

EXHIBITS ENTERED INTO  
THE HEARING RECORD

*Exhibit No. 1*

## **COMMISSION ON CIVIL RIGHTS MARYLAND**

### **Notice of Hearing**

Notice is hereby given, pursuant to the provisions of the Civil Rights Act of 1957, 71 Stat. 634, as amended, that a public hearing of the U.S. Commission on Civil Rights will commence on August 17, 1970, and that an executive session, if appropriate, will be convened on August 17, 1970, to be held at the Social Security Auditorium, Social Security Administration Headquarters, 6401 Security Boulevard, Baltimore, Md. 21235. The purpose of the hearing is to collect information concerning legal developments constituting a denial of equal protection of the laws under the Constitution because of race, color, religion, or national origin which affect the housing opportunities, or employment opportunities, or economic security of persons residing in Baltimore County and in the State of Maryland; to appraise the laws and policies of the Federal Government with respect to denials of equal protection of the laws under the Constitution because of race, color, religion, or national origin as these affect the housing opportunities, or employment opportunities or economic security of persons in the above areas, and to disseminate information with respect to denials of equal protection of the laws because of race, color, religion, or national origin in the fields of housing, employment, and related areas.

Dated at Washington, D.C., July 14, 1970.

**THEODORE M. HESBURGH,**  
*Chairman.*

[F.R. Doc. 70-8976; Filed, July 14, 1970;  
8:46 a.m.]

*Exhibit No. 2*



MARVIN MANDEL  
GOVERNOR

STATE OF MARYLAND  
EXECUTIVE DEPARTMENT  
ANNAPOLIS, MARYLAND 21404

August 10, 1970

Mr. Theodore M. Hesburgh  
Chairman, United States  
Commission on Civil Rights  
Washington, D. C. 20425

Dear Mr. Hesburgh:

Thank you very much for inviting me to address the United States Commission on Civil Rights at the Commission's planned public hearing on August 17 - 19, 1970, in Baltimore County, Maryland.

I regret that my schedule will not permit me to address the Commission at the hearing. However, if I can be of any other assistance to the Commission, please do not hesitate to contact my office.

Sincerely,

A handwritten signature in cursive script that reads "Marvin Mandel".

Governor

*Exhibit No. 3*

UNITED STATES COMMISSION ON CIVIL RIGHTS

STAFF REPORT

DEMOGRAPHIC, ECONOMIC, SOCIAL, AND POLITICAL CHARACTERISTICS OF

BALTIMORE CITY AND BALTIMORE COUNTY

## TABLE OF CONTENTS

	Page
POPULATION .....	496
Baltimore SMSA .....	496
Baltimore City .....	497
Baltimore County .....	498
INCOME LEVELS.....	499
EMPLOYMENT .....	501
The Labor Market.....	501
Movement of Industry .....	503
Unemployment .....	506
Job Growth .....	507
GOVERNMENT ORGANIZATION .....	508
Baltimore City .....	508
Baltimore County .....	508
EDUCATION .....	510
Baltimore City .....	510
Baltimore County .....	512
HOUSING .....	513
Housing Activity .....	513
Nonwhite Housing .....	514
Baltimore County .....	516
WELFARE .....	517
APPENDIX A	
Index to Tables.....	519
Tables I-XII .....	520
APPENDIX B	
Table of Contents.....	532
Political and Economic Comparison of Baltimore City and Baltimore County	

INTRODUCTION

Baltimore, the largest city in Maryland, was the sixth most populous city in the United States in 1960, and part of the twelfth most populous Standard Metropolitan Statistical Area (SMSA).<sup>1/</sup> The city is located on the Patapsco River estuary, an arm of Chesapeake Bay, and is 40 miles northeast of Washington, D.C. It encompasses 79 square miles of land and 13 square miles of water.

Baltimore County extends from Chesapeake Bay to the Pennsylvania State line. Portions of the original territory included part of the city, the neighboring counties, and even some of the State of Pennsylvania before the Mason-Dixon dispute was settled. Today, the county has 173 miles of Chesapeake Bay tidal water frontage in its 608 square miles. Known as the "Golden Horse Shoe," the county virtually surrounds the city of Baltimore. Since 1851, Towson has been the county seat.

---

<sup>1/</sup> "The Standard Metropolitan Statistical Area is a concept devised by the Census Bureau to consider as a unit the area in and around a central city whose activities form an integrated social and economic system. An SMSA consists of two parts; a central city or pair of cities with 50,000 or more persons, and the surrounding suburban ring. The suburban ring includes the remainder of the county containing the central city or cities plus contiguous counties that are metropolitan in character and socially and economically integrated with the central city." Department of Planning, City of Baltimore, Population and Housing: Information From the 1960 U.S. Census of Population and Housing as Related to Baltimore City (hereinafter cited as Population and Housing) 1 (March 1964).

The county contains approximately 2,000 farms, placing it near the top among Maryland's 23 counties in value of agricultural products; yet the county contains more than a dozen distinct towns or urban areas, ranging in population from 15,000 to 80,000.

#### POPULATION

The Baltimore Standard Metropolitan Statistical Area (SMSA) is comprised of Anne Arundel, Baltimore, Carroll, Howard, and Harford Counties, <sup>2/</sup> as well as Baltimore City. <sup>3/</sup> The population growth rate for the area, averaging 2 to 3 percent per year, is about average for major American SMSA's. <sup>4/</sup>

Baltimore SMSA. In 1950 the Baltimore SMSA had a total population of 1,405,399, with a black population of 272,600 -- approximately 19.3 percent of the total. By 1960 the SMSA had grown to 1,727,023, and the black population had grown to 382,823, approximately 22 percent of the SMSA total. <sup>5/</sup>

<sup>2/</sup> Harford County was officially included in the SMSA in 1967 by the U.S. Bureau of the Census. Business Research Department, Chamber of Commerce of Metropolitan Baltimore, Annual Statistical Review Metropolitan Baltimore Marketing Area, (1969).

<sup>3/</sup> 1970 preliminary population figures from the Bureau of Census show that Anne Arundel County has 291,165 residents; Baltimore County 615,654; Carroll 68,329; Howard 61,181; and Harford 113,404. Exact Census figures for Baltimore City have not yet been completed. Telephone interview with Mrs. Nelly Fay Harris, U.S. Bureau of the Census, July 24, 1970.

<sup>4/</sup> G. W. Grier, N. M. Robinson, Social Impact Analysis of the Baltimore Freeway System, (hereinafter cited as Social Impact Study) 11 (1968).

<sup>5/</sup> Population and Housing, supra note 1, at 48.

In 1965 the Baltimore SMSA had a population of 1,949,000 -- a 33.8 percent increase over 15 years. There were 435,000 black residents, approximately 21.5 percent of the total. 84.5 percent of the black population, however, was concentrated in Baltimore City.<sup>6/</sup>

Baltimore City. The city of Baltimore lost population between 1950 and 1960, falling from 949,708 to 939,024. Previous decades showed a growth rate ranging from 6.7 percent to over 25 percent; the 1950 to 1960 loss was the first since the city's founding. This population decline was marked by a dramatic rise in the city's black population and by the fact that the city was beginning to run out of vacant land.<sup>7/</sup> In 1950 the city's black population numbered 226,053, about 24 percent of the city's total population.<sup>8/</sup>

According to the Baltimore City Health Department estimate, the city's overall population loss has accelerated since 1960. In 1965 the total had dropped to 917,752, or 21,000 less than in 1960. By 1967 the number had dropped still further to 909,900. On the other hand, the city's black population increased from 328,416 in 1960 to 369,000 in 1965.<sup>9/</sup>

---

<sup>6/</sup> Business Research Department, Chamber of Commerce of Metropolitan Baltimore, Market Transition of Metropolitan Baltimore, 1, 5 (1966).

<sup>7/</sup> Social Impact Study, supra note 4, at 11.

<sup>8/</sup> Population and Housing, supra note 1, at 48.

<sup>9/</sup> Social Impact Study, supra note 4, at 24.

It has been projected, on the basis of this trend, that the city's population will drop below 900,000 in 1970 -- the lowest since 1940 -- and that the city's black population will reach 410,000 during 1970. Shortly after 1970 the black population will be in the majority. <sup>10/</sup> (See table I)

Within the city of Baltimore, patterns of residential racial segregation have long prevailed. In 1960 only 17 percent of the city's census tracts could be classified as having an integrated population. By 1968 only 13 percent -- 23 tracts out of 168 -- could be considered integrated. The remaining 145 tracts were substantially either all-white or all-black. <sup>11/</sup>

Baltimore County. In 1950 Baltimore County had a total population of 270,273, of whom 18,026 or about 6 percent were black. By 1960 the black population had decreased to 17,535, constituting only 3.3 percent of a county population of 492,418. <sup>12/</sup>

---

<sup>10/</sup> Id.

<sup>11/</sup> Staff Research Report #69-2, Baltimore Department of Planning, Baltimore City 1968 Population Estimate: White and Non-white by Census Tract, 12 (1970).

<sup>12/</sup> S. Gordon, Health Services and Needs, Baltimore County, Maryland, at 2 Table 1, (1968).

On August 12, 1970 the U.S. Census Bureau reported that for Baltimore City the preliminary population figure as of April 1970 was: 893,908.

By 1964 the county's total population had grown to 541,610, while the black population declined to 16,580, or approximately <sup>13/</sup> 3 percent of the total. (See Table II)

As of April 1970, according to the United States Census Bureau preliminary count, the county's total population was 615,654. <sup>14/</sup>

The county has seven times the land area of Baltimore City. Based on 1970 United States Census preliminary figures, there are 1,000 residents per square mile in Baltimore County compared to 11,500 persons per square mile in the city.

#### INCOME LEVELS

There are wide racial differentials in family median income in the Baltimore area. In 1959, for example, the median income for white families in Baltimore City was \$6337; for black families \$4123. 12.9 percent of the white families and 31.8 percent of black families earned less than \$3,000. <sup>15/</sup> (See Table III)

There was an even greater gap in median incomes among families in Baltimore County. In 1959 white families had a median income of \$7155 while black families had \$4625. <sup>16/</sup> (See Table IV)

---

13/ Id.

14/ 1970 preliminary population figures from the Bureau of the Census show that Baltimore County ranks third in population in Maryland. Prince George County is second with 657,710; Baltimore City is ranked first. (Exact census figures for the city are not yet available). Telephone interview, supra note 3.

15/ 1960 census, Department of Commerce, Vol. I, Characteristics of Population, Part 22, Maryland, (hereinafter cited as Characteristics of Population) Table 139.

16/ Id. at Tables 86 and 88.

In 1959 in Baltimore City 18.6 percent of families were earning less than \$3000 per year, while in Baltimore County only <sup>17/</sup> 7.1 percent of all families were earning less than that amount.

Comparing income levels by geographic area within the Baltimore area also indicates substantial differences between white and black families. A 1968 report of the Chamber of Commerce of Metropolitan Baltimore states that in 1967 for the predominantly black neighborhoods in the city of Baltimore of Mt. Royal, the Central Business District, and West Baltimore, the median family income was \$6,300, \$5,200, and \$5,100 respectively. In 1967 in Baltimore County, on the other hand, in the predominantly white neighborhoods of Towson and Pikesville, the median family incomes were \$12,000 and \$10,500 <sup>18/</sup> respectively.

17/ U.S. Bureau of the Census, County and City Data Book, (A Statistical Abstract Supplement), Items 18-33, (1962). For the SMSA in 1959 the median income level for white males in all occupations was \$5,234; for black men \$3,330. Among white-collar male workers, the median income was \$7,118, compared with \$3,713 for black male white-collar workers. Among all male blue-collar workers, the median income was \$5,273; black blue-collar workers earned \$3,705. Characteristics of Population, supra note 15, at Table 130.

18/ The Chamber of Commerce of Metropolitan Baltimore, Metropolitan Baltimore Growth Patterns 1963-1967, 4, 5 (1968).

EMPLOYMENT

The Labor Market. There are a number of large manufacturing firms in the Baltimore SMSA. The largest is Bethlehem Steel Corporation which, at the end of 1967, employed about 34,000 persons, principally at the Sparrows Point steel plant. The largest nonmanufacturing employer is the Social Security Administration, with headquarters in Baltimore County. Several other Federal agencies maintain branches and regional centers in the SMSA. Federal employment (including military-connected) averaged 50,300 during 1967-68. <sup>19/</sup>

---

<sup>19/</sup> Other principal employers include the Westinghouse Electric Corporation, which employed over 16,000 persons at six divisions in the SMSA at the end of 1967; the Western Electric Company, which employed a total of about 8,350 persons; and the Bendix Corporation, with about 6,000 employees at the end of 1967. Other important manufacturing employers include the Martin Marietta Company (4,000 persons); the Black & Decker Manufacturing Company (2,000 persons); the Bata Shoe Company (2,000 persons); and General Motors Corporation (2,000 persons). Department of Housing and Urban Development, Federal Housing Administration, Analysis of the Housing Market, Baltimore Maryland 4-5 (1968).

The 1960 census reported that there were 643,482 employed persons in the Baltimore SMSA. 128,711, or about 20 percent, were black persons.

TABLE A  
Employment by Sex and Color in  
All Industries - Baltimore SMSA, 1960

<u>White Employees</u>	514,771 (80%)
Male	348,959
Female	165,812
<u>Black Employees</u>	128,711 (20%)
Male	77,734
Female	50,977
<u>Total Employees</u>	643,482 (100%)

Source: 1960 census, Department of Commerce, Vol. I, Characteristics of Population, Part 22, Maryland, Table 129.

