Joint Center for Housing Studies
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Enter the Housing Industry, Stage Right: A Working Paper on the History of Housing Policy

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February 2008
W08-1

Introduction

It is all but forgotten today, but about fifty years ago a movement to prevent and eradicate urban slums spread across the United States. In cities across the country, civic groups and local officials campaigned to implement an array of building and sanitation codes and led drives to clean up yards and renovate homes. These code enforcement and fix-it-up efforts inspired a 1954 federal law, which instituted enforcement and rehabilitation as the national policy of "urban renewal." Yet they were overshadowed by clearance projects that demolished large areas of America's urban neighborhoods for new public housing, luxury residences, civic centers, and highways. Despite its neglect, the code enforcement and rehabilitation movement was significant, if for no other reason than it introduced the American real estate and housing industry—hitherto known for its rock-ribbed political conservatism—to the idea of creating social policies.

Since the administration of Franklin D. Roosevelt inaugurated government-sponsored housing projects the trade associations of the real estate and housing businesses opposed social welfare government programs, above all public housing. At the same time, some members of the building industry cared about cities, and along with local officials and civic leaders, worried about the loss of middle-class residents and the deterioration of urban neighborhoods. At first the leaders of the housing trade associations endorsed the idea of slum clearance and redevelopment, but later retreated from it when it became evident that any urban redevelopment legislation—including the Housing Act of 1949—would contain provisions for public housing.

During the 1940s and early 1950s citizens' organizations and local governments began using code enforcement and rehabilitation to eliminate and stop the spread of slums, and the housing trade associations quickly seized upon their efforts as an alternative to slum clearance and public housing. Trumpeting the achievements of the anti-slum Baltimore Plan especially, the National Association of Real Estate Boards, the National Association of Home Builders, and the Mortgage Bankers' Association in the early 1950s waged a national campaign to make code enforcement and rehabilitation official policy for saving America's decaying cities. Enumerating their ideas in round-table conferences hosted by House and Home magazine and an advisory committee to President Dwight Eisenhower, representatives of private industry were virtually able to write the Housing Act of 1954. That law instituted urban renewal as well as new for-profit housing programs aimed at replacing slum dwelling as the private enterprise alternative to urban redevelopment and public housing. Yet it also divided the industry organizations between those who supported government programs for social ends such as low-income housing and those who rejected any government engagement in social programs, even those carried out by private businesses.

As a rule, historians of American housing policy have studied housing reformers and especially those who promoted public housing. Historians of the public housing movement have spent little time examining the beliefs or actions of the private housing industry, except as a foil in regard to public housing. Most of their narratives portray the representatives of private industry as a united group of conservative or even reactionary enemies of the liberal notion that a government program such as public housing could better society.[1] (Historians, however, have analyzed the private housing industry in regard to promoting practices and policies of racial discrimination and unplanned metropolitan growth or "sprawl.")

Similarly, histories of the Housing Act of 1954 discuss controversies in regard to the urban renewal program and the public housing authorization but pay little attention to the law's other housing provisions. Historians have noted that private industry embraced the law, but have not understood the exact origins of the legislation. Some have pointed to the preponderance of industry representatives on the Eisenhower presidential advisory committee, but no historian seems to have recognized that the trade groups had formulated much of the legislation before the advisory committee was formed.[2]

[1] Some examples are Gail Radford, *Modern Housing for America: Policy Struggles in the New Era* (Chicago: University of Chicago Press, 1996); Robert B. Fairbanks, *Making Better Citizens: Housing Reform and the Community Development Strategy in Cincinnati, 1890-1960* (Urbana: University of Illinois Press, 1989); John F. Bauman, *Public Housing, Race, and Renewal: Urban Planning in Philadelphia, 1920-1974* (Philadelphia: Temple University Press, 1987); Alexander von Hoffman, "High Ambitions: The Past and Future of American Housing Policy," in Wolfgang Preiser and David Varady, eds., *Future Visions of Urban Public Housing* (New Brunswick: Center for Urban Policy Research Press at Rutgers University, 1998), 3-22; Marc A. Weiss, "The Origins and Legacy of Urban Renewal," in Paul J. Mitchell, ed. *Federal Housing Policy and Programs: Past and Present* (New Brunswick: Rutgers University, Center for Urban Policy Research, 1985), 253-276 (originally published in Pierre Clavel and William W. Goldsmith, eds., *Urban and Regional Planning in an Age of Austerity* (New York: Pergamon Press, 1980).

[2] Roger Biles, "Public Housing and the Postwar Urban Renaissance," 1949-1973," in John F. Bauman, Roger Biles, Kristin M. Szylvian, eds., *From Tenements to the Taylor Homes: In Search of an Urban Housing Policy in Twentieth-Century America* (University Park, Pennsylvania: Pennsylvania State University Press, 2000), 143-162; Roger Biles, "Public Housing in the Eisenhower Administration," Paper delivered at the Annual Meeting of the Social Science History Association, New Orleans, La., October 16, 1996; Mark I. Gelfand, *A Nation of Cities: The Federal Government and Urban America, 1933–1965* (New York: Oxford University Press, 1975); Paul J. Mitchell, "The Housing Act of 1954: Impacts on Housing," *Planning History Present* 8:1 (1994), 1-3.   Weiss, "Origins and Legacy of Urban Renewal," claims that the real estate and housing lobby embraced the 1949 Act and dismisses the 1954 Act as a cosmetic name change. This assertion ignores 1) the industry's adamant opposition to the 1949 law and fervent support of the 1954 act; 2) conversely, the public housing advocates' enthusiastic support for the 1949

One scholar, Richard Flanagan, has contributed important insights: that the 1954 law subordinated public housing to urban renewal and the debate over the law changed the previous political alignments of the pro- and anti-public housing lobbies. Flanagan, however, overstates the negative impact of the law on public housing, which had already suffered a series of setbacks, and understates the influence of the trade associations, who, as we will see, provided the driving force for the new policy.[3]

Housing Trade Associations and the Federal Government

Over the course of the twentieth century, the scope of the federal government's jurisdiction over economic activities expanded inexorably, giving businesspeople a powerful motivation to form national trade associations to influence national policies. Starting with the Progressive-era initiation of federal regulation—symbolized by the Federal Trade Commission—through the experimental government interventions during World War I, the efforts at government coordination of businesses through associations sponsored by Herbert Hoover during his tenures in the 1920s and 1930s as Secretary of Commerce and president, and the unprecedented expansion of the federal government during the New Deal and World War II, Washington became increasingly involved in regulating banking and business. The leaders of different types of businesses in turn came to see the importance not only of defending themselves from injurious regulations but also of obtaining advantages from the federal government. Thus, to advance their common interests in shaping public policy, businesspeople formed numerous national trade associations many of whose sumptuous headquarters today dot the landscape of the District of Columbia. Perhaps the best known of these is the United States Chamber of Commerce, an eclectic body, but most are devoted to a particular kind of commercial enterprise.

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bill and cool support for the 1954 law; and 3) the different intent and programs of the two laws. In contrast, Hirsch recognizes the anti-public housing impulse behind the urban renewal concept and mentions in passing an industry "roundtable" in Rye, New York, whose co-sponsors he identifies (correctly) as *Life* and (incorrectly) *Time* magazines. See Arnold R. Hirsch, "Less Than *Plessy*: The Inner City, Suburbs, and State-Sanctioned Residential Segregation in the Age of *Brown*," in Kevin M. Kruse and Thomas J. Sugrue, eds., *The New Suburban History* (Chicago: University of Chicago Press, 2006), 47-48.

[3] Richard Flanagan, "The Housing Act of 1954: The Sea Change in National Urban Policy," *Urban Affairs Review* 33:2 (November 1997), 265-286. For earlier decline of public housing, see Alexander von Hoffman, "The End of the Dream: The Political Struggle of America's Public Housers," *Journal of Planning History*, 4:3 (August 2005); Roger Biles, "The Housers' Last Hurrah: World War II and the Struggle for Public Housing Policy," paper delivered at the National Public History Conference, Seattle, Washington, April 12, 1996; Richard O. Davies, *Housing Reform During the Truman Administration*. (Columbia, Missouri: University of Missouri Press, 1966), 128-132.

Politically, these bodies usually advanced conservative views, unless their leaders saw an advantage in particular government programs.

In the housing field, first the financial and then building materials, development, building, and brokering businesses formed trade associations to protect their interests and in the twentieth century fight what they perceived as unwarranted government interventions—in particular, public housing. Although commercial and savings banks historically have engaged in deposits, loans, and investments serving a broad range of businesses and depositors, they have been involved at various times to lesser and greater extent in real estate lending. In 1875, a group of bankers, apparently inspired by the national suffragettes' organization, started the American Bankers Association to represent banks of all sizes on national issues. The U.S. Savings and Loan League was founded in 1892, although it did not take its present name until 1939. The Mortgage Bankers Association dated from 1913, and National Association of Mutual Savings Banks was set up in 1920. Another active lobbying group was the National Lumber and Building Material Dealers Association, founded in 1916.[4]

Perhaps the most important real estate professional organization, the National Association of Real Estate Exchanges, which after an earlier effort failed in the 1890s, took permanent hold in 1908. Eight years later the organization renamed itself the National Association of Real Estate Boards (NAREB), the title by which it was known until 1972 when it was changed to National Association of Realtors. The members of real estate exchanges boards represented a wide variety of businesses interested in real property. These businesses grew in size and became more specialized and in 1923 NAREB created different divisions for such occupations as brokers, property managers, home builders and subdividers, and mortgage financiers. Many of these later evolved into independent organizations.[5]

The National Association of Home Builders was formed out a merger of two rival groups, the Home Builders Institute, which had started within NAREB, and the National Home

[4] <http://www.aba.com/aba/125/sub-menu-timeline.htm>; David L. Mason, From Buildings and Loans to Bail-Outs: A History of the American Savings and Loan Industry, 1831-1995 (New York: Oxford University Press, 2004), 38-39, 107; Mortgage Bankers Association of America, Proceedings of the 13th Annual Convention, 1926; http://www.ncbuy.com/credit/glossary.html?action=LETTER&term=N>; See <http://www.dealer.org/KB/KB_SingleWebPage.php?KBID=1485>.

[5] Janet Pearl Davies, *Real Estate in American History* (Washington D.C.: Public Affairs Press, 1958), 58. National Association of Home Builders of the United States (hereafter NAHB), *History of the National Association of Home Builders of the United States (through 1943)* (National Association of Home Builders of the United States: Washington, D.C., 1958), 5-8.

Builders Association, a group of builders many of whom distrusted the realtors for wanting to take away their ability to sell the houses they built. Significantly, the two groups dropped their objections and formed the new organization to fight the threat to their businesses posed by the decision of the federal government's War Production Board to stop issuing priorities for private housing during the war, while the government continued to develop public defense housing. Ironically, the National Association of Home Builders (NAHB) would, by the 1960s, become perhaps one of the most influential organizations lobbying for low-income housing programs.[6]

The purpose of the trade associations of the housing industry was to promote their businesses and give them competitive advantage. Most business leaders were wary of the intervention of government into their fields, unless they saw it was in their interest. Hence, as the housing and real estate industries sank into crisis during the Great Depression, the old fears about the threats of dependency on government waned and business leaders looked to the national administration for relief. On the other side, officials in both the Hoover and Roosevelt administrations were eager to rescue the beleaguered housing industry, which represented a large part of the national economy.

The various branches of the housing field did not necessarily have the same interests, however. Members of one type of business might resent those of another type of business or different groups might fight for different programs. At times the spirit of aggressive competition between them spilled into the lobbying for government support, with a trade association for one part of the housing industry trying to box out the others.

This was especially true of the savings-and-loan associations which in the waning years of the Hoover administration were able to exclude rival lending institutions (such as commercial banks, mortgage banks, and insurance companies) from the law establishing the Federal Home Loan Bank system. In 1933, the year after Roosevelt was elected, the savings-and-loans obtained direct relief from the Home Owners Loan Corporation (HOLC), which exchanged government bonds for home mortgages in default. The following year the Roosevelt administration proposed the National Housing Act of 1934, which established the Federal Housing Administration (FHA) to dispense federal mortgage insurance to lenders and allowed the government to charter tax-exempt national mortgage associations to invest in mortgages. During the debate over the law, Morton Bodfish, the executive director of the U.S. Savings and

[6] NAHB, *History of the National Association of Home Builders*, 14-15.

Loan League, strenuously objected to the FHA and mortgage association provisions, which his members feared would help large lenders and cut into their own profits. The savings-and-loans were typically small institutions whose success was based upon their knowledge of their local conditions, builders, and borrowers and thus they did not feel the need for federal mortgage insurance to guarantee their loans.[7]

No rival agitated the representatives of private enterprise in housing more than the federal government. Even the prospect of government activity provoked deep fears among the businessmen. After the passage of the Federal Farm Loan Act in 1916, for example, leaders of the U.S. Savings and Loan League became alarmed and fought to prevent the government from extending the law’s land banks to urban areas. Nothing unified the ranks of the real estate and home building industries housing programs directly more than their opposition to the federal public housing program.

The Fear of Slums and Blight

During the middle decades of the twentieth century, observers of the American urban scene became increasingly apprehensive. Since 1920, population growth in most of the nation's great cities had slowed from the previous century's breathtaking pace to a crawl, and in a few cities the population had even declined. Yet suburban towns continued to attract people. Even more disturbing, affluent urban dwellers were defecting to the suburbs, and the downtown commercial districts and the posh residential areas which depended upon them began to decline. Big-city newspaper publishers, department store owners, members of the chambers of commerce, and government officials became alarmed that the loss of tax revenues threatened the economic survival of America's cities.

