

URBAN REDEVELOPMENT QUESTIONS AND ANSWERS

1. WHAT IS URBAN REDEVELOPMENT?

In the Housing Act of 1949 the Congress recognized that a comprehensive attack upon the slum and blighted area problems of our cities would have to be broader than was possible under purely local community and private efforts. The approval by Congress of the new Program of Federal aid under Title I of the Housing Act of 1949 followed more than four years of intensive investigation and study by Congressional Committees. It was based on the conclusions that Federal financial assistance is essential if progress is to be made by the communities and private enterprise in overcoming the obstacles which in the past have blocked attempts to clear and salvage through redevelopment of slum and blighted areas on any sizeable scale.

2. IS THIS A FEDERAL PROGRAM?

The provisions of the Housing Act passed by Congress are based on local responsibility, local initiative and local operation. The responsibilities for initiating and carrying out a Program and seeing that local obligations are fulfilled is placed in the local Redevelopment Agency. The Program is a "Federal" Program only in the sense that the Housing and Home Finance Agency makes loans and grants to local communities which have elected to carry out their own Programs.

3. WHO CARRIES OUT THE PROGRAM IN PORTLAND?

By virtue of the law in the State of Oregon, the Portland Housing Authority is authorized to undertake Redevelopment Projects in the City of Portland. In several other states the Legislatures have similarly placed Urban Redevelopment activities under local Housing Authorities.

4. IS REDEVELOPMENT PART OF THE PUBLIC HOUSING PROGRAM?

The fact alone that the Housing Authority is the Redevelopment Agency in Portland does not mean that Urban Redevelopment is a part of the Public Housing Program. Because Housing Authorities, as a rule, are equipped with the Legislative and other tools to do the job of Redevelopment, several states have delegated such functions to local Authorities, such is the case in Oregon. The Portland Housing Authority will perform Redevelopment activities separate and distinctly apart from the Public Housing Program. At the Federal level, the Slum Clearance and Urban Redevelopment Program and the Public Housing Program are both under the supervision of the Housing and Home Finance Administrator. The Federal responsibilities for the administration of the two Programs are entirely separate. The Slum Clearance and Urban Redevelopment Program is administered directly under Mr. Raymond Foley, Administrator for Housing and Home Finance Agency. The Public Housing Program is administered through the Public Housing Administration, a constituent Agency of Housing and Home Finance Agency.

5. DOES PORTLAND HAVE BLIGHTED OR SLUM AREAS?

There are many people who claim Portland has no such a thing as a slum or blighted

area. By comparison with many metropolitan cities--principally those in the east--this sort of claim may seem to have some foundation. However, Portland does have blighted areas,--sections of the city which have practically been abandoned by private enterprise and in which conditions are equally as bad as in the congested slums of the East, though not on the same scale. It is believed that there is a chance in Portland therefore, to make a greater headway in salvaging what has deteriorated and in keeping the blight from spreading.

6. WON'T THESE BLIGHTED AREAS TAKE CARE OF THEMSELVES IN TIME?

The need for a clearer understanding of the reasons for attacking the problems on a large scale is evidenced by some of the misunderstandings that are frequently encountered in communities considering the undertaking of an Urban Redevelopment Program. Some of the more common misconceptions are: 1. "The clearing of slums and blighted areas is solely a matter of repairing or rehabilitating worn out structures." 2. "Removing the influences of blight is only a matter of demolishing all the sub-standard buildings in an area." 3. "Public Housing alone is sufficient to clear slums." 4. "Private enterprise alone can solve the problem without financial assistance from the Federal Government". For years cities have tried some of these methods only to find that the problems can not be solved unless there is some means of assembling properties on large scale and by writing off the difference in cost of land, clearance and demolition, and the price that private enterprise can afford to pay for the land itself on which to construct new housing for commercial or industrial plants.

The influences causing slums and blighted areas can not be removed simply by tearing down buildings without finding some means of rebuilding the cleared area, according to some plan which will insure its economic future. This is a job for private enterprise to do; Public Housing is no solution to the problem because far greater sums of capital are necessary to accomplish rebuilding on the scale that is necessary.

7. WHAT KIND OF BLIGHTED AREAS CAN BE REDEVELOPED UNDER THE FEDERAL ASSISTANCE PROGRAM?

Title I of the 1949 Housing Act defines four types of areas that may be eligible for financial assistance:

1. Predominantly residential slum or blighted land.
This kind of property may be rebuilt either for housing or for commercial and industrial purposes, or for both.
2. Predominantly non-residential slum or blighted areas.
This kind of an area must be rebuilt predominantly for housing use.
3. Land which is predominantly open and which because of obsolete platting, diversity of ownership, or deterioration of structures substantially impairs the sound growth of the community.
Projects of this kind are eligible for assistance if they are to be rebuilt for predominantly residential uses.
4. Open land on which there has been virtually no building because of topography or other physical difficulties and where development is necessary for sound community growth.
Such areas must be developed predominantly for housing and can be helped only by

means of Federal loans. No cash grants are available for a write-down of land costs in projects of this kind.

8. WHAT KIND OF FINANCIAL ASSISTANCE IS AVAILABLE?

Title I makes available to the Administrator of Housing and Home Finance Agency federal funds for loans to local communities for the undertaking of Redevelopment Programs. These loans are used to pay the costs of planning surveys, land acquisition, and site improvements. Loans are not available for building purposes. In addition to the loans, Congress has made available funds for outright grants to local communities to cover the difference in costs between acquisition of the blighted areas and the fair market price to be paid for the cleared land by private developers. These cash grants may be given to local Agencies to cover up to two-thirds of the net cost of the project. The local community must underwrite a one-third share in this cost.