The 1960 census also reported that three times as many black men worked in blue-collar jobs as in white-collar jobs; among these black workers, the majority, or 54.2 percent, were laborers. (See Table V). The construction industry had the largest number of employees in the SMSA (36,552). Only 19.5 percent of the workers employed in this industry were black. Black workers had better representation in the primary iron and steel industry, comprising approximately 29 percent. (See Table VI)

In Baltimore City there are also substantial racial differences in the occupational structure. In 1960 black persons constituted 29 percent of all male workers, but only 11 percent of all male professionals and 17 percent of all male craftsmen and foremen. On the other hand, black persons accounted for 66 percent of male laborers.<sup>20/</sup> Moreover, the city is experiencing a shift from predominantly blue-collar employment to predominantly white-collar. Commercial and industrial developments, originally centered around the harbor, have moved to the northwest, west, and southwest. New developments have begun appearing along U.S. 40 toward New York and along the Washington-Baltimore Parkway.<sup>21/</sup>

Movement of Industry. Between 1955 and 1965, 619 manufacturing firms, 23 percent of the 1965 total of all manufacturing firms, moved from one site to another within the SMSA; in 1965 these firms accounted for 24,502 employees, or over 10 percent of all manufacturing employees.<sup>22/</sup>

Eighty-two industries left Baltimore City for the surrounding counties; 65 went to Baltimore County. These 65 firms employed 4,476 persons. Only six firms moved from the county to the city; these firms employed 248 persons.<sup>23/</sup> (See Table VII).

<sup>20/</sup> Social Impact Study, *supra* note 4, at 41.

<sup>21/</sup> 1 Real Estate Research Corporation, Abbreviated Economic Overview, Baltimore, Maryland (hereinafter cited as Economic Overview), 48 (1968).

<sup>22/</sup> Regional Planning Council (Baltimore, Maryland), Patterns of Change in Manufacturing Industry, Baltimore Region, 1955-1965, 17-19 (1968).

<sup>23/</sup> Id.

TABLE B  
Manufacturing Firm Moves Within the Baltimore SMSA,  
1955-1965

<u>Origins</u>							
FROM	TO-----	Balt. City	Anne Arundel	Balt. County	Carroll County	Harford County	Howard County
BALTIMORE CITY			11	65	2	1	3
ANNE ARUNDEL		1		0	0	0	1
BALTIMORE COUNTY		6	0		0	0	1
CARROLL COUNTY		3	0	1		0	0
HARFORD COUNTY		0	0	0	0		0
HOWARD COUNTY		1	0	0	0	0	

Source: Regional Planning Council (Baltimore, Maryland),  
Patterns of Change in Manufacturing Industry,  
Baltimore Region, 1955-1965, 19 (1968).

In addition, between 1955 and 1965, there was a substantial incidence of industrial movement into and from the region. Taking into consideration these moves, and also manufacturing firm births and deaths, Baltimore City suffered a net loss of 338 manufacturing firms. Baltimore County, on the other hand, showed the highest net gain in the SMSA, 125 firms.

TABLE C  
Manufacturing Firm Moves From and Into the Baltimore SMSA;  
Births and Deaths of SMSA Manufacturing Firms;  
1955-1965

	Baltimore Region	Baltimore City	Anne Arundel County	Baltimore County	Carroll County	Harford County	Howard County
Total Number of Firms 1955	2777	2249	99	242	100	65	22
+Births	817	476	83	154	48	34	22
-(Deaths)	(949)	(743)	(41)	(88)	(41)	(25)	(11)
+Moves To	619	502	16	87	4	4	6
-(Moves From)	(619)	(573)	(7)	(28)	(6)	(3)	(2)
Total Number of Firms 1965	2,645	1,911	150	367	105	75	37
Net Gain or (Loss)	(132)	(338)	51	125	5	10	15

Source: Regional Planning Council (Baltimore, Maryland),  
Patterns of Change in Manufacturing Industry,  
Baltimore Region, 1955-1965, 21 (1968).

Unemployment. In 1960 the United States Census reported that the Baltimore SMSA had an unemployment rate of 5.3 percent. The unemployment rate among black persons was reported to be 9.8 percent. For Baltimore City, the overall unemployment rate in 1960 was 6.7 percent, while the unemployment rate among black persons stood at 10.1 percent.<sup>24/</sup> The overall unemployment rate in Baltimore County in 1960 was 3.4 percent;<sup>25/</sup> for black persons it was 7.2 percent.<sup>26/</sup>

In 1968 the Department of Health, Education, and Welfare estimated that for Baltimore City the overall employment rate was 5.7 percent. For black workers the rate was 9.1 percent.<sup>27/</sup> In addition, there is some indication from more recent data that the unemployment rate in selected inner-city neighborhoods of Baltimore is on the increase.<sup>28/</sup>

<sup>24/</sup> Characteristics of Population, supra note 15, at Table 115.

<sup>25/</sup> Id.

<sup>26/</sup> Id. at Table 87.

<sup>27/</sup> Office of Programs for the Disadvantaged, U.S. Office of Education, Department of Health, Education, and Welfare, Profiles of Fifty Major American Cities, 15 (1968).

<sup>28/</sup> A 1968 survey of the Maryland State Department of Employment Security in Baltimore found unemployment rates ranging from 5 percent to 27 percent in census tracts in the area of Mt. Royal-Fremont, Harlem Park, Bolton/Seton Hill, Steward Hill, and South Gay Street. Social Impact Study, supra note 4, at 44.

The Baltimore SMSA is currently classified as a "moderate unemployment"<sup>29/</sup> area by the United States Department of Labor. In February 1970 the unemployment rate was 3.5 percent.<sup>30/</sup> As of April 1970 the rate had risen to 3.8 percent.<sup>31/</sup>

Job Growth. As black persons face serious unemployment problems in Baltimore City, employment opportunities in the counties surrounding the city expand at a rapid rate. The Real Estate Research Corporation has estimated that since 1960 new jobs for the SMSA have been added at the rate of approximately 18,600 per year. About two-thirds of this job growth takes place in the counties surrounding Baltimore City. This predominance is due both to the opening of new industrial and commercial establishments in the suburbs and to the outmigration of industries.<sup>32/</sup>

Between 1948 and 1968 the total number of jobs in Baltimore City increased by 11 percent. By contrast, for those same years the surrounding counties showed an increase of 245 percent.<sup>33/</sup>

<sup>29/</sup> "Moderate unemployment" is defined as an employment rate between 3.0 and 5.9 percent. U.S. Department of Labor, Area Trends in Employment and Unemployment, 9 (April 1970).

<sup>30/</sup> Id. at 26.

<sup>31/</sup> Id. (June 1970) at 24.

<sup>32/</sup> Economic Overview, supra note 21, at 51.

<sup>33/</sup> See Table VIII.

GOVERNMENT ORGANIZATION

Baltimore City. The city of Baltimore is an independent city, separate and distinct from Baltimore County. The government of the city operates under a mayor-council form; the city council contains 19 members, including the president of the council.

The president of the council is the presiding officer of both the city council and the board of estimates. He appoints the chairmen of all committees, and acts as mayor in the latter's absence.

Eighteen members of the city council are elected from six councilmanic districts -- three from each district; the president of the council is elected at-large. The members of the council enact, repeal, and amend local public laws; they adopt the budget and confirm the various appointments of the mayor.

The Mayor of Baltimore is elected at large and has a 4-year term which runs concurrently with that of the members of the council and the council president. As executive officer, he has general supervisory authority over all city officers and agencies.<sup>34/</sup> (See Appendix B).

Baltimore County. In 1956 the citizens of Baltimore County elected to adopt a Home Rule Charter, which went into effect in January, 1957. The effect of the charter was to place control over all major phases of local government in the hands of the voters of Baltimore County. As a result, the county is governed by an elected executive and a seven-member council. The seven members of the county council are elected at large for 4-year terms in gubernatorial election years.

---

<sup>34/</sup> See generally J.E. Spencer, Contemporary Local Government in Maryland 68(1965).

The council enacts, repeals, and amends local public laws; reviews the county executive's budget (which it may decrease but not increase); adopts the budget and establishes tax rates; and adopts land use and zoning maps. The council also confirms the various appointments of the county executive.

The county executive is elected for a 4-year term and is required to devote full-time to the office. He appoints the county administrative officer, with confirmation of the county council, for a 4-year term. The administrative officer also must devote full-time to his office and performs duties delegated by the county executive. Baltimore County has no incorporated governmental subdivisions (towns, cities, etc.) within its boundaries.<sup>35/</sup> (See Appendix B).

In August 1969 the Baltimore County League for Human Rights conducted a study of employment by the Baltimore County government. The League reported that the county employed a total of 15,297 employees. Of these employees, only 1,107 were black persons -- approximately 7.2 percent. Over half of the black employees worked for the board of education as nonprofessional custodians, cooks, and drivers.<sup>36/</sup>

---

<sup>35/</sup> Baltimore County League of Women Voters, Know Your Baltimore County, 10 (1969).

<sup>36/</sup> Baltimore County League of Human Rights, Study on Employment, Baltimore County (1969).

The League gathered employment data by race for each of the 17 county agencies. Six of those agencies employed no black persons. Other agencies employed only a few. For example, the police department employed 1,035, only eight of whom were black; the fire department employed 655, only two of whom were black; the office of central services employed 125 persons, only nine of whom were black.<sup>37/</sup> (See Table IX)

#### EDUCATION

Baltimore City. Under Maryland law, the 23 counties and the city of Baltimore comprise the school districts of the State. The Governor appoints the members of the county school boards, who, in turn, select and control the county superintendents.<sup>38/</sup> The county school systems operate under the centralized management of the State board of education.

The Baltimore City School District is different from all other districts in Maryland. As prescribed in the city's charter, the mayor appoints the school board and the local program superintendent. Consequently, the city, and not the State, controls the city's schools.<sup>39/</sup>

---

<sup>37/</sup> Id.

<sup>38/</sup> Montgomery County is an exception. Members of the school board are elected rather than appointed and serve for 4 years rather than the normal 6 year terms. Supra note 34, at 65.

<sup>39/</sup> Charter, City of Baltimore, Article VII Section 58.

In 1960, there were 170,222 pupils attending 121 public elementary, secondary, and vocational schools in Baltimore City. Over half (87,634) of the students enrolled were black.<sup>40/</sup> Seventy-seven, or 42 percent, of the schools had from 90 percent to 100 percent black enrollment. Sixty-one of the schools, or 33 percent, had a student population 90 percent to 100 percent white.<sup>41/</sup>

By 1966, 11,732 whites had left the Baltimore City Public School System, while 33,822 black students entered the system. Total enrollment rose to 192,312, of whom 121,456, or 63.1 percent were black students.<sup>42/</sup>

By 1969, another 12,000 white students had left the city's public school system and another 16,000 black students had entered the system. The total enrollment rose to 193,081, of whom 127,772, or 66 percent, were black. At the present time, the city maintains 161 elementary schools, 14 senior high schools, and 38 junior high schools. (See Table X )<sup>43/</sup>

40/ Southern Education Reporting Service, Statistical Summary of School Segregation-Desegregation in the Southern and Border States, 22 (1961).

41/ Baltimore City Public Schools, Division of Research and Development, Annual Report of Pupil Desegregation, at Table A (1969).

42/ Southern Education Reporting Service, Statistical Summary of School Segregation-Desegregation in the Southern and Border States, 18 (1967).

43/ Annual Report of Pupil Desegregation, supra note 41.

Baltimore County. The Baltimore County Board of Education has nine members who are appointed by the Governor, one member from each councilmanic district and two appointed at large. The members serve staggered 6 year terms.

In 1964 there were 101,984 students enrolled in the county's elementary and secondary schools. 4,182 of these students, or 4.1 percent, were black. Of the 4,182 black pupils, 2,105, or 50.3 percent, were in schools 90 to 100 percent black. <sup>44/</sup>

By 1969, the white student enrollment had increased by more than 21,000. The black student enrollment had increased by 65. The total school enrollment then was 123,312 of which, 4,247, or 3.4 percent -- a decline from 4.1 percent in 1964 -- were black. <sup>45/</sup>

In 1960 the median educational attainment of persons 25 years old and over was higher in Baltimore County than in the city of Baltimore. Black persons had a lower median educational attainment in both the city and the county.

TABLE D  
Median Years of Educational Attainment

	<u>TOTAL POPULATION</u>	<u>BLACK POPULATION</u>
Baltimore City	8.9 years	8.3 years
Baltimore County	10.9 years	8.4 years

Source: U.S. Bureau of the Census, U.S. Census of Population, 1960 Vol. I. Characteristics of the Population, Tables 34 and 87.

<sup>44/</sup> Human Relations Commission of Baltimore County, Report on Education Part I, 1 (1965).

<sup>45/</sup> Education Committee, League for Human Rights, Summary of Baltimore County School System Racial Distribution, (1969). For more detailed information on Baltimore City and County schools, see Appendix B.

HOUSING

Housing Activity. The total housing inventory in the Baltimore SMSA grew from 542,029 housing units in 1960 to 624,300 in May 1968, an increase of 82,271 units. More than 98 percent of this increase occurred in the suburban areas of the SMSA.<sup>46/</sup> The total housing inventory in the city of Baltimore during the same period showed only a slight increase, growing from 290,155 units in 1960 to 292,500 in 1968 -- an increase of 2,345 units. The housing inventory in Baltimore County, however, showed a substantial increase growing from 142,949 units in 1960 to 183,500 in 1968, an increase of 40,551 during the period.<sup>47/</sup> (See Table XI)

During the period May 1966 to May 1968, there were approximately 7,300 housing units lost in the Baltimore SMSA through demolition or by conversion to nonresidential uses. A housing market analysis of the Federal Housing Administration reported:

About 5,500 of these units were located in Baltimore. Many of the losses resulted from urban renewal activities, clearance for highway rights-of-way, and housing code enforcement but a considerable number of units have been removed as a result of private activities and as a result of natural causes (fires, etc.).<sup>48/</sup>

---

<sup>46/</sup> Analysis of the Housing Market, supra note 19, at Table VII.

<sup>47/</sup> Id.

<sup>48/</sup> Id. at 13.