Urban experts and leaders believed the problems of the city were essentially physical in nature. They associated "decentralization"—the movement of people and businesses from the city to the suburbs—with the spread of slums and "blight" from the inner-city industrial areas to the residential neighborhoods. To retain middle and upper-class residents and reverse the spread

[7] William L. C. Wheaton, “The Evolution of Federal Housing Programs,” Ph. D. Dissertation, University of Chicago, 1953, 15-29; Mason, *From Buildings and Loans to Bail-Outs*, 74-99; Hilbert Fefferman, Oral History, Box 1, Records of Pioneers in Housing: An Oral History Project, Manuscript Division, Library of Congress, Washington, D.C., 8-9.

of blight, the defenders of the American city wanted to upgrade the aging building stock and inadequate street plans and promote new downtown development.[8]

The groups who marched under the urban redevelopment banner differed in outlook, however. The downtown businessmen, leading real estate investors, and their elected political supporters focused most on the downtown itself and the area immediately surrounding it, which often contained grimy looking factories and train yards. Their concern was to protect their businesses and investments and protect economic vitality and civic pride.

Inner-city neighborhoods were a second order of concern to the downtown-oriented leaders. It was social workers, housing reformers, planners, and often neighborhood leaders who were especially worried about the physical and social deterioration of once-prosperous communities and tried to find ways to stop it. Elected officials—mayors, city councilors, and state and federal representatives—who depended upon local political support, backed efforts to improve and stabilize local communities. Those efforts, naturally, mostly aimed at improving the local housing stock of poor and working-class neighborhoods, and starting in the 1930s, the preferred method was public housing.

Although usually downplayed or ignored, the issue of race was central to the changes that many inner-city neighborhoods underwent. In the 1920s and 1930s, most still perceived that blight occurred in white middle-class areas and slums were found in old immigrant quarters—such as New York's Lower East Side and Chicago's Near West Side, home to Hull House—and African American areas—such as Harlem or Chicago's Black Belt. The onset of a wartime economy instigated great population movements of low-income peoples—whites and blacks from the South—and Mexicans and Puerto Ricans—to America's cities. From the 1940s onward, the arrival of these groups precipitated physical decline in inner-city neighborhoods and frequent conflicts with middle-class whites in places where the races encountered each another. The spreading settlement of African Americans instigated virulent reactions among whites, who used local institutions and political leaders or even violence to resist the influx of blacks into their neighborhoods.[9]

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[8] Jon Teaford, *The Rough Road to Renaissance - Urban Revitalization in America, 1940-1985* (Baltimore: Johns Hopkins University Press, 1990), 10-43; Robert A. Beauregard, *Voices of Decline: The Postwar Fate of US Cities* (Cambridge, Mass.: Blackwell Publishers, 1993), 79-157.

[9] Among the many works that deal with this subject are Thomas J. Sugrue. The Origins of the Urban Crisis: Race and Inequality in Postwar Detroit. Princeton: Princeton University Press, 1996; Arnold R. Hirsch, *Making the*

Until the civil rights movement tore off the veil, most prominent white Americans rarely spoke of racial conflicts in public. This had the strange result in discussions about blight and slums of avoiding one of the fundamental problems facing cities: the population shifts from middle-class whites to working and lower-class African Americans. Whether for conscious or unconscious reasons, whites prescribed physical solutions to spreading blight that did not take into account the changing population, especially the daily arrival of thousands of blacks from the South.

The Vexations of Slums and Slum Dwellers

Virtually everyone in cities hated the slums. That is, everyone except those who lived in or profited from them. Upper middle-class urbanites considered them repulsive looking, and many disdained the slum dwellers for creating such squalor. Although fearing the slums, those of a reformer bent felt it worked the other way around: it was the slums that harmed the health and morals of the people who lived in them.

For the private real estate industry—particularly the sector that dealt in 'respectable," i.e., high-end properties—the greatest problem posed by industrial and lower-class areas of cities was depressed land values. This was partly the result of collapsed real estate developments from the 1920s, and partly one of unpleasant looking places that threatened to lower property values still further. The leaders of the real estate industry primarily focused on Class-A development, either upscale residences or impressive-looking commercial or office buildings. City officials, downtown businessmen, and owners of large or valuable urban real estate parcels worried that the slums were spreading and might take the cities down with them. Paradoxically, however, slum real estate was valuable—in part because they were often located near the downtown and in part because demand for was high. Consequently slum landowners—generally small businessmen some of whom themselves rose from or lived in the same benighted neighborhoods—were reluctant to sell their properties.

Various schemes for redevelopment were proposed, but all of them entailed elimination of the homes of slum-dwellers, which posed the question of where the displaced poor should live. This is a question that businessmen and conservatives tried to avoid. Realtors—who placed the highest value on what was called "first class" or luxury development—had little enthusiasm

Second Ghetto: Race and Housing in Chicago, 1940-1960 (Cambridge: Cambridge University Press, 1983); and Bauman, *Public Housing, Race, and Renewal.*

for low-income housing. Many old-line conservatives were wont to blame the slums on their inhabitants, whom they considered as ignorant and slovenly and upon whom they felt charity was wasted. They were fond of repeating the old saw that the poor, if given free coal, would keep it in their bathtubs. This line of thought fit well with the idea of free-enterprise champions that low-income families should fend for themselves in the housing market.

Social reformers and planners insisted that slum clearance brought the moral obligation to supply low-income families with decent homes. Politicians, especially the urban liberal leaders who came to power during the Depression years, concurred that the government to help hard-working citizens who through no fault of their own had to live in decrepit and possibly dangerous structures. Directly challenging the free-market approach, a wide range of groups interested in the fates of cities—including planners, unions, social workers—believed that the only way to provide adequate dwellings was by building public housing. While the public housers, as the advocates were known, differed on the urgency of demolishing the slums, they agreed that private enterprise had created the slums and therefore only government could provide adequate shelter for large numbers of low-income families. With the help of organized labor and the Catholic Church, the public housers were able to persuade the Roosevelt administration and Congress to create a long-term public housing program in 1937.[10]

The private housing industry trade, however, was adamant, to the point of hysteria, on the subject of public housing. It did not matter that government munificence had helped rescue the savings-and-loan associations or that government insurance for private residential mortgages had stabilized the home real estate business. For decades, the men and women who were involved in the financing, trading, or creating of residential real estate denounced the idea of the government helping less-well-off Americans obtain homes not only as a socialistic plot, but also as a way for some people to get something for nothing while others worked their tails off. The people who carried out the different aspects of home business hated public housing for reasons of self-interest and ideology. They expressed their beliefs through business trade associations that were among the most powerful lobbyists in the political arena.

[10] Timothy McDonnell, *The Wagner Housing Act - A Case Study of the Legislative Process* (Chicago: Loyola University Press, 1957); Gail Radford, *Modern Housing for American: Policy Struggles in the New Era* (Chicago: University of Chicago Press, 1996); Alexander von Hoffman, “The End of the Dream: The Political Struggle of America’s Public Housers,” *Journal of Planning History,* 4:3 (August 2005).

NAREB's Low-Income Housing Proposal

Insisting that no federal program provide homes for poor people, the leaders of the major trade associations, especially the NAREB, argued that the basic problem was lack of income, not the housing. If the government had to assist those with less money, they asserted, welfare agencies should assist the poor with some sort of income supplement. They developed this idea into a proposal for called rent certificates. The idea of providing rent certificates or vouchers would surface at different times over the next thirty years, and would be enacted in a limited version in 1965 and made a permanent part of national housing policy in 1974. In the 1940s, however, the public housers condemned rent certificates almost in one voice. Leading the charge, the public housing movement's eminent grisé, Edith Elmer Wood declared the idea "thoroughly vicious," for rewarding slumlords for keeping their properties below decent standards.[11]

The Fight over Urban Redevelopment and Low-Income Housing

Throughout the 1940s, the leaders of private industry, supporters of public housing, interested academics, and government officials struggled over policies for American cities in the postwar period. At meetings and hearings on the postwar planning and behind the scenes, they argued and fought for their positions urban redevelopment and homes for low-income people.

Since the 1930s NAREB—through its director Herbert U. Nelson and its affiliate, the Urban Land Institute—had proposed ways to assemble urban land and rebuild it completely. Early on, the realtors' group thought of solving the problem of blight and slums through wholesale demolition and rebuilding. In 1935, NAREB proposed that local property owners form associations with powers of eminent domain and taxation, but little came of this except publicity. By 1941, NAREB had shifted to a strategy in which the federal government financed regional land commissions, powerful planning agencies which would have the power to condemn and clear slum areas. Making use of government subsidies called "write-downs" the commissions could sell the sites at below-market prices to private developers who could then build upon them and raise their values. NAREB's research bureau, the Urban Land Institute, drafted a bill based upon this proposal.[12]

[11] Edith Elmer Wood, "Low-Rent Housing Vs. Rent Certificates: National Association of Real Estate Boards Plan Is a Fraud, Dr. Wood Declares," *Public Housing* 9:12 (December 1943), 2.
[12] Gelfand, *A Nation of Cities*, 115-117; Weiss, "Origins and Legacy of Urban Renewal," 258-259; Urban Land Institute, *To Obtain Post War Replanning and Rebuilding of Cities: A Proposal for Rebuilding Blighted City Areas*

Soon other parties began to offer their own versions of legislation of urban redevelopment. Two economists, Alvin Hansen and Guy Greer, proposed a plan that resembled the NAREB plan, but called for a national planning agency and subsidies in the form of grants. City planners offered a bill also with a central planning agency in Washington to guide local efforts.

These bills would have left it to private builders to provide new housing, but for advocates of public housing who entered the fray. The public housers argued that federal support for urban development could only be justified if the program supplied homes to the low-income families displaced by slum clearance projects. After all, the public housers contended, displacing low-income people would only serve to spread the slums. The shortage of housing during and after the war as well as the migration of African Americans to the cities lent weight to their arguments.

As World War II came to an end, the two sides commenced a long political fight over the federal legislation for urban redevelopment and particularly whether it would include public housing. On one side, an array of influential lobbying groups, including those representing organized labor, city officials, and social workers, supported public housing. In addition, some Republican and conservatives supported public housing because they disliked the slums and saw better housing as a necessity for poor people. Hence, in 1945 in the Senate, Republican Robert A. Taft of Ohio and conservative Democrat Allen J. Ellender of Louisiana joined the aging liberal leader Robert Wagner of New York to sponsor legislation that combined urban redevelopment based on clearance and "write-down" grants along with a provision for newly authorized public housing.

On the other side, the real estate and housing industry groups fought to eliminate public housing, or for that matter, any form of government-provided housing. The trade associations had opposed the initial public housing law in 1937, but with the industry still reeling from the Depression they were unable to muster the strength to dissuade the heavily Democratic Congress. In the following years the industry had begun to revive—thanks in large part to the government's newly enacted financial assistance programs—which encouraged feistiness among its leaders. In November 1944, the executive vice-presidents of NAREB and NAHB, Herbert U. Nelson and Frank Cortright, confronted National Housing Agency chief, John B. Blandford,

(Washington, D.C. 1942). Interestingly, in 1941, the NAREB proposal called for limited-dividend corporations, the darling of tenement reformers of the early twentieth century, to rebuild the blighted areas.

about the War Production Board order to give priority to tens of thousands of deferred public housing units instead of letting commercial developers and builders build the defense workers' homes. In a jointly written letter, they brashly challenged Blandford, "Do you believe in private enterprise?" Seeing that Wagner-Ellender-Taft legislation for urban redevelopment contained a provision for additional public housing, NAREB, the organization that had initiated the idea, rejected it. So too did the other trade associations.[13]

For four years the two sides fought inside and outside of Congress, producing a political stalemate. But the idea of urban redevelopment gained momentum between 1941 and 1948 as more than half the states passed laws enabling redevelopment and the Metropolitan Life Insurance Company started work on building Stuyvesant Town, an impressive modern housing complex on the cleared grounds of the old gashouse district of New York's Lower East Side. Even with a postwar housing shortage of crisis pressing the issue, it was not until after the 1948 election which placed Democrats in charge of Congress and Harry Truman in the presidency that the liberals were able to summon the strength to pass the Wagner-Ellender-Taft bill.

The law, renamed the U. S. Housing Act of 1949, established an urban redevelopment program based on the idea of slum clearance. Title I of the act authorized the federal government to make loans to cities to acquire blighted areas as well as "write-down" grants to help cover the difference between the cost of slum land and its redeveloped value. The law also contained a large endorsement of public housing in Title III, which authorized federal loans and grants to build 810,000 new public housing units over the next six years. Although the law did not specifically tie public housing to urban redevelopment projects, it did provide that sites be "predominantly residential" either before or after redevelopment. The clear implication was that projects would involve re-housing slum dwellers either on the site or elsewhere.[14]

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[13] McDonnell, *The Wagner Housing Act*, 59-63; D. Bradford Hunt, "Was the 1937 United States Housing Act a Pyrrhic Victory?," *Journal of Planning History* 4:3 (2005), 195-221; Nathaniel S. Keith, *Politics and the Housing Crisis Since 1930* (New York: Universe Books, 1973), 53; "Cortright and Nelson Receive Firm Answers," *Public Housing* 10:11 (November 1944), 1-2.

[14] Other titles of the law reauthorized the FHA, provided funds for research into housing construction, markets, and financing, and expanded the rural housing loan program. For the history of the making of the Housing Act of 1949 see Richard O. Davies, *Housing Reform during the Truman Administration*. (Columbia, Missouri: University of Missouri Press, 1966); Mark I. Gelfand, *A Nation of Cities: The Federal Government and Urban America, 1933–1965* (New York: Oxford University Press, 1975), 105-152; Weiss, "Origins and Legacy of Urban Renewal." For a summary of the politics concerning the act and the law's aftermath, see Alexander von Hoffman, "A Study in Contradictions: The Origins and Legacy of the Housing Act of 1949," *Housing Policy Debate*, 10:3 (Summer 2000), 299-326; for analysis of its content, see Ashley A. Foard and Hilbert Fefferman, "Federal Urban Renewal Legislation," *Urban Renewal: Part I*, 25:4, (in *Law and Contemporary Problems* Autumn 1960) 635-684.

