 metropolitan areas with over 500,000 population. Their figures show that 82.7% of the white increase occurred in the suburbs and 17.3% in the central city. For the nonwhite population, precisely the reverse is true; 82.7% of the increase took place in the central city and 17.3% outside the city. Moreover, almost all of the nonwhite suburban increase occurred in smaller cities in the metropolitan area, rather than in the residential suburbs. This trend is even more pronounced in the Philadelphia area, where 96% of the white increase was in the suburbs and 85% of the non white increase was in the city.

Since most of the land suitable for private development is found outside the limits of our big cities, these figures mean that the non-white group has been effectively excluded from the new housing supply and thus from most of the benefits of FHA mortgage insurance.

We are especially concerned with new single-development communities, such as Levittown and Fairless Hills, Pennsylvania and Park Forest, Illinois, which have had the benefit of FHA and VA insurance and other government aids. These developments have been closed to qualified Negro purchasers or renters. The effects of these closed communities upon the young citizens growing up in them, and upon the international reputation of the United States, will be greater than any verbal statements concerning equality and fellowship. In Bucks County, Pa. patterns of segregation have been imposed in an area which had notably democratic neighborhood patterns.

We urge that serious consideration be given to the government's responsibility with respect to these new communities.

II Public and Redevelopment Housing - The American Friends Service Committee has developed a body of experience in urban development through the pioneering "self-help" program in Philadelphia. In this connection we should like to mention the splendid cooperation of the FHA in Philadelphia and the FHA and HHFA in Washington. We recommend that the Philadelphia project be carefully studied and that ways of encouraging similar cooperative rehabilitation and redevelopment projects be worked out.

We have been concerned with redevelopment in all three Housing Opportunities Program cities, most directly in Richmond, California, where our program was set up to help the community deal with problems resulting from the disposition of temporary war housing.

Out of this experience grows our conviction that public low-rent housing and redevelopment programs are essential and interconnected in the solution of urban housing problems. In Philadelphia, for example, it appears probable that the redevelopment program will not attract private investment unless public housing is available to provide for dislocated low-income families and to act as a barrier against blight.

We commend the present policy of local consultation aimed at protecting minority group families. We recommend that this policy be expanded to include full participation in planning by community groups. The exceptional public interest in Philadelphia in all aspects of the housing program has borne fruit in the effectiveness of the program in meeting community needs and in the efficient use of public funds.

III Defense Areas - American Friends Service Committee staff members have been working on a broad range of community problems, particularly employment and housing, in the Lower Bucks County, Pennsylvania critical defense area. We have also had staff contact with problems in Pike County, Ohio. In both places we have seen

developed a disturbing circle of exclusion: no new housing is available to Negroes; therefore Negroes cannot take advantage of jobs for which they are qualified in important new industries. We have been informed that some employers use the absence of housing as a reason for refraining from considering Negro applicants.

We suggest that careful study be given to the growing patterns in such areas. We also suggest consultation, with a view to possible coordination of activity, with the Government Contract Committee, which is responsible for securing compliance with non-discrimination provisions in defense contracts.

We have been glad to learn that preference is to be given, under certain circumstances, to open occupancy developments in the allocation of defense housing to builders. Here again, however, we have found that builders have little or no awareness of the preference policy. We urge that the preference policy be broadened so as to require open-occupancy sales policies in all housing built under the law concerning defense housing.

IV Financing - We recommend that careful study be given to the question of the effectiveness of present financial policies in stimulating the construction of homes for purchase and rental by middle-income groups. We suggest also a study of the role of FNMA with respect to middle income and minority group housing, particularly with reference to veterans, defense and cooperative housing. We suggest that careful consideration be given to the establishment of a requirement by FNMA that proposed projects be open to all qualified purchasers or renters without racial or other discrimination..."

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