The analysis projected that during the period May 1968 to May 1970 there would be at least as many units lost as during the 1966-68 period.<sup>49/</sup>

There has been virtually no construction of new single family units in the city of Baltimore. In 1967, only 47 building permits were issued for the construction of single family structures. In contrast, in Baltimore County 2,675 building permits were issued.<sup>50/</sup>

About one-half of all housing for sale in the Baltimore SMSA in the early 1960's was in Baltimore County.<sup>51/</sup>

Nonwhite Housing. According to recent estimates, there were 116,800 black households in the Baltimore SMSA in May 1970.<sup>52/</sup> Approximately two-thirds of these families are renter-occupants and virtually none lives in new housing.<sup>53/</sup> The Department of Housing and Urban Development (HUD) does not anticipate that this pattern will be broken by a substantial number of black persons obtaining new (nonused) housing:

It is expected that most of the demand for housing from among nonwhite households will continue to be satisfied through transfers of the housing inventory from white to nonwhite occupancy. Virtually all of the demand for single-family units will be satisfied through such transfers.<sup>54/</sup>

---

<sup>49/</sup> Id.

<sup>50/</sup> Id. at Table IX.

<sup>51/</sup> Id. at 27.

<sup>52/</sup> Id. at 39.

<sup>53/</sup> Id.

<sup>54/</sup> Id. at 40.

TABLE E  
Estimated Quality of Housing Supply, Baltimore City

	<u>1965</u>	<u>1970</u>
<u>Total Families Living in Housing Units Which Are:</u>	<u>(TOTALS:)</u> 277,000 (100%)	<u>280,000(100%)</u>
1. Above minimal code standards	155,000 (55.9%)	150,000(53.5%)
2. Deficient	60,000 (21.6%)	60,000(21.4%)
3. Deteriorating	59,000 (21.2%)	67,000(23.9%)
4. Dilapidated	3,000 (1%)	3,000(1%)

Source: Planning Division, Department of Housing and Community Development, Baltimore, Maryland, Housing Goals and Prospective Changes in Baltimore City, 1970-75, Table II (1970).

The Department of Housing and Community Development (HCD) administers the city's public housing program. As of January 1970, there were 10,280 public housing units in 18 projects in Baltimore City. These units were occupied by 39,200 people -- 4 percent of the population of the city. Sixty-four percent of the residents were minors and 21 percent were elderly. Approximately 55 percent of the residents were welfare recipients.<sup>55/</sup>

HCD estimates that it currently costs in excess of \$10,000 to purchase a housing unit of standard quality; that the rental on such a unit would be between \$95 and \$138, depending on size; and that such units are beyond the means of 30 percent of the families now living in the city.<sup>56/</sup>

<sup>55/</sup> League of Women Voters of Baltimore, Where Will Everyone Live, 5 (1970).

<sup>56/</sup> Planning Division, Department of Housing and Community Development, Baltimore, Maryland, Housing Goals and Prospective Inventory Changes Baltimore City, 1970-1975, 2 (1970).

Baltimore County. The total housing inventory for Baltimore County in 1960 was 142,949 units.<sup>57/</sup>

TABLE F  
Estimated Quality of Housing Supply 1960, Baltimore County

<u>Owner-occupied housing units</u>	104,987 (100%)
1. Sound, w/all facilities	99,917 (95.2%)
2. Total Deficient	5,070 ( 4.8%)
A. Deteriorating w/all facilities	2,358 ( 2.2%)
B. Total Substandard	2,712 ( 2.6%)
1. Sound, lacking facilities	1,267 ( 1.2%)
2. Deteriorating, lacking facilities	636 ( 0.6%)
3. Dilapidated	809 ( 0.8%)

Source: Morton Hoffman and Company, Changes in Characteristics of the Housing Supply in Five Market Areas, Baltimore County, 1960-1967, 7 (1968).

By May 1968, the total number of units had risen to 183,500.

The Real Estate Board of Greater Baltimore reports that the number of dwelling permits issued in the county between 1966 and 1969 far outweighs the number issued in Baltimore City.

57/ Analysis of the Housing Market, supra note 19, at Table VII.

TABLE G  
Summary of Dwelling Permits Issued

<u>Total Units</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>
Baltimore City	3,093	1,638	2,848	1,437
Baltimore County	7,289	6,627	4,433	6,298

Source: The Real Estate Board of Greater Baltimore, Real Estate and Building News, 12 (1970). (See also Table XII)

There are no public housing units in Baltimore County. The League of Women Voters of Baltimore County has reported that because of the absence of such housing, many low-income county residents are forced to move to Baltimore City; it estimates that from six to 10 county residents per week have applied for public housing in the city. The League further reports that between 1967 and 1968, 152 families were transferred from the county welfare department to the welfare department in Baltimore City and that 53 of these families <sup>58/</sup> were housed in the city's public housing.

WELFARE

In Baltimore City in fiscal 1968 the average monthly welfare case load was as follows: Old Age Assistance 4,225; Aid to Families with Dependent Children 18,972; and Assistance to the Permanently and Totally Disabled 7,670. <sup>59/</sup> It was reported that of approximately 44,000 public assistance recipients, only 151 were classified as employable

<sup>58/</sup> League of Women Voters of Baltimore County, Report of the Housing Workshop, 12 (1968).

<sup>59/</sup> League of Women Voters of Maryland, Public Welfare in Maryland, Part II, 1 (1969).

persons. <sup>60/</sup>

The total welfare expenditure for fiscal 1968 in Baltimore City was \$68,742,120, of which \$3,034,004 were city funds. <sup>61/</sup>

In Baltimore County for the month of June 1968, the welfare case load was as follows: Old Age Assistance 275; Aid to Families with Dependent Children 877; and Assistance to the Permanently and Totally Disabled 441. <sup>62/</sup> The total welfare expenditure for fiscal 1968 in Baltimore County was \$3,869,113, of which \$861,632 were county funds. <sup>63/</sup>

---

<sup>60/</sup> Id. at 5.

<sup>61/</sup> Maryland State Department of Public Welfare, Annual Report 1968, as reported in Public Welfare in Maryland, Part II, supra note 59, at 66.

<sup>62/</sup> Public Welfare in Maryland, Part II, supra note 59, at 13.

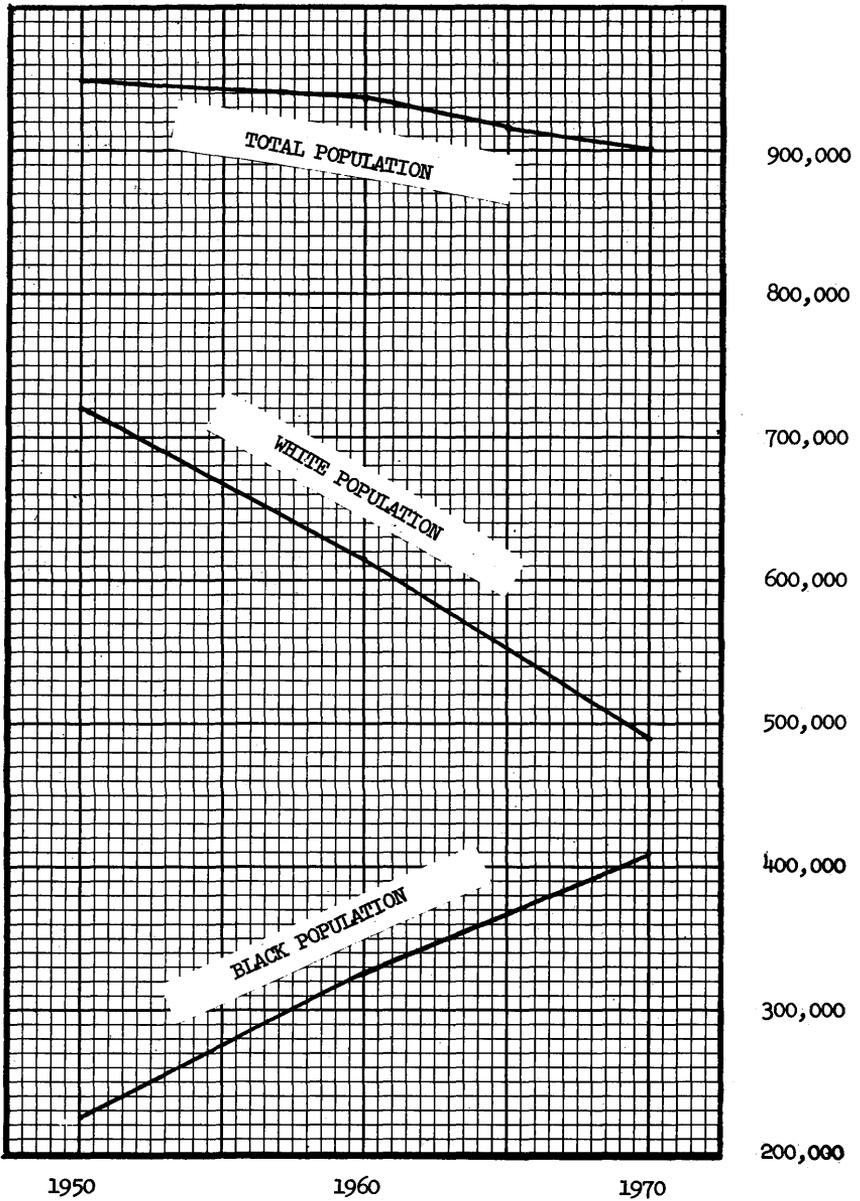
<sup>63/</sup> Annual Report 1968, supra note 61, at 66.

APPENDIX A

- TABLE I - Population Trends, By Race, Baltimore City, 1950 - 1970
- TABLE II - Population Trends, By Race, Baltimore County, 1950 - 1970
- TABLE III - Family Income by Race - Baltimore City, 1959
- TABLE IV - Family Income by Race - Baltimore County, 1959
- TABLE V - Occupations by Sex and Color in All Industries - Baltimore SMSA
- TABLE VI - Employed Persons by Race - Baltimore SMSA, 1960
- TABLE VII - Employment Affected by Firm Moves, Within and Between Counties in the Baltimore SMSA 1955 - 1965
- TABLE VIII - Job Growth, Baltimore SMSA 1948 - 1968
- TABLE IX - Baltimore County Government Employees
- TABLE X - Racial Distribution in Baltimore City Schools - 1969
- TABLE XI - Trend of Household Tenure, Baltimore Maryland, SMSA
- TABLE XII - Private Housing Units Authorized by Building Permits by Type of Structure, Baltimore City, Baltimore County, Maryland 1964 - 1967

TABLE I

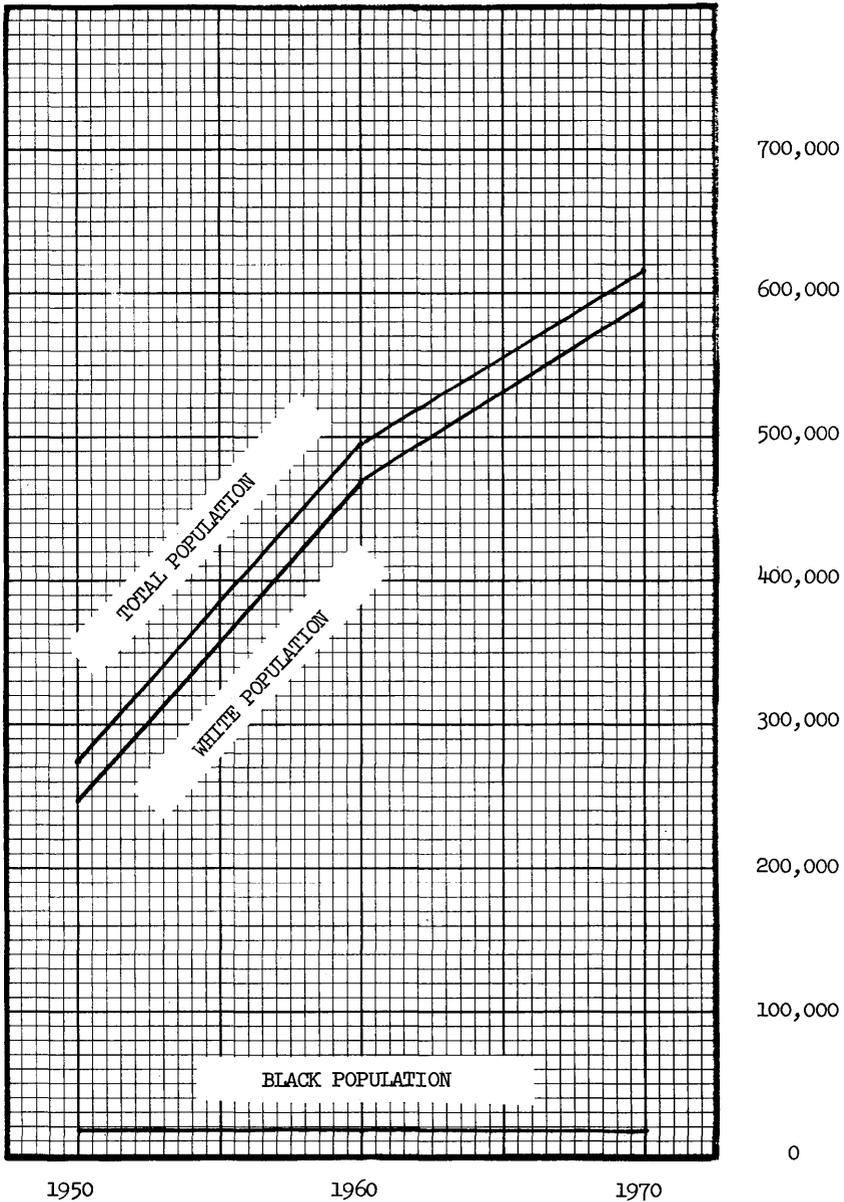
POPULATION TRENDS, BY RACE, BALTIMORE CITY, 1950 - 1970



SOURCE: U.S. Census of Population and Housing: 1950, 1960; 1970 preliminary U. S. Census figures, telephone interview, supra.note 3; Social Impact Study, supra note 4, at 24.