The Industry War against Public Housing

Having lost the battle to prevent the passage of the Housing Act of 1949, the housing industry organizations, especially NAREB and NAHB, launched a ground war against public housing. The trade groups distributed colorfully written and illustrated pamphlets aimed at fanning resentments of programs targeted for low-income people. The title of NAREB's publication "The World Owes Me a Living!" conveyed its message. In the anti-communist fervor of the time, the enemies of public housing were not above attacking the program as socialist. Armed with anti-housing literature prepared and distributed by the trade associations in Washington, affiliates of the realtors and home builders organized local political campaigns drives to shut down their public housing authorities, stop projects, and cut off appropriations.15

Meanwhile, public housing had its own problems even without the machinations of its businessmen opponents. In order to pay for its increasing involvement in the war in Korea, the Truman administration cut back its requests for appropriations for new public housing units authorized by the 1949 act. At the local level, racial conflict engulfed the program in cities, as whites' resistance to blacks living in their neighborhoods turned the choice of new public housing sites into a bitter and enflamed process.[16]

Yet the enemies of public housing knew that stopping the program would do nothing to save the cities. Even as the suburbs boomed, slum conditions continued to spread further across the neighborhoods of America's great cities. The leaders of the real estate and building industry knew well they needed to provide some positive way of combating the deterioration of urban neighborhoods if they were going to eliminate the slum clearance and public housing policy. The members of the private housing industry coalition sought out a completely different approach—one that left little room for public housing.

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[15] For obvious reasons, the *Journal of Housing*, the organ of the National Association of Housing and Redevelopment Officials, tracked the trade associations' campaign, see for example, "Grass-roots Opposition to Public Housing Has 'Canned' Flavor," *Journal of Housing* 7:5 (May 1950), 158-160; "'Canned' Campaign News Is Bad and Good," *Journal of Housing* 7:8 (August 1950), 265-8. Davies, *Housing Reform*, 126-128; Realtors' Washington Committee, *The World Owes Me a Living* (Washington, D.C., The National Association of Real Estate Boards (hereafter NAREB), 1949; *You've Got a Stake in This, Mister!* (Washington, D.C., NAHB, 1949).

[16] Davies, *Housing Reform*, 130-132; Martin Meyerson and Edward C. Banfield, *Politics, Planning, and the Public Interest: The Case of Public Housing in Chicago* (Glencoe, Ill.: The Free Press, 1955); Arnold R. Hirsch, "Massive Resistance in the Urban North: Trumbull Park, Chicago, 1953-1966," *Journal of Urban History* 82:2 (September 1995), 522-550; D. Bradford Hunt, *Planning a Social Disaster: The Unraveling of Public Housing in Chicago* (Chicago: University of Chicago Press, forthcoming).

Code Enforcement and Rehabilitation: the Anti-Public Housing Urban Program

As it turned out, an alternative to the clearance method of urban redevelopment emerged in the 1940s and early 1950s. Its goal was to rehabilitate rather than replace existing buildings. This approach consisted primarily of passing and enforcing building codes, sanitary laws, and zoning to compel landlords to make their properties safe, clean, and attractive—or at least acceptable-looking. At the same time, the approach hoped to encourage inhabitants—both owners and renters—to take pride in their communities and take an interest in cleaning up the neighborhood and fixing up the properties. As far as fixing went, rehabilitation and modernization were the keys, not new construction. Code enforcement and rehabilitation schemes did not include new public housing—either as part of a general urban redevelopment or as a means of removing slums. For this reason, if no other, the private industry trade associations latched on to the idea of code enforcement and rehabilitation as the solution to urban decay—even though the cities that adopted this approach also cleared slums and built public housing.[17]

Moreover, some believed that enforcing housing codes could also be used to prevent deterioration of a generally sound neighborhood that had begun to fray at the edges or was vulnerable to blight in the future. In such places, this was called community conservation or preservation. "Simply put," explained the Journal of Housing, "rehabilitation is a cure; conservation a preventative." Yet the methods and the goals were similar, and the two terms were sometimes used interchangeably.[18]

The idea of code enforcement was by no means a new idea to housing reformers. It dated from the early twentieth century, when Lawrence Veiller had proclaimed building codes an antidote to the slums and used them to spearhead a national tenement reform movement. Indeed it was the weakness of building code reforms—the difficulty of enforcing them systematically, their tendency to raise the costs of new construction, and above all, their failure to eliminate

[17] Although it received little attention then or since, code enforcement was incorporated into Title I of the Housing Act of 1949. The legislation stipulated that a requisite of a community receiving federal monies was that it modernizes its building codes and zoning ordinance, eliminate restrictive construction practices, and adopt a community-wide plan.

[18] Eventually the term, "conservation," would also be applied to efforts aimed at preventing transitions from white to black neighborhoods. For conservation, see discussion of Waverly below; Metropolitan Housing and Planning Council, *Conservation: a report to the Conservation Committee of the Metropolitan Housing and Planning Council by its Conservation Study Staff* (Chicago: Metropolitan Housing and Planning Council, 1953); "Saving Cities Through Conservation and Rehabilitation," *Journal of Housing* 10:2 (February 1953) 41-42 (for quotation, see 41).

slums—that led a new generation of housing reformers to turn to the idea of government-sponsored homes for low-income people.

Thus, although public housers endorsed raising the standards of inner-city homes that lacked plumbing and other modern necessities, they generally dismissed the idea that code enforcement even in combination with rehabilitation could solve the problem of blight and slums. Hence, from the mid-twentieth century decades, the idea of using code enforcement and fix-it-up campaigns to stop urban decay would be most popular among the champions of private enterprise.[19]

The Baltimore Plan

The rehabilitation and conservation movement began as a local phenomenon. In cities across the United States, city and state governmental agencies, often prodded by local institutions and citizens' groups, undertook such programs either to salvage slum areas or prevent neighborhoods from sliding into slum conditions. On Chicago's South and West Sides, block clubs attempted to clean up slums and local planning commissions tried to work out schemes to save other neighborhoods from becoming slums. In October 1951, Robert Merriam, a city alderman and political scientist at the University of Chicago, issued a clarion call at an address at the City Club, "Can Our Neighborhoods Be Saved?" His plan to stop neighborhood decay called for a strengthened building department, more neighborhood planning, conservation districts, improved morale, and $1 million. Rehabilitation would be one of the methods adopted in the well-known campaign to restore the near South Side area near the Michael Reese Hospital and the Illinois Institute of Technology. Like many such efforts, the South Side projects also had

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[19] The responses of public housing supporters to enforcement and rehabilitation varied but usually insisted that such efforts be undertaken in the context of clearance-style urban redevelopment and new public housing. See John Ihlder, "Washington Housers Approve "Baltimore Plan."" *Journal of Housing* 5:6 (June 1948), 169-170; "Stopping Slums Before They Start," *Journal of Housing* 7:5 (May 1950), 166-167, 171, a generally positive review of efforts, which nonetheless declared that "demolition is inevitable" for "ancient structures," but "preventive medicine" could be applied to "more modern structures." "NAHO's [National Association of Housing Officials] 1952 Conference Characterized as Having Mature, Professional Tone," *Journal of Housing* 9:11 (November 1952), 395; Thomas D'Alesandro, "Does 'The Baltimore Plan' Eliminate the Need for Low-Rental Housing?" *Journal of Housing* 10:4 (April 1953): 118–19.
Some such as Nathaniel S. Keith were more caustic. Calling the Baltimore Plan "a palliative," in the National Housing Conference's annual publication he asserted, "Nothing short of the total recasting and rebuilding of the areas beyond conservation and beyond rehabilitation will provide the essential fulcrum for the revival of our cities." Nathaniel S. Keith, "Urban Redevelopment Works," *Housing Yearbook* (Washington, D.C.: National Housing Conference, 1954), 42-44.

the goal, stated or implied, of keeping the African American population from expanding further into white middle-class areas.[20]

The city of Philadelphia earned a reputation for using clean-up, renovation, and rehabilitation as tools against the slum. The efforts of Arthur Binns at fixing slum buildings in the 1930s, a voluntary backyard beautification drive called "Yardville," sponsored in 1949 by McCall's magazine, and the American Friends Service Committee and Friends Neighborhood Guild project to renovate a block of nineteenth-century rowhouses set the precedent for city officials to start enforcement and rehabilitation programs. Under Edmund Bacon, the Philadelphia Redevelopment Authority sponsored efforts such as Operation Fix-Up, an unusual if unsuccessful attack launched in 1949 on the dirty yards and broken down exteriors of a slum block, and in neighborhoods such as East Poplar, incorporated rehabilitation in its redevelopment schemes. Extending a favorite biological metaphor of slums as disease, observers declared the City of Brotherly Love had discovered the new cure of penicillin as opposed to the surgery of clearance.[21]

At least twelve cities—including Charlotte, Milwaukee, and St. Louis—implemented codes to raise the health and safety standards of existing buildings. Boston, Detroit, and Miami were among many other urban centers that executed rehabilitation programs to supplement or supplant slum clearance projects.[22]

But during the late 1940s and early 1950s, the efforts in Baltimore, Maryland, became the national symbol of code enforcement and rehabilitation. The "Baltimore Plan," as it was known, became the center of debate between private real estate industry and public housing advocates and helped inspire a national housing law that emphasized the concept of urban renewal, as opposed to demolition and redevelopment.

The impetus for the Baltimore Plan dates from 1936, when the Baltimore Sun published a series of illustrated articles, inspired by the report of a young social worker, Frances Morton, which exposed the atrocious living conditions in the Monument City's slums. A shocking forty

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[20] Metropolitan Housing and Planning Council (MHPC), *Conservation: a Report to the Conservation Committee of the Metropolitan Housing and Planning Council by its Conservation Study Staff* (Chicago: Metropolitan Housing and Planning Council, 1953), *passim*, 39 (Merriam); *Hirsch*, *Making the Second Ghetto*, 268.
[21] Bauman, *Public Housing, Race, and Renewal*, 107-111; Jack M. Siegel and C. William Brooks. *Slum Prevention through Conservation and Rehabilitation* (Washington, D.C.: Subcommittee on Urban Redevelopment, Rehabilitation, and Conservation, Advisory Committee on Government Housing Policies and Programs, 1953), 71-79; "The Philadelphia Cure," *Architectural Forum* (April 1952), 112-119.
[22] Teaford, *Rough Road to Renaissance*, 113-119; "Stopping Slums Before They Start," *Journal of Housing* 7:5 (May 1950), 166-167, 171; "Housing Standards Stories from Seven Cities," *Journal of Housing* 7:5 (May 1950), 168-171. Siegel and Brooks. *Slum Prevention through Conservation and Rehabilitation*, 34-122.

percent of the city's population, the newspaper revealed, resided in filth and squalor. Furthermore, the city had the highest proportion of substandard housing among America's large cities, not to mention an archaic waste disposal system that included 26,000 outdoor privies.[23]

As public pressure mounted, the city government responded to the perceived crisis by exercising its authority and strengthening its powers to cope with blight by enacting tougher laws. In 1939 the city's Health Department ordered the destruction of a block of buildings it declared "unfit for human habitation" and voters approved a strong Commission on City Plan with the power to investigate and allow land uses and zoning for the entire city. Two years later the city council passed a Hygiene of Housing ordinance giving the Health Department authority to inspect houses and yards, order unsanitary properties vacated, and lend money from revolving fund to owners to make improvements. In 1943 the city established a Division of Housing within the Health Department, and put at its head a young building inspector, G. Yates Cook, who would become known as "the prophet of housing law enforcement."[24]

The Waverly Experiment

The federal government also became involved in Baltimore, conducting an unusual experiment to promote rehabilitation or "conservation" as opposed to demolition. Citing the need to find a way to protect its investments, the Home Owners' Loan Corporation (HOLC) in 1939 launched a short-term program intended to demonstrate a method to prevent areas from falling into the economic and social abyss. The chosen study site, Waverly, located two and a half miles north of downtown Baltimore, was not a decayed slum but rather an "essentially sound structurally, economically, and socially" neighborhood. Waverly's salient characteristics, according to the agency, were that it contained mainly single-family houses, showed the first scattered signs of "a downward trend," and was located near a "fully developed slum which continuously menaces its social and economic integrity."[25]

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[23] Martin Millspaugh and Gurney Breckenfeld, *The Human Side of Renewal: A Study of the Attitude Changes Produced by Neighborhood Rehabilitation* (Baltimore: Fight Blight, 1958/ New York: Ives Washburn, 1960), 3.
[24] MHPC, *Conservation*, 91; Citizens' Housing and Planning Association of Baltimore, Curriculum in Fine Arts, Johns Hopkins University with Commission on the City Plan and Maryland State Planning Commission, *Blighted Areas and the Defense Program* (Baltimore: Maryland State Planning Commission, 1941), 70; Millspaugh and Breckenfeld, *The Human Side of Renewal*, 3 (quotation).
[25] Federal Home Loan Bank Board (FHLBB), *Waverly: a Study in Neighborhood Conservation* (Washington, D.C.: Federal Home Loan Bank Board, 1940) viii, 8.