9. WHAT ARE THE OBLIGATIONS AND RESPONSIBILITIES OF THE LOCAL COMMUNITY?

The basic requirement for any community concerned with its problems and wishing to do something about them is that it must have a Public Agency with certain essential powers before Federal aid can be obtained. The Portland Housing Authority has those powers. One of the principal obligations of the community is that it must show evidence that it has already adopted, or is preparing a "General Plan" for the community. This is simply an over-all plan, blueprinting the community's ideas for its future development, growth, modernization, and improvement, including transportation, recreational facilities, major streets, public buildings, neighborhood planning, etc.

The community must further show that it is developing programs to reduce housing costs and to prevent the further spread of its blighted areas, and must also have plans worked out for rehousing the families who live in the area to be redeveloped.

Acquiring and clearing land and then selling it at a write-down to private builders involves a loss. The Federal Government absorbs two-thirds of this loss and the local community makes up the balance. The local contribution may be in the form of cash or in equivalent values of public improvements within, or contributing to the Redevelopment Project Areas. (For example, a school constructed to serve the Project Area would count as a "credit" or non-cash grant in totaling the City's one-third share.)

10. BRIEFLY, WHAT ARE THE STEPS TO BE TAKEN BY THE HOUSING AUTHORITY IN THE LOCAL PROGRAM?

The Housing Authority will make studies of the blighted areas to determine the extent of substandard conditions and the areas in most need of Redevelopment. Having determined the area in which to commence a program, studies will be made to define a Project Area. For this Area a Preliminary Redevelopment Plan will be made which must be approved by the City Planning Commission and the City Council. After this stage is taken, final plans will be made and a public hearing will be held before the City Council will give its approval to starting the actual work within the particular Project Area. All of this takes time and it is estimated that it will be at least a year before any final plans are ready for public hearings.

11. WHO SELECTS THE BLIGHTED AREAS TO BE STUDIED?

The Housing Authority does not select the blighted areas to be studied. This responsibility belongs to the City Planning Commission. Sections of the City have been selected by the Planning Commission and Survey Areas have been designated. The Housing Authority will confine its work to these Areas and to no other areas. All of the areas designated by the Planning Commission are built-up blighted areas. No areas involving "open land" are being considered in Portland.

12. DO THE PEOPLE OF PORTLAND HAVE ANY SAY ABOUT THE PROGRAM?

Ample means and opportunity are provided for an expression on the part of the people of Portland before any Project is undertaken. In the first place, the Housing Authority is composed of representative citizens, serving as Commissioners in guiding the policies of the Authority. Secondly, the Chairman of the Authority is required by State Law to appoint an Advisory Committee which will be widely representative of community interests, such as: general business, real estate, building and home finance, labor, church, welfare, and social groups. This Committee will continuously offer advice and recommendations to the Authority in guidance of the policies to be established. Beyond these assurances, the people of Portland can rely upon the City Planning Commission and the City Council without whose approval no Projects can go ahead. Finally, there will be an opportunity for any citizen to speak his piece at the time of the required public hearing.

13. WILL ALL PROPERTIES IN A PROJECT AREA BE ACQUIRED?

In no Project Area will it be true that all properties will be acquired by the Authority, buildings demolished, and land made available for new construction. Many of the properties within any single Project Area will be left as they are and fitted in to the over-all Redevelopment Plan if they are found to be of an acceptable standard. In such cases the present owners may continue to hold or operate their properties. The use of these properties must necessarily conform to the over-all Plan approved by the Planning Commission and to its zoning ordinance.

14. WILL THE AUTHORITY CONDEMN ALL OF THE PROPERTIES?

The Authority will make every attempt to purchase on a voluntary basis all of the properties to be acquired within any Project Area. Condemnation will be resorted to only in cases of absolute necessity.

15. HOW MUCH WILL BE PAID FOR PROPERTIES TO BE ACQUIRED?

The Authority will pay the fair market value for all properties, as determined by competent local appraisers. Fair market value is the highest price which the willing buyer would pay to a willing seller, neither of whom is being forced to enter into a transaction. Any property, regardless of condition or quality, has definite value.

16. WHAT HAPPENS TO FAMILIES WHOSE HOMES ARE TAKEN?

Owners of homes not in substandard condition will be allowed to move them if they so desire. In all other cases the Authority will assist families in relocating elsewhere or within the Project Area.

17. WHAT STEPS WILL BE TAKEN TO PROVIDE TEMPORARY HOUSING FOR FAMILIES OF THE AREA?

The Authority is required by law to formulate a definite plan for the rehousing, on a temporary basis, of families displaced in any Project Area. At the present time the Authority has available several thousand unoccupied, temporary family dwellings which could be made available to families needing temporary housing.

18. WILL THE NEW HOUSING TO BE BUILT BE AVAILABLE TO THE PRESENT OCCUPANTS OF THE AREA?

The new housing to be built by private enterprise must necessarily be planned and built to meet the needs of a substantial portion of the families who are now residing in the Area. Obviously, not all of the families can be rehoused in the same area. However, the housing that is built by private enterprise in the Project Area will mean that vacancies will be created elsewhere in the City which will be available to those families which can not, or do not wish to be housed in the Area.