TABLE II

POPULATION TRENDS, BY RACE, BALTIMORE COUNTY, 1950 - 1970



SOURCE: U.S. Census of Population and Housing: 1950, 1960;  
 1970 preliminary U. S. Census figures, telephone interview,  
supra note 3.

TABLE III

## FAMILY INCOME BY RACE - BALTIMORE CITY, 1959

<u>INCOME LEVEL</u>		<u>WHITE</u>	<u>BLACK</u>	<u>TOTAL</u>
	Total	160,840	68,229	229,069
	Under \$1000	5,090	5,336	10,426
\$ 1,000 -	\$ 1,999	6,716	7,666	14,382
2,000	2,999	8,968	8,717	17,685
3,000	3,999	13,010	11,137	24,147
4,000	4,999	17,753	10,263	28,016
5,000	5,999	22,368	7,804	30,172
6,000	6,999	19,276	5,173	24,449
7,000	9,999	37,341	8,174	45,515
10,000	14,999	20,793	3,255	23,948
15,000 &	over	9,625	704	10,329
Median Income		6,337	4,123	5,659

SOURCE: 1960 Census, Department of Commerce, Vol. I, Characteristics of Population, Part 22, Maryland, Table 139

TABLE IV

## FAMILY INCOME BY RACE - BALTIMORE COUNTY, 1959

<u>INCOME LEVEL</u>		<u>WHITE</u>	<u>BLACK</u>	<u>TOTAL</u>
	Total	122,053	3,507	125,560
	Under \$1000	2,111	201	2,312
\$ 1,000 -	\$ 1,999	2,354	244	2,598
2,000	2,999	3,677	370	4,047
3,000	3,999	5,665	572	6,237
4,000	4,999	11,247	586	11,833
5,000	5,999	16,997	526	17,523
6,000	6,999	16,463	317	16,780
7,000	7,999	14,565	192	14,757
8,000	8,999	11,738	131	11,869
9,000	9,999	9,150	111	9,261
10,000	14,000	28,086	257	28,343
Median Income		7,155	4,625	7,098

SOURCE: 1960 Census, Department of Commerce, Vol. I, Characteristics of Population, Part 22, Maryland, Tables 86 and 88

TABLE V

## OCCUPATIONS BY SEX AND COLOR IN ALL INDUSTRIES - BALTIMORE SMSA

<u>OCCUPATION</u>	<u># of Males</u>	<u>% of Total</u>	<u># of Black Males</u>	<u>% of Total</u>	<u># of Females</u>	<u>% of Total</u>	<u>Black Females</u>	<u>% of Total</u>
White Collar	<u>156,660</u>	<u>36.7</u>	<u>11,262</u>	<u>7.2</u>	<u>115,105</u>	<u>53.1</u>	<u>10,687</u>	<u>9.2</u>
Officials, Managers and Proprietors	42,028	9.8	1,495	3.0	5,619	2.6	416	7.4
Professionals and Technicians	47,026	11.0	2,675	5.7	24,637	11.3	3,943	11.9
Clericals	38,939	9.1	5,545	14.2	67,419	31.1	5,177	7.6
Sales Workers	28,667	6.7	1,547	5.4	17,430	8.0	1,151	6.6
Blue Collar	<u>248,263</u>	<u>58.1</u>	<u>61,380</u>	<u>24.7</u>	<u>62,743</u>	<u>28.9</u>	<u>20,152</u>	<u>32.1</u>
Craftsmen & Foremen	96,086	22.5	6,839	9.2	2,698	1.2	317	11.7
Operatives	86,465	20.3	21,895	25.3	32,116	14.6	6,855	21.3
Laborers	36,247	8.5	19,656	54.2	1,061	.5	549	15.7
Service Workers	28,464	6.7	10,990	38.6	26,868	12.4	12,431	46.2
Apprentices	1,001	.1	Not Reported	Not Reported	Not Reported	Not Reported	Not Reported	Not Reported
Miscellaneous*	21,770	5.2	--	--	38,941	17.9	--	--

SOURCE: 1960 Census, Department of Commerce, Vol. 1, Characteristics of Population, Part 22, Maryland Table 124, after C. Chandler and Mainstream Associates, Employment Discrimination in the Metropolitan Baltimore Area, (1968)

TABLE VI

EMPLOYED PERSONS BY RACE - BALTIMORE SMSA, 1960

---

<u>Industry</u>	<u>Total</u>	<u>White</u>	<u>Black</u>	<u>Other Races</u>	<u>Percent Black</u>
Construction	36,552	29,361	7,147	44	19.5
Primary Iron and Steel Industry	33,492	23,757	9,705	30	29.0
Retail Trade	15,388	42,454	8,770	164	17.1
Medical Services	9,334	6,783	2,397	154	26.1
Communication	3,749	3,460	289	0	7.7
Insurance and Real Estate	10,773	9,445	1,324	4	12.3
Finance	4,603	4,382	208	13	4.5

---

SOURCE: 1960 Census, Department of Commerce, Vol. I, Characteristics of Population, Part 22, Maryland, Table 129, after C. Chandler and Mainstream Associates, Employment Discrimination in the Metropolitan Baltimore Area, (1968).

TABLE VII

EMPLOYMENT AFFECTED BY FIRM MOVES, WITHIN AND BETWEEN COUNTIES IN THE  
BALTIMORE SMSA 1955-1965

Origins	Destinations						Total
	TO ---- Balto. City	Anne Arundel	Balto. County	Carroll County	Harford County	Howard County	
FROM							
Baltimore City	15,380	1,484	4,476	361	70	217	21,988
Anne Arundel	14	138	0	0	0	3	155
Baltimore County	248	0	1,649	0	0	9	1,906
Carroll County	73	0	9	238	0	0	320
Harford County	25	0	0	0	94	0	94
Howard County	25	0	0	0	0	14	39
TOTAL	15,740	1,622	6,134	599	164	243	24,502

SOURCE: Patterns of Change in Manufacturing Industry, Baltimore, 1955-1965,  
supra note 22, at 19 (1968).

TABLE VIII

JOB GROWTH, BALTIMORE SMSA 1948 - 1968

---

	<u>Total Employees - 1948</u>	<u>Total Employees - 1968*</u>
<u>Baltimore City</u>	<u>337,639</u>	<u>376,950</u>
Baltimore County	55,606	157,200
Anne Arundel	6,915	56,478
Carroll	6,891	13,803
Harford	4,147	25,867
<u>Howard</u>	<u>2,362</u>	<u>8,836</u>
Suburban Ring**	75,921	262,184

---

Baltimore City Growth 1948 - 1968: 39,311

Suburban Ring Growth\*\* 1948 - 1968: 186,263

\*Includes Federal Civilian Employees

\*\*The Suburban Ring includes Baltimore County, Anne Arundel, Carroll, Harford and Howard Counties.

SOURCE: Telephone interview with Jerry L. McDonald, U. S. Department of Commerce, Bureau of the Census, Business Division, July 31, 1970. Calculations made by Commission staff.

TABLE IX

BALTIMORE COUNTY GOVERNMENT EMPLOYEES

<u>Agency</u>	<u>Total Employees</u>	<u>Total Black</u>	<u>Managerial</u>		<u>Supervisory</u>		<u>Clerical or Labor</u>		<u>Maintenance</u>	
			<u>Black</u>	<u>White</u>	<u>Black</u>	<u>White</u>	<u>Black</u>	<u>White</u>	<u>Black</u>	<u>White</u>
Police Department	1035	8	0		3	284	0		1	
Fire Department	655	2	0	5	0	81	2	557	0	10
Department of Public Works	1096	58	0	12	1	165	56	661	1	200
Department of Permits & Licenses	147	1	0	3	0	28	1	115	0	0
Department of Traffic Engineering	47	0	0	2	0	13	0	3	0	22
Department of Recreation & Parks	1692	143	0	4	1	48	1	41	1	114
Department of Health	292	16	3	44	3	110	1	60	0	0
Office of Law	4	0	0	0	0	1	0	3	0	0
Office of Finance	100	0	0	6	0	10	0	84	0	0
Office of Personnel	15	0	0	1	0	3	0	11	0	0
Office of Budget	9	0	0	2	0	0	0	1	0	0
Office of Central Services	125	9	0	4	0	8	2	56	7	48
Office of Planning & Zoning	71	1	0	10	0	17	1	32	0	0
	<u>*5288</u>	<u>*238</u>	<u>3</u>	<u>93</u>	<u>8</u>	<u>768</u>	<u>64</u>	<u>1624</u>	<u>10</u>	<u>394</u>

<u>Agency</u>	<u>Total Employees</u>	<u>Total Black</u>	<u>Managerial</u>		<u>Supervisors</u>		<u>Prof.</u>		<u>Para. White</u>	<u>Prof. Black</u>	<u>Cler. W B</u>	<u>Stu W I</u>
			<u>Black</u>	<u>White</u>	<u>White</u>	<u>Black</u>	<u>White</u>	<u>Black</u>				
Social Services	163	23	1	5	15	4	58	7	26	10	32	14
Board of Education	9600	835			20	0	6238	264	2791	571**		
Public Library	205	11			18	3	85	4	3	1#	99	3
County Jail	41	0	7	0	32	0					2	0
	<u>10,009</u>											

GRAND TOTAL 15,297

\*Includes part-time and seasonal employees

\*\* Nonprof. Custodians, Cooks, Drivers and etc.

#Deliverymen

SOURCE: Study on Employment, Baltimore County, supra note 36.



TABLE X

## Racial Distribution in Baltimore City Schools - 1969

Summary of Net Roll<sup>a</sup> by Race

Level		Racial Breakdown of Pupils in Schools Whose Net Rolls are 90% or more Nonwhite	Racial Breakdown of Pupils in Schools Whose Net Rolls are Racially Balanced	Racial Breakdown of Pupils in Schools Whose Net Rolls are 50% or more White	Racial Breakdown of Pupils in All Schools	
Elem.	Nonwhite	68,834	11,557	705	81,096	%
	White	469	11,644	25,540	37,653	
	Total	69,303	23,201	26,245	118,749	
Sec.-Voc.	Nonwhite	30,643	15,810	223	46,676	
	White	110	21,649	5,897	27,656	
	Total	30,753	37,459	6,120	74,332	
Total	Nonwhite	99,477	27,367	928	127,772	
	White	579	33,293	31,437	65,309	
	Total	100,056	60,660	32,365	193,081	

COMPARATIVE NUMBER OF SCHOOL COMBINATIONS<sup>b</sup> BY RACIAL COMPOSITION OF PUPILS

Race		1960	1961	1962	1963	1964	1965	1966	1967	1968	1969
Elem.	90% or more Nonwhite	63	66	70	72	78	80	84	88	87	89
	90% or more White	50	48	48	39	39	36	38	37	36	34
	Racially Balanced	30	32	31	39	38	39	37	34	35	37
	Total	143	146	149	150	155	155	159	159	158	160
Sec.-Voc.	90% or more Nonwhite	14	15	16	17	17	19	24	23	23	22
	90% or more White	11	8	8	5	4	5	3	3	2	2
	Racially Balanced	13	16	16	20	21	19	19	20	21	21
	Total	38	39	40	42	42	43	46	46	46	45
Total	90% or more Nonwhite	77	81	86	89	95	99	108	111	110	111
	90% or more White	61	56	56	44	43	41	41	40	38	36
	Racially Balanced	43	48	47	59	59	58	56	54	56	58
	Total	181	185	189	192	197	198	205	205	204	205

<sup>a</sup>Includes Kindergarten, Early Admissions. Excludes Home, Hospital, and Junior College.  
<sup>b</sup>Each school with its annex is counted only once.

SOURCE: Annual Report of Pupil Desegregation, supra note 41, at Table A.

TABLE XI

TREND OF HOUSEHOLD TENURE, BALTIMORE, MARYLAND, SMSA

APRIL 1, 1960 - MAY 1, 1968

<u>Occupancy and Tenure</u>	<u>Baltimore City</u>	<u>Baltimore County</u>	<u>Anne Arundel County</u>	<u>Carroll County</u>	<u>Harford County</u>	<u>Howard County</u>	<u>SMSA total</u>
* * * <u>April 1, 1960</u> * * *							
Total housing inventory	<u>290,155</u>	<u>142,949</u>	<u>61,278</u>	<u>15,002</u>	<u>22,489</u>	<u>10,156</u>	<u>542,029</u>
Total occupied units	<u>275,597</u>	<u>134,556</u>	<u>51,180</u>	<u>14,186</u>	<u>20,357</u>	<u>9,459</u>	<u>505,335</u>
Owner occupied	149,668	105,037	37,296	9,702	12,388	6,966	321,057
Percent of total occupied	54.3%	78.1%	72.9%	68.4%	60.9%	73.6%	63.5%
Renter occupied	125,929	29,519	13,884	4,484	7,969	2,493	184,278
Total vacant units	14,558	8,393	10,098	816	2,132	697	36,694
* * * <u>May 1, 1966</u> * * *							
Total housing inventory	<u>292,500</u>	<u>170,500</u>	<u>77,100</u>	<u>18,150</u>	<u>29,100</u>	<u>13,550</u>	<u>600,900</u>
Total occupied units	<u>276,500</u>	<u>162,000</u>	<u>66,200</u>	<u>17,200</u>	<u>26,800</u>	<u>12,700</u>	<u>561,400</u>
Owner occupied	151,800	123,900	48,450	12,450	17,600	10,000	364,200
Percent of total occupied	54.9%	76.5%	73.2%	72.4%	65.7%	78.7%	64.9%
Renter occupied	124,700	38,100	17,750	4,750	9,200	2,700	197,200
Total vacant units	16,000	8,500	10,900	950	2,300	850	39,500
* * * <u>May 1, 1968</u> * * *							
Total housing inventory	<u>292,500</u>	<u>183,500</u>	<u>82,150</u>	<u>19,250</u>	<u>31,900</u>	<u>15,000</u>	<u>624,300</u>
Total occupied units	<u>277,500</u>	<u>175,300</u>	<u>71,650</u>	<u>18,350</u>	<u>29,850</u>	<u>14,150</u>	<u>586,800</u>
Owner occupied	151,000	128,900	51,050	13,700	19,650	11,100	375,400
Percent of total occupied	54.4%	73.5%	71.2%	74.7%	65.8%	78.4%	64.0%
Renter occupied	126,500	46,400	20,600	4,650	10,200	3,050	211,400
Total vacant units	15,000	8,200	10,500	900	2,050	850	37,500

SOURCE: Analysis of the Housing Market, supra note 19, at Table VII.