Tactfully omitted from the agency's final report, Waverly was an entirely white neighborhood and that the allegedly menacing slum to the south contained several blocks of African American residences. Thus, a central if unstated purpose of the conservation effort—as was the case in many although not all neighborhood preservation campaigns of the 1940s and 1950s—was to keep blacks out.[26]

The Waverly conservation program was a relatively simple exercise in research and planning. The first phase, conducted with the help of the federal Works Progress Administration, the United States Housing Authority, and the Baltimore Housing Authority, consisted of a detailed survey of neighborhood conditions. The HOLC researched each structure in the neighborhood, including the precise defects of all substandard buildings, as well as all streets, parks, and public utilities. In the second phase, the HOLC compiled the results of its studies into a Master Plan, which included precise recommendations for building improvements, street adjustments, and zoning. In the final step, the HOLC organized the Waverly Neighborhood Conservation League, whose job was to carry out the Master Plan by educating local residents and rousing property owners to action. Organizing local residents to spur improvements and prevent deterioration became a hallmark of neighborhood conservation efforts.[27]

The Home Loan Bank Board justified this approach as an inexpensive preventive remedy for blight which, if left to spread, would require the "costly major surgical operation" of demolition and new construction. The HOLC's Waverly program closely paralleled NAREB's proposals for neighborhood conservation, which was probably not a coincidence considering the great sympathy HOLC had for private real estate industry. Thus, HOLC recommended that all financing for building repairs or remodeling should come from conventional private lenders such as local savings and loan associations.[28] The recipe that HOLC and NAREB provided was to make an inventory of all neighborhood physical features and organize the locals to restore the physical conditions up to standard.

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[26] See maps in FHLBB, Waverly, 9, 17; Arthur Goodwillie, "Preventing Further Blight—The Waverly Plan," in Citizens' Housing and Planning Association, Blighted Areas, 56; Donald H. McNeal, "Waverly—A Study in Neighborhood Conservation," Harlean James, ed., American Planning and Civic Annual (Washington, D.C.: American Planning and Civic Association, 1941), 252-257.
[27] FHLBB, *Waverly*, 9-10, ff; Millspaugh and Breckenfeld, *The Human Side of Renewal*.
[28] FHLBB, *Waverly*, 4, (Appendix B) 84-86. Interestingly, the HOLC report emphasized the eligibility of Federal Housing Administration (FHA) loans, even though FHA was criticized then and since for not insuring loans in central cities. See Mark I. Gelfand, *A Nation of Cities: The Federal Government and Urban America, 1933–1965* (New York: Oxford University Press, 1975), 123-124; Kenneth T. Jackson, *Crabgrass Frontier: The Suburbanization of the United States* (New York: Oxford University Press, 1978), 206-208.

The Citizens' Fight

Neither the local nor federal government activity, however, satisfied Baltimorean reformers. In 1941, the social worker Frances Morton, whose report had instigated the anti-slum efforts, organized the Citizens' Housing and Planning Association of Baltimore to develop a plan of action to deal with the slums that occupied a large part of Monument City. The citizens' organization, whose task was to spur on government officials as well as neighborhood residents and landlords, would become a key feature of code enforcement and rehabilitation efforts. Despite the appeal of the fix-up approach to the slums to national real estate industry leaders, the Citizens' Housing and Planning Association subscribed to the liberal ideas of using government to intervene in the marketplace. Although Baltimore's reformers understood that the root of the problem lay in "the insufficient economic resources of slum dwellers," they believed that they could drastically reduce "the blighted area problem" by educating the public and real estate investors, enforcing existing laws pertaining to physical conditions, and enacting and enforcing minimum housing standards. If carried out, the Citizens' Housing and Planning Association believed, its plan would disabuse people of the notion that that the public authorities may not interfere with the exploitation of private property for profit."[29]

The reformers embraced several ideas selected from a mix of philosophies. They called for small-scale experimental projects to demonstrate how to rehabilitate and maintain urban properties and neighborhood improvement associations to educate locals about blight and city planning. Embracing left-wing remedies as well, the reformers supported defense and public housing projects for low-income families and were ready to back rent control in Baltimore.[30]

But the key to the Citizens' Housing and Planning Association program was "law enforcement" carried out by an activist government agency, independent of the existing city government. To begin, the reformers criticized the government's lax approach to the city's zoning ordinance and called for its vigorous administration. Going further, the citizens' association urged the creation of an independent city department, called the Office of Housing Administrator, to set and enforce minimum housing standards, coordinate with other city departments, and where necessary, demolish delinquent buildings. Going still further, the reformers called for a Rehabilitation Commission that could acquire properties—through

[29] Citizens' Housing and Planning Association, *Blighted Areas*, 62.
[30] Citizens' Housing and Planning Association, *Blighted Areas*, 63-5.

eminent domain, if needed—repair or rebuild structures, and then sell or lease the improved buildings. Like the nonpartisan housing authorities in the public housing program, the proposed enforcement and rehab agency was borne of the Progressive impulse for a powerful body free from political influence.[31]

From the first, the stand of the Citizens' Housing and Planning Association challenged the established government, and in the end, this challenge would prove fatal to the code enforcement effort in Baltimore. The initial unveiling of the Citizens' Housing and Planning Association's plan highlighted the dividing line between local government and reformers. The thrust of the new program was to work outside the usual government regulatory systems, such as zoning which, the reformers charged, could not be implemented because of "constant political interference."[32] Defending local government, a Baltimore city councilor who had been invited to comment on the plan, approved of the group's ideas, but asserted that there were laws already on the books—many of them recently passed by the city council—that could solve the slum problem. Furthermore, the councilor noted, the Health Department—headed by physician Huntington Williams—and the Building Engineer had the power to fine landlords in violation of the codes up to $50 a day, with each day considered a separate offense, and even condemn properties that were not brought up to standards.[33]

In the early years of the movement in Baltimore, the division between citizen and government did not dampen the enthusiasm for code enforcement. The daunting size of Baltimore's slum problem--in the early 1940s the number of dwellings in violation of at least one city ordinance was estimated at 95,000—inspired the city to pass increasingly stringent codes for plumbing, fire safety, and sanitation and take increasingly stronger action. A citizens' advisory committee on housing, appointed by Baltimore mayor Theodore McKeldin, recommended in 1944 that the city try enforcing the new housing code a block at a time in a selected area.

Following this advice, in 1945, the city's housing division, under the energetic direction of G. Yates Cook, inaugurated what became known as the "Baltimore Plan" in a fourteen block inner-city area around Sharp Street. At first, the Baltimore Plan meant merely enforcing

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[31] Citizens' Housing and Planning Association, *Blighted Areas*, 65-7. The Commission would be able to finance its work by issuing tax free bonds; in addition, its properties would be exempt from real estate taxes and assessments until the bonds were retired (similar to public housing laws, except that exemptions for public housing projects were permanent).
[32] Citizens' Housing and Planning Association, *Blighted Areas*, 65.
[33] Citizens' Housing and Planning Association, *Blighted Areas*, 69-71.

housing, building, fire, and zoning codes in order to force slum owners to either repair or vacate their properties. This approach had the advantage of finding breaches of the law without waiting for complaints from citizens.[34]

The project became bogged down immediately, however. It took a year and a half to clean up the first block, in part because the magistrate's court would not support the city's prosecution of violations. To ensure that the codes had teeth and that there was a way to settle disputes between landlords and inspectors, in 1947 the city and state governments—pushed by a city zoning officer and the Citizens Housing and Planning Association—established a regular court in charge of all housing code violations in the city of Baltimore, the first housing court in the United States. In its first three years of operation, the court heard more than 4,500 cases. In addition, the city set up a "Sanitation Squad" of policemen to prowl Baltimore's streets and find unsanitary conditions. Cook now pursued a methodical approach which, thanks to the housing court, promised results.[35]

By 1950, the supporters of the Baltimore Plan could point to signs of progress. The city government allotted $200,000 for the enforcement program. Cook's agency—now called the Office of Housing and Law Enforcement—had inspected 133 blocks, and properties of 100 blocks had been rehabilitated up to the code standards. Yet there remained some 2,000 other blocks of substandard conditions and the housing court cases were backing up quickly.

The city government redoubled its efforts. In 1951, the city adopted an ordinance that gave Cook's agency, now renamed simply the Housing Bureau, authority in matters of housing conditions over all other sections of the health department as well as to coordinate with other branches of government. Furthermore, the Housing Bureau was to encourage local schools, churches, citizens' groups and social agencies to help "rehabilitate the people as well as the houses."[36]

To aid these activities, the ordinance also established the Advisory Council to the Housing Bureau, making the citizens' advisory committee, which had always been part of the city's code enforcement effort, a permanent part of the Baltimore Plan. James W. Rouse, a charismatic mortgage banker with a gift for obtaining publicity, had for some years served as chairman of the advisory committee. Rouse, who would go on to become a national leader in

[34] American Council To Improve Our Neighborhoods (ACTION), "Housing Court: Baltimore," *Report from ACTION* No. 1, September 1955, 4.
[35] Millspaugh and Breckenfeld, *The Human Side of Renewal*, 3-4; MHPC, *Conservation*, 91-2; ACTION "Housing Court: Baltimore," 4.
[36] MHPC, *Conservation*, 92; Millspaugh and Breckenfeld, *The Human Side of Renewal*, 4.

urban development, kept the position of chair of the new Advisory Council, from which he became strongly identified with the Baltimore Plan.[37]

A Pilot Area for Code Enforcement and Rehabilitation

Cook, the head of the Housing Bureau, and the Advisory Council leaders, decided in 1951 to focus a broad array of enforcement activities on a heavily African American section of East Baltimore. To spotlight the effort, in May 1951 Baltimore's Mayor Thomas D'Alesandro, Jr., declared this neighborhood to be the Pilot Area for code enforcement and rehabilitation. Housing inspection teams, made up of members of the Housing Bureau, the fire, police, building, and electrical inspection departments, fanned out through the Pilot Area, searching for violations. Acting on the inspection team reports, the Housing Bureau sent out warnings to offending property owners that they had 30 days to rectify the problems—along with instructions for how to do so. If they failed to make repairs or get an extension, owners would be liable for up to $50 a day, each day for each violation. For those whom the Housing Bureau deemed scofflaws, the Housing Court imposed penalties.[38]

It soon became clear to the Housing Bureau officials that merely enforcing the laws would not meet the reality of the situation. Low-income home owners, many of whom had just purchased their houses, were not able to pay for the required repairs in six months or a year, let alone in 30 days. To weed out violation cases that could be treated by measures short of legal action, the Housing Bureau set up a Hearing Board, which tried to work out a long-term plan for homeowners suffering from hardships. There was still a sizeable minority—estimated at 10 percent of the Pilot Area homeowners—who would never be able to afford to rehabilitate their properties. In response, Advisory Council member and a leading Baltimore banker, Guy T. O. Hollyday, along with James Rouse, recruited local business people to put up $10,000 to the Fight-Blight Fund, a revolving loan fund to help "worthy" homeowners pay for repairs and renovations.[39]

Meanwhile, the Housing Bureau and the Advisory Council also pushed to educate and organize the residents of the Pilot Area. A citizens' steering committee, led by the social worker

[37] Rouse became so identified with the Baltimore Plan that some have erroneously credited him with founding and leading it. Rouse, however, joined this crusade after it had begun. Millspaugh and Breckenfeld, *The Human Side of Renewal*, 4; Joshua Olsen, *Better Places, Better Lives: a Biography of James Rouse* (Washington, D.C.: ULI- Urban Land Institute, 2003), 32-33.
[38] Millspaugh and Breckenfeld, *The Human Side of Renewal*, 7; MHPC, *Conservation*, 95.
[39] ACTION, "Fight-Blight Fund, Inc.: Baltimore," *Report from Action* no. 2, Sept. 1956, 3; Millspaugh and Breckenfeld, *The Human Side of Renewal*, 9.

Frances Morton, set up separate subcommittees for law enforcement, social services, education, medical care, and recreation. Of the subcommittees the most important was the neighborhood subcommittee, which was chaired by Viola C. Jackson, the African American principal of a local school. It served as a liaison between the bewildered and suspicious Pilot Area residents and the city's enforcement machinery.[40]

The Pilot Area enforcement and rehab project had mixed results. Among the successes, its leaders could count the discovery of 16,670 violations, resulting in sending 1,410 warning notices to owners and tenants. The offenses, distributed among 785 properties, included 272 broken plumbing systems, 121 cases of exposed electric wires, 222 windowless rooms, 145 leaking roofs, and 92 buildings in which more than 10 people had to use a single toilet. By 1953, authorities calculated that almost 90 percent of violations had been fixed. The efforts at improving the neighborhood spread beyond technical violations. Indoors, owners voluntarily installed private baths and showers with hot running water in more than 100 homes and private toilets in about 40 dwellings. Outdoors, rotting fences, back yard rubbish, and the alley outhouses that lined the alleys began to disappear. Residents beautified their homes and yards, painting windows and doors and planting flowers in old buckets and automobile tires. Deprived of garbage and wall holes into houses many rats, who had commonly stalked Pilot Area alleys and homes, departed.[41]

Despite its successes and national acclaim, however, Baltimore's version of code enforcement turned out to be a limited weapon in the fight against slums. Because of the expense of upgrading properties, many Pilot Area landlords were reluctant to cooperate, owner-occupants feared the loss of their homes, and apartment owners did little or nothing to improve their buildings. The 30-day notice period was so unrealistic for the large number of owners living on the financial edge that Yates Cook observed wryly, "I could wreck this program in six months…by insisting on enforcing the letter of the law in the time allotted." Absentee landlords refused to comply or did only the minimum, so that some blocks slipped back into dirty conditions and the rats returned. Low-income tenants were often disinclined to help enforce building regulations. Some were frightened of eviction resulting from higher rents or landlord retaliation for their reporting violations. Others disliked the enforcement of regulations against

[40] Millspaugh and Breckenfeld, *The Human Side of Renewal*, 7-8.
[41] Millspaugh and Breckenfeld, *The Human Side of Renewal*, 17-19.

overcrowding, which deprived them of a little extra income they made by subletting rooms in their apartments.[42]

Most importantly, the Baltimore Plan failed to affect the fundamental conditions that afflicted the Pilot Area. The enforcement effort did nothing to alleviate the fundamental causes of the spreading slum conditions. The continuous arrival of low-income blacks from the South to Baltimore's central neighborhoods where segregated housing markets confined African Americans exacerbated crowding caused by the general housing shortage. Moreover, despite the Fight-Blight Fund the low incomes of the residents meant there was little capital for keeping up the properties. With such high demand for places to live, landlords frequently operated on the margin and/or exploited their tenants. With so many people packed into them, the buildings rapidly deteriorated. In addition, the efforts to organize the community made no headway against the profusion of taverns and liquor stores, heavy truck traffic on local streets, or the lack of playgrounds that weighed down the neighborhood. As a result, "few people in Baltimore," concluded a profile of the Fight-Blight Fund in 1956, "will say that official program of housing code enforcement is ridding the city of its slums."[43]

The Government Side of the Baltimore Plan

Even though it failed to address the fundamental problems, the Baltimore Plan was impressive looking. By the early 1950s, it had evolved into a systematic slum clean-up operation, much like what the CHPA had envisioned ten years earlier. In 1952 the Housing Bureau employed 40 people, including 21 inspectors, and commanded a hefty annual budget of more than $130,000. It also coordinated and cooperated with a wide array of volunteer citizens' activities. The multifaceted approach of the Baltimore Plan would bring it great fame.[44]

But just as the Baltimore Plan started to gather momentum, a fight over political control plunged the program into crisis. Despite his nominal powers as head of the Housing Bureau, Cook could neither coordinate the agencies that were involved in housing issues nor get them to carry out his orders. The building inspection bureau, for example, refused his request for full-time inspectors in the Pilot Area. In addition, Cook had to get the Health Commissioner's approval before making requests, a time consuming process at the least.