TABLE XII

PRIVATE HOUSING UNITS AUTHORIZED BY BUILDING PERMITS  
 BY TYPE OF STRUCTURE, BALTIMORE CITY, BALTIMORE  
 COUNTY, MARYLAND, 1964-1967

AREA	ANNUAL TOTALS			
	1964	1965	1966	1967
Baltimore City	4,187	2,728	3,126	1,644
Single family	399	143	70	47
Multifamily	3,788	2,585	3,056	1,597
Baltimore County	6,544	7,557	7,566	6,459
Single family	3,315	3,511	2,665	2,675
Multifamily	3,229	4,046	4,901	3,784

SOURCE: Analysis of the Housing Market, supra note 19, at Table IX.

APPENDIX B

POLITICAL AND ECONOMIC COMPARISON OF  
BALTIMORE CITY AND BALTIMORE COUNTY

TABLE OF CONTENTS

POLITICAL ORGANIZATION OF BALTIMORE CITY AND BALTIMORE COUNTY . . . . .	535
Baltimore City . . . . .	535
Baltimore County . . . . .	535
Relative Political Strength . . . . .	536
COMPARATIVE POWERS OF BALTIMORE CITY AND BALTIMORE COUNTY . . . . .	536
Education . . . . .	536
Libraries . . . . .	537
Aviation . . . . .	537
Water and Sewerage . . . . .	538
Hospitals . . . . .	539
Other Programs . . . . .	539
AN ECONOMIC COMPARISON OF BALTIMORE CITY AND BALTIMORE COUNTY . . . . .	540
Revenues . . . . .	540
Tax Bases . . . . .	541
Types of Revenues . . . . .	542
Property Tax . . . . .	542
Sales Tax . . . . .	542
Income Tax . . . . .	542
Federal Aid . . . . .	543
State Aid . . . . .	544
Combined State-Federal Aid . . . . .	544
Other Revenue Sources . . . . .	545
Expenditures . . . . .	546

INTRODUCTION

Baltimore City and Baltimore County represent two distinctly different communities in terms of political organization, fiscal strength and responsibility, and historical development.

Baltimore City historically has had a unique position in the State of Maryland. For a long time it was virtually sovereign, building its own roads and hospitals, and developing its own educational system. Politically the city was the dominant force in the State and, as such, caused laws to be passed that were to its advantage. Today Baltimore City retains many of its historical powers and responsibilities. However, the city no longer is the dominant political force in the State and its economic position has worsened over the past several decades. Now, the powers and the responsibilities of the city are in many ways burdensome rather than beneficial.

Baltimore County, on the other hand, was traditionally a rural farm-oriented community. For many years the county depended on the State of Maryland to perform many of its governmental functions. The county now has become relatively affluent and its power position in the State has improved. The State, however, still performs many functions for the county which the city performs for itself.

Baltimore City is a highly developed and densely populated area. Baltimore County is an expanding community, with large undeveloped land areas. Where Baltimore County needs to concentrate on the continuing expansion of services for its residents (such as schools, water, and sewer), Baltimore City is faced with the need to allocate large sums of money to problems of overcrowding, poverty, and revitalization of its decayed areas.

POLITICAL ORGANIZATION OF BALTIMORE CITY AND COUNTYBaltimore City

The city of Baltimore is an independent city, separate and distinct from Baltimore County. The government of the city operates under a mayor-council form; the city council contains 19 members including the president of the council.

The president of the council is the presiding officer of both the city council and the board of estimate. He appoints the chairmen of all committees, and acts as Mayor in the latter's absence.

Eighteen members of the city council are elected from six councilmanic districts--three from each district; the president of the council is elected at-large. The members of the council enact, repeal, and amend local public laws; they adopt the budget and confirm the various appointments of the mayor.

The Mayor of Baltimore is elected at large in nongubernatorial elections years. His term runs concurrently with that of the members of the council and the council president. As executive officer, he has general supervisory authority over all city officials and agencies.

Baltimore County

In 1956, the citizens of Baltimore County elected to adopt a Home Rule Charter, which went into effect in January 1957. As a result, the county is governed by an elected executive and a seven-member council. The seven members of the county council are elected at large for 4-year terms in gubernatorial election years.

The council enacts, repeals, and amends local public laws, reviews the county executive's budget (which it may decrease but not increase);

adopts the budget and establishes tax rates; and adopts land use and zoning maps. It also confirms the various appointments of the County executive.

The county executive is elected for 4-year term in gubernatorial election years. He is required to devote full-time to the office. He appoints the county administrative officer, with confirmation of the county council, for a 4-year term. The administrative officer must devote his full-time to the office and must perform the duties delegated by the executive. Baltimore County has no incorporated governmental subdivisions (towns, cities, etc.) within its boundaries.

#### Relative Political Strength

In terms of political representation in the State, Baltimore City now has 43 delegates and 12 senators. Baltimore County has 22 delegates and seven senators. <sup>1a/</sup> This ratio may be changed substantially after reapportionment is carved out on the basis of the 1970 census.

#### COMPARATIVE POWERS OF BALTIMORE CITY AND BALTIMORE COUNTY

Baltimore City has powers and responsibilities not found in the county government.

#### Education

In Baltimore City, the board <sup>1b/</sup> of school commissioners is appointed by the mayor. The board appoints the superintendent of public instruction. State and Federal funds for education go directly to the city and are reflected in its budget.

---

1a/ The Maryland General Assembly, Your Voice in Annapolis (1970).

1b/ Charter of Baltimore City, Art. VII, §58.

In Baltimore County the board of education is appointed by the Governor<sup>2/</sup> and is a separate unit of the county government.<sup>3/</sup> State and Federal funds go directly to the county school board and are not reflected in the county's summary of "Operating Budgets."<sup>4/</sup>

### Libraries

In Baltimore City the Enoch Pratt Free Library is maintained and supported by the City.<sup>5/</sup> In the county, however, the Department of Libraries is administered under State law.<sup>6/</sup>

State and Federal funds for county libraries go directly to the board of library trustees<sup>7/</sup> and not reflected in the county's summary of "Operating Budgets".<sup>8/</sup>

### Aviation

The Baltimore City Charter authorizes a department of aviation.<sup>9/</sup> This department operates Friendship International Airport. The county has no analogous department, nor does it operate any airports.

<sup>2/</sup> Baltimore County Charter Art. V, §537.

<sup>3/</sup> Md. Code Ann. Art. 77, § 34 (Supp. 1969).

<sup>4/</sup> (1970-1971) Baltimore County, Maryland, Operating Budget, Exhibit C.

<sup>5/</sup> Charter of Baltimore City Art. II, §16.

<sup>6/</sup> Md. Code Ann. Art. 77, §§ 162-165 (Supp. 1969).

<sup>7/</sup> Id. §§ 171-172.

<sup>8/</sup> Supra, note 4, at. 9.

<sup>9/</sup> Charter of Baltimore City, Art. VII, §101.

Water and Sewerage

Baltimore City is also authorized to operate and maintain its own water district and sewerage system.<sup>10/</sup> The city's department of public works operates the system.<sup>11/</sup> Under the authority of "The Metropolitan District Act",<sup>12/</sup> the department of public works allows Baltimore County to utilize the city's water and sewer facilities. The county is charged for this service at a cost rate only.

In addition, Baltimore City exercises functions that the county has chosen not to exercise at all or to the same degree.

---

<sup>10/</sup> Charter of Baltimore City, Art. II, §31, 45.

<sup>11/</sup> Charter of Baltimore City, Art. VII, §35, 36.

<sup>12/</sup> Established by the Acts of the General Assembly of Maryland of 1924, Chapter 539.

Hospitals

In addition to a department of health Baltimore City operates its own department of hospitals.<sup>13/</sup> The county has no analogous department and all of its health programs come under the control of the county department of health, which is administered jointly by the county and the State.<sup>14/</sup>

Other Programs

Baltimore County has not participated in other programs in which the city has participated. For example, the county has no Model Cities Program, no urban renewal programs, and no public housing. Together, these programs account for a substantial expenditure in the city's budget.<sup>15/</sup>

---

<sup>13/</sup> Charter of Baltimore City, Art. VII §§ 47, 49.

<sup>14/</sup> Charter of Baltimore County, Art. V. §539; and Md. Code Ann. Art. 73 §§45-49 (Supp. 1969).

<sup>15/</sup> The expenditure for the 1970 Model Cities program was \$11,943,343; urban renewal and public housing, both of which are administered by the Department of Housing and Community Development, were scheduled to expend \$12,200,236 in fiscal 1970. 1970 City of Baltimore Budget in Brief, 89, 91.

AN ECONOMIC COMPARISON OF BALTIMORE CITY AND  
BALTIMORE COUNTY

In order to provide required services to its residents, both jurisdictions raise and spend millions of dollars each year.

Baltimore City, for example, had a fiscal 1970 budget of \$666,134,245;<sup>16/</sup> the county's 1970 budget was \$202,538,082.<sup>17/</sup>

Revenues

Local governments have a wide range of resources from which to finance their operations. The major local revenue source is the property tax.<sup>18/</sup> In addition, municipal governments can utilize a variety of Federal grant monies. However, a community's economic vitality does not depend on either Federal or State contributions, but upon the ratio between the wealth of its inhabitants and the services that the community requires.

---

<sup>16/</sup> Id. at 7.

<sup>17/</sup> This figure is taken from a "Summary of All Funds" as shown in the county's 1970 budget. This amount incorporates both county expenditures and that portion of State and Federal expenditures which goes to agencies with which the county has some budgetary relationship. It is not wholly comparable to the figure shown for the city in that there are State and Federal expenditures in Baltimore County which, because the county has no fiscal relationship with the expending agency, are not reflected in the county budget; because of Baltimore City's organization comparable city expenditures are reflected in the city budget. An example of this is highway funds, which are not a budget item in the county but are shown in the city budget. (1969-1970) Baltimore County Operating Budget, Exhibit F.

<sup>18/</sup> For example, in Baltimore County \$71,101,000 of the general revenue fund of \$151,812,652 for fiscal 1969-1970 is derived from the property tax. Id. at Exhibit G.

Tax Bases

In fiscal 1970 Baltimore City had an assessable tax base of \$3,062,630,008.<sup>19/</sup> Baltimore County for the same period had a base of \$2,639,859,255.<sup>20/</sup>

The relative strength of the two communities is best shown in historical perspective. Partly because of urban renewal and revitalization of the downtown commercial sector, Baltimore City has been able to maintain its tax base and even increase it slightly. In 1960 its tax base was \$2,788,146,648. Comparing this with the 1970 figure shows an average yearly growth rate for the decade of .98 percent.<sup>21/</sup> Baltimore County, however, has evidenced substantial population and industrial growth in the past decade.<sup>22/</sup> Baltimore County's 1960 assessable base was \$147,328,555. Comparing this with the 1970 base exhibits an average yearly growth rate for the decade of 5.5 percent.<sup>23/</sup> Projections for 1975 indicate that Baltimore County will surpass the city in assessable tax base, yet still have a smaller population.<sup>24/</sup>

19/ 1970 City of Baltimore, Budget in Brief 8.

20/ Operating Budget Baltimore County, Maryland, 1970-71 Exhibit A.

21/ 1970 City of Baltimore Budget in Brief, 12. This 10 year range for the rate of growth is based on a net increase but includes a three year decline from 1960 to 1962.

22/ Chamber of Commerce of Metropolitan Baltimore, Baltimore 1980 13 (1969).

23/ Id.

24/ Chamber of Commerce of Metropolitan Baltimore, Baltimore 1980 Projection for Planning 13 (1969), shows that in 1975 Baltimore City will have an assessed value of \$3,300,000,000 and Baltimore County will have an assessed value of \$3,550,000,000. The publication estimates that Baltimore City population will be 925,000 and the county's population will be 775,000 in 1975.

Types of RevenuesProperty Tax

In fiscal 1971 both Baltimore City and County have raised their 24a/ rates. Baltimore City now has a rate of \$5.34 per \$100 while the county has a rate of \$3.56 per \$100. Consequently, a city resident who owns a home that has a market value of \$25,000 will pay \$728 in property taxes. A county resident with the same valued residence will pay \$561 in property taxes, \$167 less than the city dweller. 25/

Sales Tax

Both the city and county have the authority to levy a general sales tax, but neither has done so. However, both jurisdictions do have sales or services taxes on specific transactions. The income 26/ derived from these taxes is not of major significance.

Income Tax

The city of Baltimore formerly had the authority to levy its own income tax on both residents and persons employed within its boundaries. The rate of taxation was 1 percent for residents, and  $\frac{1}{2}$  percent for non-residents (with a set-off provided for the home jurisdiction's income tax). The 1966 State legislature took this authority from the city and

24a/ In fiscal 1970 the real property tax rate for Baltimore City was \$4.94 per \$100 of assessed valuation, the highest rate in the State of Maryland by \$1.41. Baltimore County for the same period had a rate of \$3.47 per \$100. Maryland Association of Counties, Budgets and Tax Rates (1968-1975) 4 (1970).

25/ Both the city and the county assess at a rate of approximately 60 percent of market value. Baltimore City admits, however, that some dwellings are assessed at full market value. Telephone Interview with George Downs, Administrative Officer, Baltimore City Property Assessor's Office, July 8, 1970.

26/ In fiscal 1970 the city collected \$13,457,000 (6 percent of all taxes collected by the city) from such transactions as gas, telephone, electricity, hotels, title transfer, and fuel oil. 1970 City of Baltimore Budget in Brief 14. The county collected \$7,130,000 (5 percent of all taxes collected by the county) from such transactions as electricity, telephone, recordation, title transfer and hotel occupancy. (1970-1971). Baltimore County Operating Budget, Exhibit B.

provided in its place a statewide system. Under the new arrangement each jurisdiction can levy on its residents up to 50 percent of the State income tax paid by the taxpayer. The tax is commonly known as the "piggy back" tax and is collected by the State and returned to the local jurisdiction minus collection charges.<sup>27/</sup> Both Baltimore City and County have exercised their option to levy at the highest rate--50 percent. Baltimore City always levied at the 50 percent rate, whereas Baltimore County in fiscal 1968 levied at a 20 percent rate and went to the 50 percent rate in 1970. In fiscal 1970 Baltimore City received \$30,041,000 in revenues from the "piggy back" tax, an average of \$33.38 per capita. Baltimore County during the same period received \$38,500,000 in revenues from the tax, an average of \$62.50 per capita.<sup>28/</sup>

#### Federal Aid

The amount of Federal funds received by a jurisdiction greatly depends on the programs undertaken by the jurisdiction. Baltimore City receives a substantial amount of Federal aid. The Maryland State Department of Fiscal Services estimated that for Fiscal 1969 the city received \$76,204,152 from the Federal Government.<sup>29/</sup> Baltimore County received \$6,652,882.<sup>30/</sup>

---

<sup>27/</sup> Interview with Janet Hoffman, Director of Fiscal Research, Baltimore City Council, in Baltimore, Maryland, April 30, 1970.

<sup>28/</sup> 1970-1971 County Budget, supra note 4, at Exhibit B.

<sup>29/</sup> Department of Fiscal Services, Local Government Finances in Maryland, Table III, 141 (1969).

<sup>30/</sup> Id.

In fiscal 1970 the Baltimore City budget reported that it received \$116,673,710 or 17.5 percent of total revenues, from the Federal Government. <sup>31/</sup> Of this amount, \$34,635,186 were for programs which the county does not have. <sup>32/</sup>

#### State Aid

The State of Maryland provides a substantial amount of money to local jurisdictions, the majority of which goes for education. Other State monies are allocated for health and welfare. The Maryland State Department of Fiscal Services estimated that for fiscal 1969 Baltimore City received \$111,317,143 in State aid. <sup>33/</sup> Baltimore County received \$35,461,194. <sup>34/</sup>

#### Combined State-Federal Aid

Certain Federal programs are matching programs whereby both the State and the Federal Government put in funds in set proportion. These funds are passed on to the local jurisdiction by the State for disbursement or administration. These funds are generally earmarked for specific programs. In fiscal 1970 Baltimore City received \$80,985,826--12.2 percent of its total revenues. Baltimore County does not record an amount for combined State-Federal aid.

<sup>31/</sup> Supra note 19, at 7

<sup>32/</sup> The Model Cities Program received \$11,086,384; Urban Renewal and the Community Action (Anti-Poverty) Agency received \$3,775,794. (Baltimore County does have a community action program, but for fiscal purposes it has been discounted as its funding is meager; in 1969 the total OEO appropriation for CAA, Head Start, Job Corps and Vista in the County was \$309,148) Id. at 30, 91.

<sup>33/</sup> Supra note 30.

<sup>34/</sup> Id.

Other Revenue Sources

The other major revenue source for Baltimore City has been its public service enterprises. The city operates 16 of them, including five golf courses, a water system, a sewage treatment plant, civic center, municipal stadium, and an international airport. In fiscal 1970 revenues from these enterprises amounted to \$35,468,474, 5.3 percent of its total revenues.<sup>35/</sup> In fiscal 1970 only four of these enterprises showed a net profit. The stadium, for example, lost \$252,000; the civic center lost \$863,967; and the waste disposal system lost \$123,119. On the other hand, the airport showed a profit of \$303 and the water system showed a profit of \$1,616,715, most of which was returned in capital improvements.<sup>36/</sup>

Baltimore City has not relied on bond sales to finance its operations. However, for fiscal 1970 it did borrow \$26,304,000. These capital loans amounted to 4 percent of the revenues received by the city.<sup>37/</sup>

Baltimore County, on the other hand, relies heavily on bond sales to finance its operations. As of June 30, 1970 bonds for general public facilities amounted to \$91,009,000. In addition, public school bonds amounted to \$117,500,000. The total general long term debt obligation for Baltimore County currently is \$213,886,360.<sup>38/</sup>

<sup>35/</sup> Supra note 19, at 7.

<sup>36/</sup> Id. at 98-101.

<sup>37/</sup> Id. at 7.

<sup>38/</sup> The debt limit, based on the estimated 1970-71 Assessable Basis as of June 30, 1970, is \$273,823,208. (1970-1971) Baltimore County Operating Budget, Exhibit D.

Expenditures

The nature of a community dictates what will be defined as essential services. For example, Baltimore City, which has a large low-income population, expends vast sums of money for programs directed toward the problems of this group. Baltimore County, for the most part, does not have programs for its low-income population.

Another significant factor that influences what a jurisdiction need spend is the variety of services it provides. Baltimore City, for example, maintains a civic center and a sports stadium.<sup>39/</sup> These are expenditures that Baltimore County need not undertake, as these facilities serve the entire region.

The major expenditure in both jurisdictions is for education. In fiscal 1970 this amounted to \$182,341,806, or 27.4 percent of all expenditures, for Baltimore City.<sup>40/</sup> According to the department of education, the total cost per pupil for the 1969-70 school year was \$823.93.<sup>41/</sup> In fiscal 1970 Baltimore County spent \$114,375,351 or 56 percent of the summary of "All Funds" on education. This amounted to a total cost per pupil for the 1969-70 school year of \$913.76.<sup>42/</sup> This figure is \$89.83

<sup>39/</sup> 1970 City of Baltimore, Budget in Brief 98-100.

<sup>40/</sup> Id. at 7.

<sup>41/</sup> Telephone interview with Dr. Edward H. Goldstein, Baltimore City School System, Budget Director, on July 24, 1970.

<sup>42/</sup> Baltimore County, Maryland, 1970-1971 Operating Budget, 452-453.

more than the amount spent per pupil in Baltimore City.

The Maryland State Department of Fiscal Services estimated that the per pupil expenditure in Baltimore City amounted to \$641.61 and in the county it amounted to \$745.02. These figures exclude Federal aid for construction, school lunch, higher education and adult education, and State aid for transportation and the handicapped.

The other major expenditures in fiscal 1970 for Baltimore City and County are included in the following table:

	<sup>43/</sup> <u>BALTIMORE CITY</u>			
	<u>GENERAL GOVERNMENT</u>	<u>SOCIAL SERVICES</u>	<u>CAPITAL IMPROVEMENTS</u>	<u>SAFETY &amp; CORRECTION</u>
<u>Expenditure:</u>	\$37,943,327	\$91,980,670	\$114,074,247	\$94,626,217
<u>% of Budget:</u>	5.7%	13.8%	17.1%	14.2%
<u>Per Capita Expenditure:</u>	\$42.16	\$102.20	\$126.67	\$105.14

	<sup>44/</sup> <u>BALTIMORE COUNTY</u>			
	<u>GENERAL GOVERNMENT</u>	<u>SOCIAL SERVICES</u>	<u>PUBLIC WORKS DEPARTMENT</u>	<u>COMMUNITY COLLEGES</u>
<u>Expenditure:</u>	\$52,421,215	\$4,812,035	\$20,638,951	\$6,822,737
<u>% of Budget:</u>	25.6%	2.4%	10.3%	3.4%
<u>Per Capita Expenditure:</u>	\$85.10	\$7.81	\$33.50	\$11.08

<sup>43/</sup> 1970 City of Baltimore, Budget in Brief 7.

<sup>44/</sup> (1969-1970) Baltimore County Operating Budget, Exhibit F.

*Exhibit No. 4*

## BALTIMORE METROPOLITAN AREA

School Enrollment: Characteristics and Composition of the School Population

	<u>School Enrollment 1968-1969</u>	<u>Negro</u>		<u>Percent of Subdivisions Population</u>	
		<u>Number</u>	<u>Percent</u>	<u>Age 5-17</u>	<u>Age 65 and over</u>
TOTAL METROPOLITAN AREA	437,688	143,297	32.7%	26.7%	8.0%
Anne Arundel County	65,894	8,922	13.5	27.8	5.2
Baltimore City	191,327	125,175	65.4	25.5	10.3
Baltimore County	123,594	4,534	3.7	27.5	6.4
Carroll County	14,406	547	3.8	25.8	10.0
Hartford County	28,162	2,801	9.9	28.8	5.3
Howard County	14,305	1,318	9.2	29.9	5.4

SOURCE: Maryland State Department of Fiscal Services  
Background Information for Commission to Study the State's  
Role in Financing Public Education. (pp. 79 and 80)

Prepared by: Baltimore City Council Office of Financial Review  
8/14/70. GAP

## BALTIMORE METROPOLITAN AREA

Growth in School Enrollments Compared with Increases in Cost  
Per Pupil and Wealth Per Pupil, 1963-64 and 1968-69 Fiscal Years

JURISDICTIONS	Pupil Enrollment		Percent Change			Growth in Cost Per Pupil above Growth in Wealth Per Pupil (Col. 4 - 5)
	1963-64	1968-69	Enrollment 1964-1969	Cost per Pupil	Wealth per Pupil	
TOTAL METROPOLITAN AREA	379,124	437,688	15.4	66.6	28.5	38.1
Anne Arundel County	51,224	65,894	28.6	65.8	38.2	27.6
Baltimore City	184,717	191,327	3.6	79.3	11.9	67.4
Baltimore County	101,882	123,594	21.3	58.5	21.2	37.3
Carroll County	11,987	14,406	20.2	60.7	36.3	24.4
Hartford County	19,527	28,162	44.2	54.3	29.7	24.6
Howard County	9,787	14,305	46.2	81.1	34.1	47.0

SOURCE: Maryland State Department of Fiscal Services  
Background Information for Commission to Study the State's Role  
in Financing Public Education (p. 77)

Prepared by: Baltimore City Council Office of Financial Review  
8/14/70 GAP

BALTIMORE METROPOLITAN AREA

Wealth Per Pupil, Local Appropriations for School Purposes and for Non-School Purposes,  
Current Expense for Public Schools and Property Tax Equivalents - 1968-1969 Fiscal Year.

	<u>Wealth Used in Calculating State School Aid 1968-1969</u>		<u>Wealth Index</u>	<u>Local School Appropriation for Current Expense</u>		<u>Current Expense</u>	<u>Local Appropriations for Non-School Purposes</u>	
	<u>Total (000)</u>	<u>Per Pupil</u>	<u>Per Pupil</u>	<u>As Property Tax Rate Equivalent</u>	<u>As Percent of Taxable Income</u>	<u>Per Pupil</u>	<u>Per Capita</u>	<u>Property Tax Rate Equivalent</u>
TOTAL METROPOLITAN AREA	\$8,573,245	\$20,069	100.0%					
Anne Arundel County	1,128,524	17,366	86.5	\$2.42	4.54%	\$643	\$ 46	\$1.43
Baltimore City	3,283,883	17,694	88.2	2.53	5.57	725	121	3.58
Baltimore County	3,161,669	26,024	129.7	2.54	4.53	748	82	1.92
Carroll County	257,886	17,857	89.0	2.06	5.15	630	32	0.82
Harford County	430,682	15,946	79.5	2.03	4.67	663	40	1.10
Howard County	310,601	22,655	112.9	2.07	4.95	739	79	1.52

SOURCE: Maryland State Department of Fiscal Services  
Background Information for Commission to Study the State's Role  
in Financing Public Education (pp. 51, 60, 68, 69)

Prepared by: Baltimore City Council Office of Financial Review  
8/13/70. JLH

BALTIMORE METROPOLITAN AREA \*

Exempt Real Property, By Subdivision and Ownership  
1969-1970 F.Y.

	Exempt Real Property (000)			Taxable Basis Local (est.)	Percent Exempt to Taxable Base	Total Exempt Per Capita
	Publicly Owned	Privately Owned	Total Exempt			
TOTAL METROPOLITAN AREA	\$1,122,550	\$446,598	\$1,569,149	\$7,686,784	20.4%	\$ 768
Anne Arundel County	221,220	28,794	250,015	1,016,125	24.6	858
Baltimore City	430,964	257,044	688,008	3,019,146	22.8	770
Baltimore County	190,311	114,870	305,180	2,613,167	11.7	496
Carroll County	36,603	17,109	53,713	278,026	19.3	786
Harford County	207,275	12,564	219,839	429,926	51.1	1,939
Howard County	36,177	16,217	52,394	330,394	15.9	856

SOURCE: Exempt real property as reported by Maryland State Department of Assessments and Taxation;  
Taxable basis as reported by Maryland State Department of Fiscal Services; population as  
reported from first count 1970 census for the counties and Baltimore City.

Prepared by: Baltimore City Council Office of Financial Review  
8/10/70 GAP

BALTIMORE METROPOLITAN AREA

Privately Owned Exempt Real Property, by Subdivision, 1969-70 F.Y.