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[42] Millspaugh and Breckenfeld, *The Human Side of Renewal*, 11-12, 14, (quote) 15, 19-20.
[43] Millspaugh and Breckenfeld, *The Human Side of Renewal*, 11, 20; ACTION, "Fight-Blight Fund, Inc.: Baltimore," 7.
[44] MHPC, *Conservation*, 93.

Besides being subject to bureaucratic inertia and the instinct to protect their turf, the city government's agencies were at the center of the political trade-off system. Government officials called on departments in charge of building inspection, street paving, tax assessments and zoning exceptions, and liquor licenses to do favors for their supporters. In contrast, the departments owed nothing to the do-gooders in charge of fix-it and clean-up campaigns.

During the Pilot Area campaign, Cook and the Advisory Council attempted without success to work around these problems but concluded that the situation was untenable. Speaking for a unanimous Advisory Council, in March 1952 Rouse sent a letter to the mayor declaring that the administrative set-up made it "hopelessly impossible for the Housing Bureau or its Advisory Council to carry out the job set forth." Rouse requested that the city abolish the Housing Bureau and create a volunteer Commission on Blight with independent powers similar to a redevelopment authority. A "strong executive body directly under the Mayor and not confined within the limits of any existing municipal department" would take up all the relevant code enforcement powers that were currently distributed among diverse agencies and run programs to clean up slums in entire neighborhoods of the city. The Commission on Blight that Cook and the Advisory Council requested bore a strikingly resemblance to the Rehabilitation Commission that the Citizens' Housing and Planning Association had called for eleven years earlier.[45]

Like its predecessor, the new plan for a supra-agency with its own administrator did not sit well with local officials. The City Health Department would have been the agency most directly affected, and thus Health Commissioner Huntington Williams, who had supported the anti-slum campaign from its early days, loudly opposed the proposal. Williams argued that his department was the most appropriate body for improving the "hygiene of housing." After consulting with the city solicitor, Mayor D'Alesandro threw his support behind the health commissioner and rejected the Blight Commission idea. In March 1953, after a year of struggle, Cook, Rouse, Hollyday, and two other prominent Council members, resigned in protest from the Advisory Council. Rouse then led a citizens' campaign to obtain the independent commission from the Maryland legislature, which approved the commission but exempted Baltimore and seven counties, rendering it useless. Rouse and Hollyday shifted their attention to working on

[45] Millspaugh and Breckenfeld, *The Human Side of Renewal*, 58; MHPC, *Conservation*, 99.

urban and housing issues on the national stage, with Hollyday ascending to position of commissioner of the Federal Housing Authority.[46]

In the following years, Cook's replacement as chief of the Housing Bureau carried the code enforcement campaign to the Mount Royal neighborhood. As in the Pilot Area, enforcement and rehabilitation had relatively little effect.[47] The city of Baltimore, meanwhile, marched forward to reverse urban decline, employing not only code enforcement, but also slum clearance and new public housing and non-residential projects. Yet, by 1956, the city's government concluded that "blight kept pace with all attempts to eliminate it." Baltimore in the late 1950s would embrace the latest approach to saving America's cities, urban renewal, a concept which—ironically—owed much to the enforcement and rehabilitation techniques devised for the Baltimore Plan.[48]

Rehab and Enforcement Go National

Even as citizens and officials in Baltimore fought each other over how to make what one journalist dubbed "the fix-up idea" work, private industry leaders celebrated the Baltimore Plan as a great accomplishment. Two of the prominent leaders of the Mortgage Bankers Association, Guy Hollyday and James Rouse, were also leaders of the Advisory Council to the Baltimore Housing Bureau, and Rouse in particular worked to publicize the Baltimore Plan through films and books. The leaders of the Home Builders' Association threw themselves into publicizing the Baltimore Plan, according to Atlantic Monthly, and produced a $20,000 film and magazine articles pushing enforcement of codes as the way to transform blighted areas into gleaming safe communities.[49]

As for the realtors, they had long been interested in the idea of rehabilitation. Starting in 1930, a NAREB member, Arthur Binns, conducted an extensive renovation program in a black neighborhood of Philadelphia. As chairman of NAREB's Committee on Housing and Blighted Areas in the 1940s, Binns traveled around the country presenting a slide lecture on rehabilitation

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[46] Millspaugh and Breckenfeld, *The Human Side of Renewal*, 58-59; "Leaders of Baltimore Slum Plan Quit in Row over New Setup to Make Plan Really Work," *Architectural Forum* (April 1953), 39-40.
[47] Millspaugh and Breckenfeld, *The Human Side of Renewal*, 66-89.
[48] Baltimore Urban Renewal and Housing Agency, *It's Happening in Baltimore! Annual Report for 1957* (Baltimore Urban Renewal and Housing Agency, Housing Authority of Baltimore City: Baltimore, Md., 1957), 1(quote), 1-7, ff.
[49] Daniel Seligman, "The Enduring Slums," in William H. Whyte, Jr. ed., *The Exploding Metropolis* (New York: Time, Inc. 1957; Berkeley: University of California, 1993), 126; Bloom, *Merchant of Illusion*, 64; Slum Rehabilitation: the Baltimore Story (1948, NAHB). For films on the Baltimore Plan as well as related topics, see *Report from ACTION* No. 10, September 1956, 24-27.

as an alternative to public housing. He explained how his group was able to rebuild 1,000 houses, upgrading them with new linoleum kitchen floors, woodwork, electricity and plumbing. Naturally, NAREB jumped on the Baltimore Plan bandwagon, endorsing it and the Fight Blight revolving loan fund in 1952.[50]

Fortunately for the housing industry, the presidential election of 1952 gave its lobbying organizations an opportunity to play a role in shaping policy they had not enjoyed for almost 20 years—since the Hoover administration. As a candidate, Dwight D. Eisenhower had consulted on housing policy with three men affiliated with the Mortgage Bankers of America— its spokesman, James Rouse; its counsel, Samuel Neel; and a frequent consultant, Miles Colean. Their report, written by Colean, a conservative on social issues, called for putting order on the burgeoning number of federal agencies housing—in part by eliminating the Housing and Home Finance Agency (HHFA)—and shifting responsibility for the public housing and urban redevelopment away to the states and cities. After taking office, Dwight D. Eisenhower indicated that he did not intend to obliterate the governmental programs created by the New Deal, but instead turn them toward moderate, business-oriented aims.[51]

As president, Eisenhower moved slowly but certainly to create a business-centered housing agency. To fill the top posts at HHFA, the new administration designated Douglas Whitlock, described by Nathaniel Keith, as "the florid-faced director of the National Clay Products Institute and a prominent figure in the real estate lobby." As chief of the federal agency, Whitlock chose former congressman Albert M. Cole, who was known for his vehement attacks on public housing during the hearings on the 1949 housing act. The rest of the team was made up of trade association leaders. Whitlock named Baltimore mortgage banker Hollyday to head FHA; Charles E. Slusser, a realtor and NAREB member who had been Republican mayor of Akron, Ohio, to be the Public Housing Administrator; and James Follin, the former staff

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[50] Arthur W. Binns, Chair, Committee on Housing and Blighted Areas, NAREB, and based in Philadelphia, "Rebuilding Programs and the Real Estate Operator," Citizens' Housing and Planning Association, *Blighted Areas*, 35-41; National Association of Real Estate Boards, Committee on Rehabilitation, "Recommendations on Rehabilitation by the Committee on Rehabilitation," (Washington, D.C., NAREB, 1952), 7.

[51] The memorandum sent to Eisenhower advisor, Aksel Neilsen, was published as Miles Colean, "A National Policy on Federal Intervention in Mortgage Finance and Community Development," in Gertrude Sipperly Fish, editor, *The Story of Housing* (New York: Macmillan, 1979), 268-276; see also Roger Biles, "Public Housing Policy in the Eisenhower Administration," *Mid-America* 81:1 (Winter 1999), 5–26.

director of Producers' Council, a building materials and equipment manufacturers lobbying group, to run urban redevelopment.[52]

Businessmen Tackle the Slums

The representatives of the major housing trade associations moved to seize the political moment—and high on their list was substituting improvement programs—code enforcement, fix-up, and rehabilitation—for public housing. Turning from their efforts to defeat public housing, both the major trade organizations launched coordinated national campaigns to spread the gospel of code enforcement and rehabilitation. The trade groups embarked upon these efforts even as political fights endangered the Baltimore Plan that they held up as a model. Undismayed, the housing businessmen believed they would be able to improve on the Baltimore approach. In the early 1950s, slum rehabilitation was as yet a powerful idea.

To foster a groundswell for the businessmen's alternative to clearance and public housing, NAREB rolled out a "Build America Better" campaign. In 1952 at the group's annual convention, Fritz B. Burns presented Build America Better as a "three-fold attack on urban blight and slums led by the nation's realtors." Burns was a large-scale land developer from Los Angeles who helped lead a bitter but successful fight against extending public housing program there. The first part of his strategy was to enforce health, building, and sanitary standards—with the threat of demolition of non-conforming structures; the second part, to attract new construction on cleared or vacant sites through an accelerated property depreciation for the federal income tax; and the third, to improve schools, parks, streets, sewers in neglected areas. Like earlier urban rehabilitation plans, the Build America Better program called for beefing up municipal powers to order building repairs, demolish unfit structures, and even acquire slum properties. A cardinal principal of the NAREB program was to keep control in local hands—the money for fixing up slums would come from either local government or landlords of urban renewal sites who would receive depreciation reductions on their federal income taxes. Other than the possible tax breaks, the plan kept the federal government out of the picture and said nothing about creating new housing.[53] From 1952 to 1954, Burns made hundreds of appearances

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[52] Nathaniel S. Keith, *Politics and the Housing Crisis Since 1930* (New York: Universe Books, 1973), 110.
[53] National Association of Real Estate Boards, "America can afford to outlaw slums, through realtor's plan, Burns says," News service release no. 63 (Washington, D.C.: NAREB, 1953); Davies, *Real Estate in American History*,

at local chambers of commerce, realtor organizations, and civic groups, while NAREB distributed such publications as A Primer on Rehabilitation under Local Law Enforcement and Blueprint for Neighborhood Conservation.[54]

To spread the anti-blight movement for code enforcement and rehabilitation, the NAHB declared its own campaign, A New Face for America, which in style and substance closely paralleled program of the real estate association. In 1953, the association set up a new Department of Housing Rehabilitation and hired G. Yates Cook, who had just quit his job as head of Baltimore's Health Bureau, to direct it. Cook lost no time, laying out a prescription for slum rehabilitation program in an article for the NAHB's monthly journal and in a lengthy hard-hitting pamphlet that the NAHB published, A New Face for America – A Program of Action Planned to Stop Slums and Rebuild Our Cities. In the latter publication, Cook employed some of the most searing indictments of slums since the progressive-era reformers. Cook decried slums as an "urban cancer" that cost "millions through crime, disease, misery" and the destruction of economic stability and insisted that citizens must choose immediately between "Progress or Decay," or suffer the dire consequences.[55]

Reacting to the political frustrations he and his allies such as Rouse had experienced in Baltimore, Cook called for a powerful Blight Commission, answerable to the mayor but otherwise independent of city government, which would control fire, building, and health ordinances, condemn unwanted land uses (such as stables and junk yards), create plans to reconfigure neighborhoods, and in this regard, acquire land for recreation and other public uses. Other than requiring a strong Blight Commission, the approach was almost identical to that of the realtors.

Not content to exhort, NAHB in the fall of 1953 helped sponsor an energetic slum rehabilitation pilot program to remake a block of New Orleans, where recently civic leaders had spurred the city government to start a slum prevention and housing improvement department

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226; James Thomas Keane, *Fritz B. Burns and the Development of Los Angeles: The Biography of a Community Developer and Philanthropist* (Los Angeles: Historical Society of Southern California, 2001), 181-182.

[54] Committee on Rehabilitation, National Association of Real Estate Boards, *A Primer on Rehabilitation under Local Law Enforcement* (Washington, D. C.: The Committee, 1952, 1953, 2d ed; Build America Better Council (NAREB)), *Blueprint for Neighborhood Conservation; a Program for Large-Scale Elimination of Slum, Blight, and Unfit Housing Conditions* (Washington, D.C., National Association of Real Estate Boards, 1953); Build America Better Council, *Blueprint for Action: To Build America Better, a Check List for Real Estate Boards* (Washington, D.C., National Association of Real Estate Boards, 1954).