<u>Subdivision</u>	<u>Total Privately owned exempt property (000)</u>	<u>Percent</u>	<u>Population 1970</u>	<u>Population Percent</u>	<u>Privately Owned Exempt Property per capita</u>
TOTAL METROPOLITAN AREA	\$446,598	100.0	2,043,771	100.0	\$219
Anne Arundel	28,794	6.4	291,300	14.3	99
Baltimore City	257,044	57.7	893,903	43.7	288
Baltimore County	114,870	25.7	615,654	30.2	186
Carroll County	17,109	3.8	68,329	3.3	250
Harford County	12,564	2.8	113,404	5.5	111
Howard County	16,217	3.6	61,181	3.0	26*

SOURCE: Exemptions as reported by State Department of Assessments and Taxation; Population data for 1970 from first count results 1970 U. S. Census.

Prepared by: Baltimore City Council Office of Financial Review  
8/10/70 GAP

BALTIMORE METROPOLITAN AREA

Number of Households, by Subdivision, 1950-1969

	1950		1960		1969		Increase					
	Number Percent		Number Percent		Number Percent		1960 over 1950		1969 over 1960		1969 over 1950	
	Number	Percent										
TOTAL METROPOLITAN AREA	399,100	100.0	505,500	100.0	606,300	100.0	106,400	26.7	100,800	19.9	207,200	51.9
Anne Arundel County	27,800	6.9	51,200	10.1	82,300	13.6	23,400	84.2	31,800	60.7	55,200	198.6
Baltimore City	268,100	67.2	275,600	54.5	277,600	45.8	7,500	2.8	2,000	0.7	9,500	3.5
Baltimore County	72,600	18.2	134,600	26.7	178,500	29.4	62,000	85.4	43,900	32.6	105,900	145.9
Carroll County	11,300	2.8	14,200	2.8	18,600	3.1	2,900	25.7	4,400	31.0	7,300	64.6
Harford County	13,500	3.4	20,400	4.0	31,000	5.1	6,900	51.1	10,600	52.0	17,500	129.6
Howard County	5,800	1.5	9,500	1.9	18,300	3.0	3,700	63.8	8,800	92.6	12,500	215.5

SOURCE: Chamber of Commerce of Metropolitan Baltimore, Annual Statistical Review, 1969

Prepared by: Baltimore City Council Office of Financial Review  
8/10/70 GAP

BALTIMORE METROPOLITAN AREA

Estimated Number of Non Agricultural Wage and Salary Workers at Place of Employment 1950-1969

	1950		1960		1969	
	Number	% of Total	Number	% of Total	Number	% of Total
TOTAL METROPOLITAN AREA	529,700	100.0	629,300	100.0	799,900	100.0
Anne Arundel County	33,300	6.3	58,300	9.3	82,100	10.3
Baltimore City	369,100	69.7	405,200	64.4	462,300	57.8
Baltimore County	97,600	18.4	125,300	19.9	186,800	23.3
Carroll County	10,000	1.9	14,100	2.2	18,400	2.3
Harford County	14,700	2.8	19,400	3.1	32,800	4.1
Howard County	5,000	0.9	7,000	1.1	17,500	2.2

SOURCE: Chamber of Commerce of Metropolitan Baltimore, Annual Statistical Review, 1969

Prepared by: Baltimore City Council Office of Financial Review  
8/10/70 GAP

Baltimore City and Metropolitan Counties  
Growth in Retail and Wholesale Trade, 1954 to 1969

	1954		1960		1969		Increase 1954-1969	
	Amount (000,000)	Percent	Amount (000,000)	Percent	Amount (000,000)	Percent	Amount (000,000)	Percent
<u>Retail Trade (Sales)</u>								
Total Market Area	\$1,682	100.0	\$2,125	100.0	\$3,361	100.0	\$1,679	99.8
Baltimore City	1,237	73.5	1,390	65.4	1,550	46.1	313	25.3
5 Metropolitan Counties	445	26.5	735	34.6	1,811	53.9	1,366	307.0
<u>Wholesale Trade (Sales)</u>								
Total Market Area	2,194	100.0	2,887	100.0	4,560	100.0	2,366	107.8
Baltimore City	2,061	93.9	2,575	89.2	3,160	69.3	1,099	53.3
5 Metropolitan Counties	133	6.1	312	10.8	1,400	30.7	1,267	952.6

SOURCE: Chamber of Commerce of Metropolitan Baltimore, Annual Statistical Review Metropolitan Baltimore Marketing Area, 1969.

Prepared by: Baltimore City Council Office of Financial Review  
8/10/70 GAP

BALTIMORE METROPOLITAN AREA

STATE INCOME TAX DATA - RESIDENT INDIVIDUALS - 1959 and 1968

	1959		1968		Taxable Net Income Per Return			
	Amount (000)	Percent	Amount (000)	Percent	1959		1968	
					Amount	Index	Amount	Index
TOTAL METROPOLITAN AREA	\$1,428,368	100.0	\$3,679,342	100.0	\$2,594	100.0	\$5,086	100.0
Anne Arundel County	132,091	9.2	494,876	13.4	2,625	101.2	5,310	104.4
Baltimore City	703,925	49.3	1,369,236	37.2	2,349	90.6	4,244	83.4
Baltimore County	490,516	34.3	1,423,055	38.7	3,128	120.6	6,139	120.7
Carroll County	28,039	2.0	101,838	2.8	1,855	71.5	4,537	89.2
Harford County	45,920	3.2	170,416	4.6	2,422	93.4	4,974	97.8
Howard County	27,878	2.0	119,922	3.3	2,879	111.0	6,263	125.1

BALTIMORE METROPOLITAN AREA

INCREASE IN TAXABLE NET INCOME - 1968 over 1959

	Total Income		Per Return	
	Amount (000)	Percent	Amount	Percent
TOTAL METROPOLITAN AREA	\$2,250,974	157.6	\$2,492	96.1
Anne Arundel County	362,785	274.6	2,685	102.3
Baltimore City	665,311	94.5	1,895	80.7
Baltimore County	932,539	190.1	3,011	96.3
Carroll County	73,798	263.2	2,682	144.6
Harford County	124,496	271.1	2,552	105.4
Howard County	92,045	330.2	3,384	117.5

SOURCE: Maryland Comptroller of the Treasury, Income Tax Division, Summary Report - Resident Individual Income Tax Returns for the Year 1959; and 1968.

Prepared by: Baltimore City Council Office of Financial Review  
8/10/70 GAP

Baltimore Metropolitan Area - Growth in Assessed Valuation - 1950-51  
 Compared with 1960-61 and 1969-70, by Subdivision  
 (In Millions)

	1950-51		1960-61		1969-1970 (est.)		Increase 1950-51 to 1969-70	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
METROPOLITAN AREA	\$3,243.9	100.0	\$5,340.3	100.0	\$7,686.8	100.0	\$4,442.9	137.0
Anne Arundel	124.3	3.8	440.4	8.3	1,016.1	13.2	891.9	717.7
Baltimore City	2,441.2	75.3	2,813.8	52.7	3,019.1	39.3	577.9	23.7
Baltimore County	480.9	14.8	1,653.4	31.0	2,613.2	34.0	2,132.2	443.3
Carroll County	70.9	2.2	135.4	2.5	278.0	3.6	207.1	292.2
Harford County	96.1	3.0	190.2	3.5	429.9	5.6	333.9	347.6
Howard County	30.5	0.9	106.9	2.0	330.4	4.3	299.9	983.2

NOTE: Data for 1950-51 and for 1960-61 cover twelve month fiscal periods ended either December 31 or June 30;  
 In 1969-70 all fiscal years end June 30, 1970.

SOURCE: Maryland State Department of Fiscal Services, Division of Fiscal Research, Local Government Finances  
 in Maryland  
 1969-70 estimates by Maryland State Department of Assessments and Taxation

Prepared by: Baltimore City Council Office of Financial Review  
 8/10/70 GAP

## BALTIMORE METROPOLITAN AREA

Estimated Increase in Number of Non-Agricultural Wage and  
Salary Workers at Place of Employment; 1950-1960-1969

	Increase From 1950 to 1960		Increase From 1960 to 1969		Cumulative Increase 1950 to 1969	
	Number	Percent	Number	Percent	Number	Percent
TOTAL METROPOLITAN AREA	99,600	18.8	170,600	27.1	270,200	51.0
Anne Arundel	25,000	75.1	23,800	40.8	48,800	146.5
Baltimore City	36,100	9.8	57,100	14.1	93,200	25.3
Baltimore County	27,700	28.4	61,500	49.1	89,200	109.4
Carroll County	4,100	41.0	4,300	30.5	8,400	84.0
Harford County	4,700	32.0	13,400	69.1	18,100	123.1
Howard County	2,000	40.0	10,500	150.0	12,500	250.0

SOURCE: Chamber of Commerce of Metropolitan Baltimore, Annual  
Statistical Review, 1969

## BALTIMORE METROPOLITAN AREA

## Assessed Valuation Per Capita by Subdivision

	<u>1950-51</u>	<u>Index</u>	<u>1960-61</u>	<u>Index</u>	<u>1969-70</u>	<u>Index</u>
TOTAL METROPOLITAN AREA	\$2,226	100.0	\$2,961	100.0	\$3,761	100.0
Anne Arundel	1,059	44.9	2,131	72.0	3,488	92.7
Baltimore City	2,570	115.4	2,996	101.2	3,377	89.8
Baltimore County	1,780	30.0	3,358	113.4	4,245	112.9
Carroll County	1,578	70.9	2,566	86.7	4,069	108.2
Harford County	1,855	83.3	2,479	83.7	3,791	100.8
Howard County	1,319	59.3	2,958	99.9	5,416	144.0

## Net Growth in Assessed Valuation Per Capita by Subdivision 1950-1970

	<u>Amount</u>	<u>%</u>
TOTAL METROPOLITAN AREA	\$1,535	69.0
Anne Arundel	2,429	229.4
Baltimore City	807	31.4
Baltimore County	2,465	138.5
Carroll County	2,491	157.9
Harford County	1,936	104.4
Howard County	4,097	310.6

SOURCES: Maryland Department of Fiscal Services, Division of Fiscal Research, Local Government Finances in Maryland.  
Population data for 1969-1970 from First Count 1970 U. S. Census results for the counties and Baltimore City.

Prepared by: Baltimore City Council Office of Financial Review  
8/10/70 GAP

## BALTIMORE METROPOLITAN AREA

## Real Estate Tax Rates Per \$100 Assessed Valuation

	<u>1950-51</u>	<u>1960-61</u>	<u>1970-71</u>
Anne Arundel	\$ 1.70	\$ 2.16	\$ 2.89
Baltimore City	2.88	3.60	5.34
Baltimore County	1.92	2.54	3.56
Carroll County	1.25	1.95	2.30
Harford County	1.42	1.61	2.77
Howard County	1.70	1.85	2.85

NOTE: Data for 1950-51 and for 1960-61 cover twelve month fiscal periods ended either December 31 or June 30; these figures are taken from Local Government Finances in Maryland published by The Maryland State Fiscal Research Bureau.

Data for 1970-71 cover twelve month period ended June 30, 1971 and are taken from Budgets and Tax Rates 1969-70, published by the Maryland Association of Counties.

Prepared by: Baltimore City Council Office of Financial Review  
8/10/70 GAP

## BALTIMORE METROPOLITAN AREA

Population by Subdivision - 1950, 1960, 1970 (est.)

	<u>1950</u>	<u>1960</u>	<u>1970(est.)</u>
TOTAL METROPOLITAN AREA	1,457,181	1,803,745	2,043,771
Anne Arundel County	117,392	206,634	291,300
Baltimore City	949,708	939,024	893,903
Baltimore County	270,273	492,428	615,654
Carroll County	44,907	52,785	68,329
Harford County	51,782	76,722	113,404
Howard County	23,119	36,152	61,181

1950 to 1970  
Estimated Population Change (+) (-)

	<u>Number</u>	<u>%</u>
TOTAL METROPOLITAN AREA	+586,590	+ 40.3%
Anne Arundel County	+173,908	+148.1%
Baltimore City	- 55,805	- 5.9%
Baltimore County	+345,381	+127.8%
Carroll County	+ 23,422	+ 52.2%
Harford County	+ 61,622	+119.0%
Howard County	+ 38,062	+164.6%

SOURCE: 1950 and 1960 Census data; 1970 population from First-Count 1970  
U.S. Census.