[55] [G. Yates Cook], *A New Face for America: A Program of Action Planned To Stop Slums and Rebuild Our Cities* (Washington, D.C.: NAHB, 1953). The *St. Louis Post-Dispatch* had earlier popularized the phrase, "progress or decay," as the theme of a series aimed at launching a slum clearance crusade in St. Louis. "Progress or Decay – Supplement," *St. Louis Post-Dispatch*, March-May 1950.

based on rehabilitation. With strong support from reform mayor DeLesseps Morrison, Yates Cook coordinated the efforts of the New Orleans chapter of the home builders, lumber dealers, and city officials to help and persuade local landlords and tenants to clean up a block of slums. Cook used the New Orleans effort for training and held "Cities Organized Reconstruction Institute," a two-day seminar on techniques for organizing an enforcement-rehabilitation program to fifty city officials and home builders from five southern and southwestern cities. To further spur interest in rehabilitation among its affiliates, NAHB formed a Housing Rehabilitation Committee which by 1953 had attracted almost sixty members and urged member associations to emulate New Orleans and adopt a slum block in their own cities.[56]

To Build As Well As Repair

As committed as they were to the code enforcement and rehab plan to save America's cities, the home builders went further. Unlike the other trade groups, they also put forward a broad program to provide homes for people of diverse income and racial groups. In the early 1950s, top officers of the NAHB offered a menu of policies that combined measures to increase their business with those intended to solve the social problems of urban decay, substandard low-income housing, and the lack of homes for minorities.

To "halt the march of blight and provide decent, low-cost homes for the great bulk of our people," NAHB leaders looked in the direction of the federal government, but not of course for public housing. In Housing America's Forgotten Families, for example, NAHB president Emanuel M. Spiegel issued the association's call for an effective secondary mortgage market to be organized by Fannie Mae and a host of new devices to be issued by their favorite agency, the FHA.[57] The home builders hoped that new legislative tools for the FHA would open the credit gates and allow them to build one million homes a year. Among their ideas were the "trade-in house" (in which builders purchase and remodel old houses and resell or rent them); the modernizing of existing owner occupied and rental housing, long-term modernization loans on reasonable terms for slum rehab sites, and for further urban redevelopment, reform of Section

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[56] "Slum Reconstruction Pilot Demonstration," *Washington Letter of the National Association of Home Builders***,** October 19, 1953, no. 475, 3; E. M. Spiegel, president NAHB, "NAHB Sparks Rehabilitation on National Front," *NAHB Correlator* 7:10 (October 1953), 2-3; Alan E. Brockbank, NAHB Housing Rehabilitation Committee, "Cities Must Fight Blight or Face Economic Bankruptcy," *NAHB Correlator* 7:10 (October 1953), 4-6; Millspaugh and Breckenfeld, *The Human Side of Renewal*, 158-160; Cook, *A New Face for America*, 25.
[57] NAHB, *Housing America's Forgotten Families*: *A Six Point Program* (Washington, D.C.: NAHB, 1953), 12.

207, the FHA program to insure mortgage loans for constructing rental housing, with higher loan ceilings, lenient appraisal methods, and easy repayment methods.

By seeking federal assistance for its ambitious program to house the entire population, the NAHB position had begun to diverge slightly from those of the more conservative business leaders and housing experts as well as the narrowly focused rehab program espoused by the real estate brokers' association. The implications of an all-inclusive housing program from the fiercely anti-public housing home builders association did not escape the notice of one public houser, the remarkable Catherine Bauer. Writing in Journal of Housing, the organ of the government public housing and urban renewal officials, Bauer announced the change in the trade association's position to her housing reformer allies. In recent NAHB publications, she commented, the organization repeated the old attacks on public housing, exaggerated the effects of the filtering-up of old housing and overstated the breadth of the markets the private builders served. Yet they had taken on the goal of building homes for "all price brackets," cautiously recognized the potential of cooperative housing, and embraced master plans for urban neighborhoods, and the need to help people displaced by clearance.[58]

Of course, the home builders' idea for more construction reflected self-interest. The other major trade associations represented groups—the realtors, mortgage bankers, savings-and-loans—that depended chiefly on transactions, large-scale development, or both. Home builders, in contrast, built homes. Many members of the NAHB were small operators who built only a few units a year, and thus their businesses were vulnerable to unfavorable economic conditions. Naturally they wanted to expand the money supply, keep mortgage rates low, and expand the opportunities for erecting new dwellings.

Yet the position of the home builders within the real estate and housing industry also led them to seek a construction solution to the problem of slums and ghettos. Their perspective as builders led them to search for ways not only to repair old homes but also to provide new homes for the neglected low-income and racial minority markets. Thus, in the early 1950s, the NAHB began to go down the road that would lead to its role as the leading lobbyist for low-income housing development, albeit of the private sort.

[58] Catherine Bauer, "The Home Builders Take a "New Look" at Slums--And Raise Some Questions," *Journal of Housing*, 10:10 (Nov. 1953), 371-373, 389.

Renewal: A New Theory

Although many invoked the enforcement and fix-up approach as a policy for solving America's urban problems, it was the industry consultant Miles Colean, who melded the disparate ideas about blight, code enforcement, and rehabilitation into a coherent theory of urban change. Colean, although trained as an architect, wrote like an economist and had served briefly as an assistant administrator of the FHA during the New Deal. On the eve of America's entry into World War II, the Twentieth Century Fund had commissioned him to write for its Housing Committee a thorough review of the housing industry and policies in the United States. In 1951, with the debates over slums and urban redevelopment ringing in the air, the Fund's officials turned to Colean to address plight of the American city. The resulting book, Renewing Our Cities, published in 1953, made the case for rehabilitation. Colean thought of the problems such as "flight from the central city," "suburban spread," downtown congestion, slums, and blight as part of an interrelated set of economic problems. Writing from a position very close to the real estate brokers' perspective, Colean worried about ways to raise real estate values and increase urban prosperity.[59]

For Colean, slums were a part, but only a part, of the illness facing American cities. Rather than simply replacing slums with new housing in a particular site, Colean urged "comprehensive renewal" that would revitalize the city as a whole. In regard to housing, he advocated conservation and rehabilitation over "root-and-branch" clearance. Like the realtors, Colean said little about developing new housing, implying that rehabilitation would leave enough homes to supply the urban population. Yet Colean insisted that cities would have to adopt large-scale planning and improve their schools, traffic, and public works if they were going to revive their economies and beat back blight.

Thus, Colean—as NAREB's Herbert Nelson and Catherine Bauer had done earlier—applied the idea of regional planning to the problems of the city. He responded to the specific problems of slums and blight by kicking them upstairs to planners and government administrators who worked at a larger scale than the neighborhood. Only when the planners and officials solved the extensive problems of education, transportation, and infrastructure across the city or metropolitan area would they be able to cure the local nuisances. Indeed, in the 1920s

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[59] Miles Lanier Colean, *Renewing Our Cities* (New York: Twentieth Century Fund 1953). A good short summary is Gelfand, *A Nation of Cities*, 171-2.

regional planners had responded similarly to the problem of urban population crowding—by proposing extensive physical and economic development–with the result, although few recognized it, that the solution became further out of reach than ever.

In the absence of powerful regional authorities, managing large and complex urban systems was, and still is, a daunting challenge. Yet, in the postwar years such was the optimism about the possibilities of remaking the metropolis that few stopped to consider the obstacles. And however ambitious it was, the idea of metropolitan planning nonetheless remained compelling—to planners, public housers, and now to the private industry advocates of code enforcement and rehabilitation policies.

The Industry Makes Policy

With plenty of ideas about what to do about housing in America, the housing business interests met to hammer out national policy. Time, Inc.'s new trade publication, House and Home, provided the setting for representatives of the housing industry groups to meet at three conferences—round-table discussions—held between late 1952 and late 1953, from which the editors then wrote up as a set of recommendations. It was apparently the idea of the publisher and editors of House and Home to convene first two round-tables, but the home builders, realtors, and mortgage bankers' trade associations requested that House and Home organize the final conference, held in the fall 1953, so that the groups could lay out a detailed description and plan for counteracting blight and slums. What is remarkable and has been overlooked by historians is the extent to which the goals laid out in these talks became inscribed in national law. The House and Home round-table talks—on national housing policies, privately developed low-income housing and urban renewal—laid out goals and programs which the President's Advisory Committee on Housing Government Housing Policies and Programs incorporated in its report. These recommendations in turn served as a draft for the U. S. Housing Act of 1954, the legislation that established "urban renewal"—as opposed to the 1949 formulation of urban redevelopment cum public housing—as national policy.[60]

[60] Round Table Report: "The Low-Income Family and the Too Cheap House," *House and Home* 2:4 (October 1952), 104-113, 142-146; "An Eisenhower Program for Better Homes," *House and Home* 3:1 (January 1953), 116-125; "Housing Conservation Round Table: Report and Recommendations. Leaders of Attack on Blight Agree on Recommendations to Every City," *House and Home* 4:4 (October 1953), 100-113. *Life* magazine co-sponsored the Rye, New York conference in December 1952.

Indeed, it is likely that the Round Table held in Rye, New York, in December 1952 inspired the creation of Eisenhower's advisory committee. The man credited with suggesting the idea of a commission to Eisenhower was the president's close friend and financial advisor, Aksel Nielsen. A frequent visitor to the White House, Neilsen attended the Rye conference in his capacity as chairman of the Mortgage Stabilization Committee of the Mortgage Bankers Association. Along with the HHFA chairman Albert Cole and Miles Colean, Nielsen helped select the members of the Advisory Committee and served as a chairman of one of its five subcommittees.[61]

Perhaps even more significant are the numerous round-table participants who served on the President's Advisory Committee. Round-table conferees made up almost half of the advisory committee members. Furthermore, influential industry policy leaders Dick Hughes and Rodney Lockwood of NAHB, Jim Rouse of the Mortgage Bankers Association and veteran of the Baltimore Plan efforts, and Miles Colean, the industry consultant, participated at two of the round-table conferences and helped lead the Eisenhower committee. (Hughes and Rouse participated in all three round-table conferences.) Lockwood and Rouse served as chairmen of the presidential commission's subcommittees and Colean, who brought both intellectual weight and political connections to the industry and his previous experience working for Eisenhower.[62]

The Rye conference set out several chief targets, which the NAHB had proposed and which would be reiterated in specific terms a year later in the President's Advisory Committee on Housing Government Housing Policies and Programs. The round-table conferees wanted to keep the production of new homes at a high level—at least 1 million a year. The primary means of maintaining high housing production was to guarantee the flow of capital, primarily by loosening credit instruments, especially on FHA-insured mortgages, and improving the secondary mortgage market administration by the Federal National Mortgage Association (FNMA or Fannie Mae). And the industry spokesmen emphasized that a key goal of national housing policy should be to end slums and provide low-income housing through private enterprise. For the former, the industry asserted a policy of fixing up the cities through their

[61] Nathaniel S. Keith, *Politics and the Housing Crisis Since 1930* (New York: Universe Books, 1973) 113; D. Bradford Hunt, "How Did Public Housing Survive the 1950s?" *Journal of Policy History* 17.2 (2005), 199-200.
[62] Round Table Report: "The Low-Income Family and the Too Cheap House," *House and Home* 2:4 (October 1952), 104-113, 142-146; "An Eisenhower Program for Better Homes," *House and Home* 3:1 (January 1953), 116-125; "Housing Conservation Round Table: Report and Recommendations. Leaders of Attack on Blight Agree on Recommendations to Every City," *House and Home* 4:4 (October 1953), 100-113.

formula of neighborhood and city-wide planning, code enforcement, and rehabilitation.[63] House and Home 3:1 (January 1953).

The industry men did not hold unanimous views on every matter. In the Round Table discussions, the issues of federal support for industry and the purpose of federal programs divided the participants. In one camp were hard-core economic conservatives—anti-New Dealers and generally bankers—who dreaded the intervention of the federal government into business activity and even more so if that intervention had social policy agenda. The conservative bankers called for removing FHA and the Home Loan Bank from the umbrella agency, HHFA, where they had been placed five years earlier, so they would not feel "pressures based on political and welfare state considerations rather than sound economics." On the other side were reformers, such as mortgage bankers Rouse and Ferd Kramer of Chicago and home builders Dick Hughes and Emanuel Spiegel, who believed that the government could act to overcome both business obstacles and social problems. The activist businessmen called for expanding FHA programs to include mortgage insurance for slum areas and low-income families and proposed that the FHA should rate the credit risk on a deteriorated neighborhood credit ratings "based, not on its present state of decay, but on its condition after the rehabilitation." Both parties agreed that in contrast with programs such as public housing, direct government subsidy should be avoided at all costs.[64]

Remarkably, the industry men hedged somewhat on public housing. They declared it was unnecessary to repeat their long-standing and oft-expressed opposition to public housing, although they criticized the program for failing to accomplish its goals of eliminating slums and providing good homes for low-income people. Nonetheless, when the conferees laid out the precise steps for neighborhood planning and reconstruction, they concluded that that municipalities might, after careful assessment and completion of other kinds of improvements, have recourse to building some sort of public housing. If that proved to be the case, the industry men hoped that it would be only temporary and that the federal government's role would be

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[63] "An Eisenhower Program for Better Homes," 119-125.

[64] "An Eisenhower Program for Better Homes," 121; "Housing Conservation Round Table: Report and Recommendations," 107. The published versions of the round-table discussions downplayed but did not altogether hide the conflict between the stated aversion to visible federal financing of social housing goals and the pleas for FHA insurance for blighted neighborhoods.

minimal. However grudgingly, they had accepted the idea that public housing could be a part of urban redevelopment schemes.[65]

Eisenhower's Advisory Committee Goes to Work

Despite the unease expressed by observers such as Walter Lippman that the different housing interests would never cooperate and create a program, the President's Advisory Committee on Government Housing Policies and Programs, which met in the late fall of 1953, was able to hammer out a coherent set of proposals. One reason was the lopsided representation of private industry—all but five were associated with lending, building, or real estate brokering. Another was that many members of the president's commission had already been working on housing issues. They were able to continue and refine policy discussions they began within their own organizations and in the House and Home Round Tables. The NAHB had sent the largest number of representatives to the round-table discussions, and their representation on the president's advisory committee, although made up of only two members, Lockwood and Hughes, was greater than any other trade association. The committee deliberations had their share of friction, but in the end the members produced a comprehensive alternative to the slum clearance and public housing formula embodied in the Housing Act of 1949.

It is striking how the different subcommittees complemented each other to produce a new policy, which if less liberal than the New Deal planning and housing programs, was more liberal than most expected from the Eisenhower administration. The housing administrator, Cole chose men to chair the five subcommittees of their respective expertise and interest, likely ensuring that the reports would reflect their opinions. Lockwood, the past president of NAHB, chaired the subcommittee on the FHA and VA; Rouse, the mortgage banker and Baltimore Plan veteran, headed the subcommittee on urban redevelopment; Bohn, the veteran public houser, led the low-income housing subcommittee; George L. Bliss, the former head of U.S. Savings and Loan League chaired the housing credit facilities subcommittee; and Nielsen, the president's friend and a Denver mortgage banker, headed the subcommittee on reorganizing the government's housing agencies.[66]

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[65] "An Eisenhower Program for Better Homes," *House and Home*, 125.
[66] Hunt, "How Did Public Housing Survive the 1950s?" 200-201.

Recommendations of the Advisory Committee

Following the line adopted by the participants in the House and Home Round Tables, the Advisory Committee urged that the government take action in five major areas: attacking and preventing slums, maintaining existing homes, increasing the volume of new residential construction, assisting low-income families to get homes, and reorganizing the federal housing agency to become more efficient.[67]

The committee's final report stressed that the most important recommendations were those for urban redevelopment. Drawing on Colean's book as well as the chairman's experiences in Baltimore, Rouse's subcommittee proposed and the full committee accepted the new "urban renewal" approach, based on stabilizing neighborhoods and rescuing slums through building codes and renovation. (Rouse and his colleagues omitted Colean's grand schemes for comprehensive urban improvements.)[68]

The subcommittee called for a division of the federal housing agency to be called the Urban Renewal Administration, which would provide loans, grants, and technical assistance to local communities for planning and renewal projects and also provide guidelines for renewal projects. It emphasized informed planning by making any financing contingent upon a jurisdiction developing "a workable program" based on a thorough understanding of such conditions as the state and size of housing stock and the demand for housing. The committee declared that grants for renewal projects should go only to cities that had a code enforcement program in place, and urged rehabilitation wherever possible over demolition. When land was cleared, however, proper large-scale planning would require that such sites be used for their logical best use, not necessarily housing.

No doubt reflecting Rouse's familiarity with citizens' groups and publicity, the subcommittee also urged the formation of a private national organization to educate and mobilize public opinion for the urban renewal based on conservation, enforcement, and rehabilitation.

Finally, the urban redevelopment subcommittee also asked for a program for long-term FHA financing in urban renewal areas on terms at least as favorable as those available elsewhere in the city. It showed how close the leaders of the advisory committee were in their

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[67] The President's Advisory Committee on Government Housing Policies and Programs, *Recommendations on Government Housing Policies and Programs*, a Report. (Washington, D.C.: U.S. Government Printing Office, 1953), 1-3.
[68] "Appendix 2, Report of the Subcommittee on Urban Redevelopment, Rehabilitation, and Conservation," President's Advisory Committee, *Recommendations*, 103-139.

thinking. Two other subcommittees—for FHA-VA and low-income families—offered ideas that answered this request.

In particular, the FHA-VA subcommittee produced a battery of recommendations that dovetailed with the proposed urban renewal program. As the homebuilder Rodney Lockwood was in charge of the subcommittee, it was perhaps not surprising that several of the recommendations essentially restated earlier NAHB proposals to promote rehabilitation and reuse of urban housing. The subcommittee's first two recommendations, for example, were a new program to allow the FHA to insure modernization or repairs of existing single-family homes and a loosening of the requirements for insurance of existing multifamily dwellings. Also included were old favorites of the NAHB to insure open-end mortgages (to allow for home repairs and improvements without processing and fees of a new loan), broaden the use of the "trade-in house" program, and ease FHA requirements for insurance mortgages to multifamily rental housing (such as the Section 207 program) and even cooperative housing.[69]

Even more daring were the proposals for FHA-insurance of urban renewal and low-income housing, which Rodney Lockwood unveiled. The subcommittee called for a new Section 220 of the National Housing Act (of 1934) to allow insurance of loans on liberal terms for the rehabilitation of existing homes and construction of new dwellings in designated urban renewal sites. In order to begin to expand private development into the low-income market served by the public housing program, the subcommittee called for Section 221, a program by which the FHA would insure 40-year, 100 percent loans to allow construction and sale or rent of homes to families that had been displaced by urban redevelopment (or rehabilitation) or whose income forced them to live in substandard homes. Here were the FHA programs to further social goals of urban redevelopment and low-income families that the National Home Builders Association and industry round-table discussants had called for. The new FHA social housing programs went too far for the conservatives, but they found themselves in the minority.[70]

The banker-dominated committee on housing credit facilities also addressed previous industry discussion at the round-table conferences by calling for an effective body to run the secondary mortgage market and purchase and participate in loans so as to "level peaks and

[69] "Appendix 1, Report of the Subcommittee on FHA and VA Programs and Operations," President's Advisory Committee, *Recommendations*, 21-57.
[70] Hunt, "How Did Public Housing Survive the 1950s?" 203; President's Advisory Committee, *Recommendations*, 7, 13-14; "Appendix 1, Report of the Subcommittee on FHA and VA Programs," President's Advisory Committee, *Recommendations*, 42-48.

valleys in remote areas of the mortgage market." But the bankers took a narrow approach that shunned any social welfare functions for the financial system and called for a new entity—not Fannie Mae—to be entirely privately financed.[71]

The subcommittee's conservative recommendations sparked a forceful minority dissent from Richard Hughes; the incoming president of the NAHB, who objected to the majority's restricted view of the functions of the mortgage market facility and called for a "progressive and forward-looking mortgage market." Hughes argued that in order to pay for the expansion of FHA insurance to rehabilitate the slums and provide housing for relocated and low-income families, it would be necessary to use a government-financed agency, to wit, Fannie Mae. Congress, it later turned out, would agree with the NAHB official.[72]

The government reorganization subcommittee pulled back from Colean's and others' belief that the industry agencies—such as the Home Loan Bank Board and the FHA—should stand separate from the housing agency. Instead of dispersing the agencies into other cabinet departments and thus insulating them from social programs, it grouped them under one agency, now the Housing and Home Finance Administration (HHFA) strengthening the hand of the administrator but also reaffirming (perhaps inadvertently) the pursuit of social housing goals as well as regulating the industry.[73]

Once More, Public Housing

The most difficult challenge was to settle the public housing issue. With its membership overwhelmingly weighted toward conservative industry representatives, the advisory committee offered private industry an opportunity to accomplish what its opposition to the TEW and Housing Act of 1949 and local anti-public housing campaigns had failed to do: to end once and for all, the hated government housing program for low-income families.

The challenge of saving public housing was left to the Ernest Bohn, a life-long Republican and veteran of the campaign to pass the original public housing law. Bohn was exceedingly personable and persuasive—he had convinced Senator Robert Taft of the virtues of

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[71] The subcommittee, for example, wished to end the Veterans Administration direct lending to former servicemen who could not secure loans from private lenders. 349 (quotation); 352-3.
[72] "Appendix 4, Attachment to Report of the Subcommittee on Housing Credit Facilities," President's Advisory Committee, *Recommendations*, 356-66; 360 (quotation).
[73] "Appendix 5, Report of the Subcommittee on Organization of Federal Housing Activities of the Federal Government," President's Advisory Committee, *Recommendations*, 371.

public housing. As chairman of the subcommittee on housing for low-income families, Bohn attempted to save the public housing program by ceding ground to his opponents. His subcommittee declared that to the greatest extent possible private enterprise should provide homes for low-income families and that eventually private developers would be able to reach progressively lower income groups. To that end, the subcommittee recommended two FHA programs, one for rehabilitation and the other for low-cost single-family homes. (Eventually the full committee found both to be redundant with the FHA-VA subcommittee recommendations.) Until private enterprise actually served very low-income families, the subcommittee argued, it was essential to continue funding and production of public housing.[74]

Bohn's subcommittee report added several amendments to the public housing provision. Some of these were designed to make the program more palatable to the anti-public housing members. An example is the provision to ensure that funding for new projects only went to communities that had implemented a code enforcement program (and also, the full advisory committee later added, had produced a "workable program" to fight urban decay). Other amendments—such as the one extending eligibility for public housing to those displaced by all public works, including highway construction—cleverly broadened the rationale for the program by tying it to Colean's concept of holistic urban improvements.[75]

So strong was the distaste for public housing, however, that the debate over whether to retain it could not be confined to the low-income family subcommittee. Members of the urban redevelopment subcommittee split over whether public housing could ever be justified, and stated the division in their report.[76]

When the full committee took up the report of the low-income families subcommittee, historian Bradford Hunt has recently recounted, Rouse first proposed removing language calling the program essential and soon others called for selling off the government-owned housing stock. Bohn was on the verge of losing public housing altogether when, ironically, Lockwood, who had been one of its leading foes, saved the program. Lockwood proposed substitute language calling for his new Section 220 and 221 programs and keeping public housing for the interim until the new private social housing programs took hold. Lockwood's surprise support for continuing the

[74] "Appendix 3, Report of the Subcommittee on Housing for Low-income Families, President's Advisory Committee, *Recommendations*, 255-274.
[75] "Appendix 3, Report," President's Advisory Committee, *Recommendations*, 255-276.
[76] "Appendix 2, Report," President's Advisory Committee, *Recommendations*, 124.

public housing program, Hunt relates, threw the committee into disarray. After heated and confused discussion, the advisory committee voted to continue this most liberal of New Deal social programs.[77]

In the end, the advisory committee, almost in spite of themselves, had embraced an activist role for government in fighting the slums and providing low-income housing. Placed in charge of federal policy, the industry representatives, led by the home builders and Rouse in particular, took on the challenge with new programs. The result disappointed conservatives such as Colean, but—coming pretty much from the industry—made for a politically potent recommendation.

The Housing Act of 1954

Eisenhower, in his first term and feeling his way to a middle-ground between fiscal responsibility and the New Deal government he inherited, embraced his committee's report. The president even gave a special address on housing based on the committee's findings. The administration then proposed legislation based on the report's recommendations, and after some debate, mainly over public housing, the Congress passed the Housing Act of 1954.

The congressional hearings in March of 1954 over what would become the Housing Act of 1954 reflected new political alignments. Not surprisingly, the industry trade associations, led by NAHB and NAREB, generally backed the urban renewal proposals. On the other side, the liberal lobby groups—led by the public housing, labor, and mayors' organizations—were unable to resist the logic of employing code enforcement and rehabilitation to mitigate slum conditions and housing shortages. The National Housing Conference and National Association of Housing and Redevelopment Officials (NAHRO), American Federation of Labor (AFL) and the CIO (Council of Industrial Organizations), and American Municipal Association and the U.S. Conference of Mayors (USCM) all supported the new program, albeit grudgingly. The National Housing Conference, for example, endorsed rehabilitation, but warned that urban renewal was no substitute for redevelopment and public housing.[78]

The new FHA housing programs associated with urban renewal continued to divide the industry representatives between those who accepted government intervention and those who resisted it. Not surprisingly, the activist trade organizations, NAHB and NAREB, endorsed

[77] Hunt, "How Did Public Housing Survive the 1950s?" 201-205.
[78] "Housing Bill Hearings," *House and Home* 5: 4 (April 1954), 33-37.

Section 221, the new FHA venture for housing displaced and low-income families, and asked that the legislation raise the ceiling value on loans to cover those—such as to low-income borrowers—that carried greater risk. The various banking associations and the U.S. Chamber of Commerce opposed the new measure as unsound. Breaking with the home builders and realtors and apparently overruling Rouse, the Mortgage Bankers Association rejected the idea, calling it unnecessary and impractical. The extremely conservative American Bankers Association opposed it, but it opposed all the NAHB measures, even government support for a secondary mortgage market and the open-end mortgage.

In contrast to the mossback banking associations, the pro-public housing groups agreed with the activist trade associations, NAHB and NAREB, by endorsing the low-cost housing idea and insisting that the maximum limit on loans was too low. The new approach to urban redevelopment housing had created an area of agreement between, if not exactly a close coalition of, the left and right

The political stances at the congressional hearings startled observers. "Strange as it seemed," the writers for the industry publication, House and Home journal reported, "NAHB took a position closer to that of the CIO and AFL than to any other segment of the private industry (except realtors)." Perhaps more astounding was that "builders, labor, and realtors were in general alignment with public housing in advocating more and more government aid to housing." This might have overstated the matter—a few of the trade groups, notably NAHB and the Mortgage Bankers Association, did not comment on public housing. Perhaps the housing industry spokesmen did not need to repeat their oft-stated opposition, nonetheless it looked like they had unilaterally declared a temporary cease-fire in the public housing wars.[79]

Despite the novelty of the urban renewal and FHA programs, public housing provoked the greatest struggles in the legislature. Eisenhower had asked for authorization for a relatively modest 35,000 public housing dwelling units annually for four years. Liberal organizations that had long advocated public housing asked that the Congress raise the number of authorized public housing units to something on the order of 200,000 to reach the production envisaged in the Housing Act of 1949. Led by arch-conservative Jesse Wolcott, chairman of the House Banking and Currency Committee, the House of Representatives voted the bill out without any units. Democratic Senator Burton Maybank of South Carolina led the effort to authorize 135,000 units,

[79] "Housing Bill Hearings," *House and Home*, 33.

as per the goals of the Housing Act of 1949, but a Supreme Court ruling against racial segregation in public housing projects provoked Maybank to reverse himself and oppose public housing altogether. Nonetheless, sufficient numbers of Senators from both parties rallied to vote to restore the president's 35,000 figure, and the conference committee upheld that number.[80]

Other than that, the Congress left advisory committee's proposals pretty much as they were. The Housing Act of 1954 replaced the urban redevelopment program with urban renewal, specifying that voluntary repair and rehabilitation could be adopted instead of or along with clearance and rebuilding schemes. The law required a "workable program" for any urban renewal loans or grants. To promote the development of housing for urban renewal sites and displaced and low-income families, it contained the new sections 220 and 221 of the National Housing Act as special mortgage insurance programs. Following the home builders' wishes, the 1954 Act liberalized mortgage terms on FHA-loans and allowed FHA to insure open-end mortgages for home repairs. It reorganized Fannie Mae to carry out a secondary mortgage market operation, and—as NAHB's Hughes had wished—included a provision for "special assistance function" by which it could, if needed, purchase sections 220 and 221 mortgages. Ironically, as Cole noted later, the innovative expansion of the government housing finance agencies into areas of social welfare provoked little hostility. Only the banking lobbyists objected to what Colean and they called "barnacles" on the hulls of the FHA and FNMA.[81]

Conclusion: The Disappearing Policy

During the 1950s, even as Congress and the administration maintained the public housing program on a minimal basis, the efforts for code enforcement and rehabilitation continued. Armed with the new federal policy they had done so much to create, the activist trade associations pursued their enforcement and rehabilitation campaigns. NAHB officers urged their members to attend NAHB workshops on rehabilitation and begin developing low-income housing—if for no other reason than to forestall the resumption of more direct federal programs. NAHB also pushed for minority housing. NAREB continued to pursue its Build America Better program, offering consultation services to cities that wished to take up a rehabilitation program.

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[80] *Housing a Nation* (Washington, D. C., Congressional Quarterly Service: 1966), 32-33; Roger Biles, "Public Housing in the Eisenhower Administration," a paper delivered at the Annual Meeting of the Social Science History Association, New Orleans, Louisiana, October 16, 1996.

[81] Albert M. Cole, "Federal Housing Program," in Gertrude Sipperly Fish, ed., *The Story of Housing* (New York: Macmillan, 1979), 294.

In 1955, James Rouse and others helped found the national citizens' organization that Eisenhower's advisory committee had called for, and the American Council to Improve Our Neighborhoods (ACTION) sponsored research and spread news about neighborhood conservation efforts.

Despite the NAHB leaders' enthusiasm for urban renewal and the new FHA housing programs, interest among the members waned. By 1956, the NAHB had disbanded its Department of Housing Rehabilitation for lack of interest among members. Home builders complained that the cost limits and loan terms for Section 221 construction encumbered their efforts. Just as great an obstacle was the difficulty of obtaining sites, which plagued public housing authorities, and for similar reasons. Residents of middle-class communities resisted development of Section 221 projects, and often whites' fears that the projects would bring African Americans lay behind the resistance.[82]

For such reasons, builders took relatively little advantage of the FHA-insured loans. Despite later easing of requirements, by 1960 builders had produced just 15,550 dwellings under Section 221 and 1,500 houses under Section 220. Nathaniel Keith, a proponent of urban renewal and public housing, concluded that the housing programs of the 1954 act had not done enough to make it possible to build new housing affordable to people displaced by redevelopment. Since, as one close observer argued, "strict code enforcement will never be possible until a great deal more housing is available to low- and middle-income tenants," the sluggishness of the new programs in combination with anemic appropriations for public housing did not bode well for neighborhoods.[83]

By the end of the decade people who studied the effects of neighborhood conservation efforts were growing pessimistic. No city created the kind of centralized authority over building codes and rehabilitation efforts that the Baltimore leaders Hollyday, Rouse, and Cook concluded was necessary for their success. The other key component to viable enforcement and rehabilitation effort was mobilizing the local population, but a survey of such campaigns found only one that had succeeded in truly mobilizing local people. The exception that proved the rule was the neighborhood conservation, enforcement, and rehabilitation program carried out by Chicago's

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[82] Hunt, "How Did Public Housing Survive the 1950s?" 210; Paul J. Mitchell, "The Housing Act of 1954: Impacts on Housing," *Planning History Present* 8:1 (1994), 3; Statement to [sic] Chairman Ralph Finitzo, NAHB Public Housing Committee to Board of Directors Meeting, San Francisco, September 1957, Committee reports (1957) Fall, Box 03-036, NAHB archives, Washington, D.C., 2; Report of Urban Renewal Committee, Chicago, Illinois, January 17, 1958, Box 03-001, NAHB archives; Fairbanks, *Making Better Citizens*, 173-174.

[83] Hunt, ibid; Keith, *Politics and the Housing Crisis Since 1930*, 116; Daniel Seligman, "The Enduring Slums," in William H. Whyte, Jr. ed., *The Exploding Metropolis* (New York: Time, Inc. 1957), 129, 201-205.

Back-of-the-Yards Council, an exceptionally well organized community group, directed by a leader of rare talent, who was able to pressure local financial institutions to invest sizeable sums in remodeling and new construction. The effect of this success was to keep the neighborhood white. Many other communities had racial or economic fears, but few if any were able to enlist residents, landlords, government officials, and especially money lenders in improvement campaigns. Meanwhile, the expansion of low-income minority groups into previously all-white middle-class areas gave a sense that the problem of blight and slums was worsening.[84]

Moreover, the code enforcement and rehabilitation approach to the slums supplemented but never replaced the earlier notion of urban redevelopment through demolition. Even the NAREB and NAHB anti-slum strategies had always recommended demolishing and replacing those properties that were beyond saving. More importantly, city officials and civic leaders continued to support slum clearance—with or without public housing—throughout the late 1950s and early 1960s. As a result, locales that employed code enforcement and rehabilitation generally also demolished properties—in industrial areas and inner-city ghettos—to build highways, civic projects, and housing. From the beginning, the cities best known for their use of enforcement and rehabilitation—Baltimore, Philadelphia, and Chicago—combined both rehabilitation and clearance for new development often in the same areas. And frequently in the large cities, such redevelopment plans also included public housing, often in imposing modernist-style elevator buildings.[85]

In fact, the 1954 Act and subsequent legislation extended federal funding to a wide variety of urban improvement projects, which local governments seized upon to save in older American cities. "Glittering downtown showpieces, sprawling industrial parks, upgraded

[84] Millspaugh and Breckenfeld, *The Human Side of Renewal*. The Back-of-the-Yards Council was the first community organization created by Saul Alinsky and the prototype of the community organizations that Alinsky's Industrial Areas Foundation would promulgate. See Mark Santow, "Chicago's 'Great Question': Saul Alinsky, Packingtown, and the Dilemmas of Race in the Post-War City," paper delivered at Boston Immigration and Urban History Seminar, October 26, 2006; Sandford Horwitt, *Let Them Call Me Rebel: Saul Alinsky, His Life and Legacy*, 2d. ed. (New York: Vintage Books, 1992), 67-77 ff, 317-320.

[85] Chicago's near South Side experienced large-scale clearance for private and public high-rise housing complexes and highway construction. The renewal program for the Hyde-Park neighborhood, often touted for its rehabilitation, included clearing many blocks of properties. For Philadelphia, see "The Philadelphia Cure," *Architectural Forum*; "Philadelphia's Redevelopment," *Architectural Forum* 105:6 (December 1956) 128-135; Bauman, *Public Housing, Race, and Renewal*, 104-115.

historical districts, and cleaned-up neighborhoods," historian Jon Teaford explains, "all were elements in the broad-based attack on physical blight."[86]

In this context, the public generally never understood "urban renewal" as the comprehensive approach that Colean, real estate industry leaders, and planners had originally conceived. Instead in common parlance "urban renewal" simply replaced "urban redevelopment." Since many of the best-known projects involved demolition of buildings and displacement of their residents, urban renewal became synonymous with a clearance project of any sort. Noting the disproportionate numbers of minority groups who were displaced by redevelopment projects, critics cried out that urban renewal really meant Negro removal.[87]

In the early 1960s, frustration with the disruption of city dwellers, destruction of private property, and the seemingly interminable length of time it took to complete renewal projects provoked a political revolt against "urban renewal." Neighborhoods residents took to the streets to fight projects initiated at city halls. In 1961, Jane Jacobs, a writer for Architectural Forum and House and Home, published a devastating critique of urban planning and redevelopment schemes that uprooted communities. Jacobs tacitly endorsed rehabilitation as a way to help neighborhoods, but spent most of her time skewering the clearance approach to cities.[88] Intellectuals of all political stripes soon joined the attack.

Code enforcement lived on as a method for dealing with physical problems in urban housing. In cities across the country, state and city governments established housing courts to deal with landlord-tenant disputes, rent control procedures, and, of course, housing and sanitary code violations. But by the mid-1960s it was clear that code enforcement and rehabilitation paid by private property owners, once the great hope for eliminating slums, was unfeasible, that any rehabilitation in low-income areas would have to be done by nonprofit or low-profit organizations.[89]

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[86] Teaford, *Rough Road to Renaissance*, 153.
[87] Even some historians have conflated the two terms without distinguishing their different meaning; see Weiss, "Origins and Legacy of Urban Renewal."
[88] Jane Jacobs, *The Death and Life of Great American Cities* (New York: Random House, 1961); Teaford, *Rough Road to Renaissance*, 153-5.
[89] Lawrence M. Friedman, *Government and Slum Housing, A Century of Frustration* (Chicago: Rand McNally and Company, 1968), 178-9; Judah Gribetz and Frank P. Grad, "Housing Code Enforcement: Sanctions and Remedies," *Columbia Law Review* 66: 7 (November 1966), 1254-1290; National Commission on Urban Problems, *Building the American City: Report of the National Commission on Urban Problems to the Congress and to the President of the United States* (Washington D.C.: U.S. Government Printing Office, 1968), 159-160; *A Decent Home: The Report of the President's Committee on Urban Housing* (Washington, D.C.: Government Printing Office, 1969), 105-106.

Whether they involved clearing or conserving neighborhoods, governmental urban improvement schemes failed to address the fundamental economic and demographic changes and thus with few exceptions failed to reverse the fortunes of America's urban areas. A case in point is Baltimore. During the late 1940s and early 1950s, it served as the national symbol of the code enforcement and rehabilitation movement, and the local government in the 1950s and 1960s continued to encourage these and other approaches to urban regeneration. Nonetheless, inner-city neighborhoods here, as in other great cities, slid into an abyss of abandonment, arson, and crime, out of which the Monument City is still climbing sixty years after the inauguration of the Baltimore Plan.

Programs of physical improvement were unable to reverse the decline of industrial employment, discrimination against blacks, the refusal of lenders to extend credit in low-income neighborhoods ("redlining"), or the ongoing departure of middle-class residents to the suburbs and consequent rise in the urban poverty rates. In defense of the urban renewal approach—as originally defined to include code enforcement, rehabilitation, and the FHA Section 220 and 221 building programs—no other programs attempted to address such basic problems until those of the Great Society, which also had little effect on urban neighborhoods.

The new housing and redevelopment policy based upon code enforcement and rehabilitation did not eliminate or stop the spread of slums, and in some ways disappeared into the welter of programs labeled—accurately or not—urban renewal. Yet this forgotten program did help alter the political constellation of low-income housing policy. The ideas developed by private industry and ratified in the Housing Act of 1954 opened the way for the trade groups to pursue their own brand of liberal social reform. During the 1960s and 1970s, the NAHB in particular would become a leading lobbyist for low-income housing legislation aimed at involving private developers. And, eventually there would come a time when the pro-public housing liberals would join forces with the once-reactionary private trade groups to fight for low-income housing policy.

PDF | JA Stoloff: A Brief History of Public Housing In this paper, I will briefly discuss the background and origins of the federal public housing | Find, read and cite all the research you need on ResearchGate.Â The federal public housing program has the reputation as being a decaying dumping ground for housing some of the poorest families in the US. In fact, this short history will show that program has evolved significantly over time, but was rooted in a very idealistic and paternalistic view of helping the working class, not necessarily the worst off segments of society.Â paternalistic view of housing the working class. Public housing was originally built on a. relatively small scale as two- and three-story walk-ups, which were financed through. Russiaâ€™s history of mass housing development can be divided into several distinct periods, each manifested by its own specific type of residential...Â Khavsko-Shabolovsky housing area was an important part of the district. Its thirteen buildings were situated at a right angle to each other, and at a 45-degree angle to main streets. This feature provided a good lighting, and created a closed yard system. Balconies and bad-sitting rooms both faced southern faÃ§ades, while kitchens and bathrooms were designed to look to the north. Even as we continue working to stabilize our financial system and reinvigorate our economy, it is essential that we learn the lessons of the crisis so that we can prevent it from happening again. Because the crisis was so complex, its lessons are many, and they are not always straightforward. Surely, both the private sector and financial regulators must improve their ability to monitor and control risk-taking.Â I will then discuss some evidence on the sources of the U.S. housing bubble, including the role of monetary policy. Finally, I will draw some lessons for future monetary and regulatory policies.1.Â In his original 1993 paper, Taylor chose to measure inflation using the GDP deflator. As noted, the Taylor rule policy prescription shown in Slide 3 is based on the familiar CPI measure of inflation. NBER Working paper series. Credit supply and housing speculation. Atif Mian Amir Sufi. Working Paper 24823 http://www.nber.org/papers/w24823. NATIONAL BUREAU OF ECONOMIC RESEARCH 1050 Massachusetts Avenue Cambridge, MA 02138 July 2018, Revised April 2019.Â This study exploits a natural experiment centered on the rise of the private label mortgage securitization market (the â€œPLS marketâ€) in order to investigate the link between credit supply expansion and housing speculation. In the language of Kindleberger and Minsky, a boom and bust cycle in asset prices often begins with a â€œdisplacementâ€ such as nancial innovation or nancial liberalization that expands credit to speculators.