Prepared by: Baltimore City Council Office of Financial Review  
8/10/70 GAP

"WHAT'S GOING ON IN BALTIMORE - FREE"

Location, Ownership, Tax Status and Subsidy of Facilities  
covered in July 31, 1970 feature article in Baltimore Evening Sun

<u>ART MUSEUMS</u>	<u>Location</u>	<u>Owner- ship</u>	<u>Tax Exempt</u>	<u>Subsidized by City</u>	<u>Subsidized by County</u>
1. Old Town Meeting House	City	City	Yes	Yes	No
2. Peale Museum	City	City	Yes	Yes	No
3. Walters Art Gallery	City	City	Yes	Yes	No
4. Washington Monument Historical Information Center	City	City	Yes	Yes	No
5. Baltimore Museum of Art	City	City	Yes	Yes	No
6. 26th Street Art Gallery	City	None (Outdoor exhibit)	N.A.	No	No
7. Ferdinand Roten Galleries	City	Private	No	No	No
8. Maryland Historic Society	City	Private	Yes	Yes	No
<u>HISTORIC SITES</u>					
1. Baltimore Street Car Museum	City	City	Yes	Yes	No
2. Flag House and Museum	City	Private	Yes	Yes	No
3. Fort McHenry National Monument	City	Federal	Yes	No	No
4. Washington Monument	City	City	Yes	Yes	No
5. Mount Clare Mansion	City	City	Yes	Yes	No
6. Edgar Allen Poe House	City	City	Yes	No	No

	<u>Location</u>	<u>Ownër- ship</u>	<u>Tax Exempt</u>	<u>Subsidized by City</u>	<u>Subsidized by County</u>
<u>HISTORIC SITES (Continued)</u>					
7.	Hampton National Shrine	Baltimore County	Federal	Yes	No
8.	B.&O. Transportation Museum	City	Private	Yes	No
9.	Carroll Mansion	City	City	Yes	No
10.	U. S. Naval Academy	Anne Arundel County	Federal	Yes	No
11.	State House	Anne Arundel County	State	Yes	No
12.	Shriver Homestead	Carroll County	Private	Yes	No
13.	Carroll County Farm Museum	Carroll County	County	Yes	No
14.	U. S. Frigate Constellation	City	Private	Yes	No
15.	Lloyd Street Synagogue	City	Private	Yes	No

ITEMS OF INTEREST

1.	Film - Pratt Library Central	City	City	Yes	Yes	No
2.	Peabody Lecture Series	City	Private	Yes	No	No
3.	Walters - Lectures	City	City	Yes	Yes	No
4.	Planetarium - Maryland Academy of Sciences	City	Private	Yes	Yes	No
5.	Baltimore Museum of Art Tours	City	City	Yes	Yes	No
6.	Jewish Community Center Lectures	City	Private	Yes	No	No
7.	Baltimore Bicycling Club	City	None	N.A.	No	No

	<u>Location</u>	<u>Owner- ship</u>	<u>Tax Exempt</u>	<u>Subsidized by City</u>	<u>Subsidized by County</u>	
<u>PARKS</u>						
1.	Liberty Dam	Baltimore County	City	Yes	Yes	No
2.	Prettyboy Dam	Baltimore County	City	Yes	Yes	No
3.	Loch Raven Dam	Baltimore County	City	Yes	Yes	No
4.	Patapsco State Park	Howard & Baltimore Counties	State	Yes	No	No
5.	Robert E. Lee Park	Baltimore County	City	Yes	Yes	No
6.	Druid Hill Park	City	City	Yes	Yes	No
7.	Gunpowder State Park	Baltimore County	State	Yes	No	No
8.	Rocks of Deer Creek	Harford County	State	Yes	No	No
9.	Susquehanna State Park	Harford County	State	Yes	No	No
<u>SWIMMING</u>						
1.	Flying Point Beach & Park	Harford County	County	Yes	No	Yes
2.	Smallwood Beach	Anne Arundel County	City	Yes	Yes	Yes
3.	Sandy Point	Anne Arundel County	State	Yes	No	No
4.	Druid Hill Pool	City	City	Yes	Yes	No
5.	Roosevelt Pool	City	City	Yes	Yes	No
6.	Cherry Hill Pool	City	City	Yes	Yes	No
7.	Riverside Pool	City	City	Yes	Yes	No
8.	Clifton Pool	City	City	Yes	Yes	No
9.	Patterson Pool	City	City	Yes	Yes	No

*Exhibit No. 6*

ANNUAL REPORT  
OF  
PUPIL DESEGREGATION  
BALTIMORE CITY PUBLIC SCHOOLS  
SEPTEMBER 1969

Baltimore City Public Schools  
Division of Research and Development  
December 12, 1969

TABLE OF CONTENTS

		<u>Page</u>
<u>TABLE A</u>	Summary of Net Roll by Race	567
<u>TABLE B</u>	Comparative Number of School Combinations by Racial Composition of Pupils	567
<u>TABLE C</u>	Individual Elementary School Pupils by Race	568
<u>TABLE D</u>	Individual Secondary-Vocational School Pupils by Race	572
<u>TABLE E</u>	Pupils in Schools Having Both Elementary and Secondary Pupils	573
<u>TABLE F</u>	Early Admissions Pupils by Individual Schools	573

PUPIL DESEGREGATION REPORT

TABLE A. SUMMARY OF NET ROLL<sup>a</sup> BY RACE

Level		Pupils in Integrated Organizations	Integrated Organizations	Pupils in One-Race Organizations	One-Race Organizations	Total Pupils	Total Organizations
Elem.	Nonwhite	41,907		39,189	51	81,096	
	White	31,727		5,926	12	37,653	
	Total	73,634	97	45,115	63	118,749	160
Sec.-Voc.	Nonwhite	33,528		13,148	11	46,676	
	White	27,656		—	—	27,656	
	Total	61,184	41 <sup>b</sup>	13,148	11	74,332	52
Total	Nonwhite	75,435		52,337	62	127,772	
	White	59,383		5,926	12	65,309	
	Total	134,818	138	58,263	74	193,081	212

TABLE B. COMPARATIVE NUMBER OF SCHOOL COMBINATIONS<sup>c</sup> BY RACIAL COMPOSITION OF PUPILS

Race		1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969
Elem.	Nonwhite	42	45	45	44	40	39	40	46	44	42	52	51
	White	32	34	33	28	26	17	16	14	9	13	12	12
	Both	66	65	65	74	32	93	98	100	106	104	94	97
	Total	140	144	143	146	148	149	154	160	159	159	158	60
Sec.-Voc.	Nonwhite	10	11	13	11	11	11	12	10	8	6	11	11
	White	2	2	3	1	0	0	0	0	0	0	0	-
	Both	24	24	23	28	30	32	31	36	38	40	41	41
	Total	36	37	39	40	41	43	43	46	46	46	52	52
Total	Nonwhite	52	56	58	55	51	50	52	56	52	48	63	62
	White	34	36	36	29	26	17	16	14	9	13	12	12
	Both	90	89	88	102	112	125	129	136	144	144	135	138
	Total	176	181	182	186	189	192	197	206	205	205	210	212

<sup>a</sup>Includes Kindergarten, Early Admissions. Excludes Home, Hospital, and Junior College.

<sup>b</sup>Includes #175 and #300, accounted for as elementary.

<sup>c</sup>Each school with its annex is counted only once. Seven combination Elementary-Junior High Schools include organizations separated to Elementary and Secondary-Vocational.

Source: Automated Summary Pupil Attendance System  
Baltimore City Public Schools  
Division of Research and Development

## PUPIL DESEGREGATION REPORT

TABLE C. INDIVIDUAL ELEMENTARY SCHOOL PUPILS BY RACE

Sch. No.	Total Net Roll			Kindergarten Net Roll			Net Roll Excl. Kégn.		
	Nonwhite	White	Total	Nonwhite	White	Total	Nonwhite	White	Total
26A	726	89	815	106	10	116	584	77	661
EA				36	2	38			
4	268	536	804	12	61	73	222	429	651
EA				34	46	80			
5	382	4	386	92	1	93	290	3	293
6	-	485	485	-	34	34	-	451	451
7	965	-	965	127	-	127	838	-	838
8	559	39	598	65	6	71	464	33	497
EA				30	-	30			
10	154	466	620	37	75	112	117	391	508
11	1025	22	1047	125	1	126	863	21	884
EA				37	-	37			
12	4	951	955	1	160	161	3	791	794
13	560	254	814	49	21	70	511	233	744
16	1151	-	1151	172	-	172	979	-	979
18	602	6	608	75	-	75	527	6	533
19	1359	-	1359	156	-	156	1124	-	1124
EA				79	-	79			
20	862	2	864	115	-	115	747	2	749
21	989	-	989	122	-	122	867	-	867
22	223	480	703	25	55	80	180	406	586
EA				18	19	37			
23	-	383	383	-	46	46	-	337	337
25	249	113	362	-	-	-	249	113	362
26	929	-	929	97	-	97	792	-	792
EA				40	-	40			
27	368	390	758	31	38	69	311	343	654
EA				26	9	35			
29	1056	-	1056	131	-	131	925	-	925
30	1005	-	1005	163	-	163	842	-	842
32	436	46	482	57	2	59	351	44	395
EA				28	-	28			
33	-	351	351	-	44	44	-	307	307
34	88	541	629	9	83	92	79	458	537
35	1193	-	1193	142	-	142	1051	-	1051
37	369	-	369	65	-	65	304	-	304
44	924	180	1104	108	34	142	816	146	962
47	-	442	442	-	51	51	-	391	391
48	579	214	793	81	25	106	498	189	687
50	1273	55	1333	122	7	129	1156	48	1204
51	78	678	756	4	111	115	74	567	641
52	793	5	798	98	1	99	695	4	699
53	559	336	895	76	27	103	483	309	792
54	641	349	990	72	31	103	569	318	887
55	20	916	936	1	117	118	19	799	818
56*	1	784	785	-	74	74	1	710	711

\*Elementary pupils only.

## PUPIL DESEGREGATION REPORT

TABLE C. INDIVIDUAL ELEMENTARY SCHOOL PUPILS BY RACE

Sch. No.	Total Net Roll			Kindergarten Net Roll			Net Roll Excl. Kdgn.		
	Nonwhite	White	Total	Nonwhite	White	Total	Nonwhite	White	Total
58	545	-	545	80	-	80	465	-	465
59	1260	6	1266	98	-	98	1162	6	1168
60	1241	-	1241	105	-	105	1136	-	1136
61	1282	4	1286	178	-	178	1104	4	1108
62	1389	22	1411	196	1	197	1193	21	1214
64	1250	1	1251	193	-	193	1057	1	1058
65	329	-	329	70	-	70	259	-	259
66	447	134	581	51	21	72	375	111	486
EA				21	2	23			
67	849	-	849	129	-	129	720	-	720
68	264	389	653	30	49	79	234	340	574
69	1259	5	1264	182	-	182	1077	5	1082
71	655	131	786	67	13	80	588	118	706
73	202	3	205	-	-	-	202	3	205
74	881	-	881	103	-	103	778	-	778
76*	-	336	336	-	61	61	-	275	275
83	54	1308	1362	1	149	150	53	1159	1212
84	-	1004	1004	-	158	158	-	846	846
85	1592	-	1592	-	-	-	1592	-	1592
86	443	-	443	207	-	207	196	-	196
EA				40	-	40			
87	722	6	728	83	-	83	639	6	645
88	1902	3	1905	263	-	263	1639	3	1642
92	37	545	582	3	68	71	34	477	511
94	654	6	660	91	1	92	563	5	568
95	626	-	626	94	-	94	472	-	472
EA				60	-	60			
97	1162	-	1162	141	-	141	1021	-	1021
98	50	874	924	4	103	107	46	771	817
99	1048	-	1048	110	-	110	938	-	938
100	460	-	460	48	-	48	412	-	412
101	1085	-	1085	130	-	130	955	-	955
102	956	3	959	120	1	121	836	2	838
103	439	-	439	49	-	49	390	-	390
104	706	-	706	78	-	78	628	-	628
107	1058	-	1058	127	-	127	931	-	931
109	455	-	455	77	-	77	350	-	350
EA				28	-	28			
111	358	-	358	36	-	36	322	-	322
112	837	-	837	100	-	100	699	-	699
EA				38	-	38			
113	402	1	403	24	-	24	378	1	379
116	451	-	451	62	-	62	389	-	389
118	284	-	284	33	-	33	251	-	251
119	342	1	343	27	-	27	315	1	316
121	230	2	232	26	-	26	204	2	206
122	442	-	442	38	-	38	373	-	373
EA				31	-	31			

\*Elementary pupils only.

## PUPIL DESEGREGATION REPORT

TABLE C. INDIVIDUAL ELEMENTARY SCHOOL PUPILS BY RACE

Sch. No.	Total Net Roll			Kindergarten Net Roll			Net Roll Excl. Kdgn.		
	Nonwhite	White	Total	Nonwhite	White	Total	Nonwhite	White	Total
126	273	-	273	42	-	42	231	-	231
129	214	4	218	22	-	22	192	4	196
132	772	-	772	87	-	87	685	-	685
135	325	-	325	-	-	-	325	-	325
137	930	-	930	127	-	127	803	-	803
138	785	-	785	112	-	112	673	-	673
139	1266	1	1267	113	-	113	1113	1	1114
EA				40	-	40			
140	513	-	513	42	-	42	471	-	471
141	729	-	729	86	-	86	643	-	643
142	768	1	769	88	-	88	680	1	681
144	743	1	744	101	-	101	642	1	643
145	1049	-	1049	128	-	128	921	-	921
146	661	-	661	83	-	83	578	-	578
148	770	-	770	79	-	79	691	-	691
149	1235	-	1235	146	-	146	1089	-	1089
150	1221	-	1221	133	-	133	1088	-	1088
156	183	-	183	12	-	12	171	-	171
159	968	-	968	133	-	133	835	-	835
160	764	1	765	112	-	112	652	1	653
161	798	-	798	72	-	72	726	-	726
162*	275	1	276	23	-	23	241	1	242
EA				11	-	11			
163	887	-	887	80	-	80	807	-	807
164	988	-	988	143	-	143	845	-	845
175	53	1	54	-	-	-	53	1	54
200	502	-	502	53	-	53	449	-	449
201	553	292	845	41	57	93	512	240	752
202	929	-	929	125	-	125	804	-	804
203	2	674	676	-	94	94	2	580	582
204	1017	4	1021	159	-	159	858	4	862
205	-	553	553	-	105	105	-	448	448
207	37	931	968	6	127	133	31	804	835
209	1370	2	1372	173	1	174	1197	1	1198
210	-	966	966	-	194	194	-	772	772
211	5	857	862	-	144	144	5	715	718
212	130	474	604	10	90	100	120	384	504
213	232	444	676	19	84	103	213	360	573
214	679	39	718	84	5	89	595	34	629
215	6	764	770	1	69	70	5	695	700
216	46	1124	1170	12	226	238	34	898	932
217	855	1	856	103	-	103	747	1	748
218	791	69	860	118	2	120	673	67	740
219	64	699	763	-	126	126	64	575	637
220	-	665	665	-	78	78	-	587	587
221	30	447	477	2	63	65	28	384	412
223	908	94	1002	277	4	281	1631	90	1721
224	645	5	650	74	-	74	571	5	576

\*Elementary pupils only.

## PUPIL DESEGREGATION REPORT

TABLE C. INDIVIDUAL ELEMENTARY SCHOOL PUPILS BY RACE

Sch. No.	Total Net Roll			Kindergarten Net Roll			Net Roll Excl. Kdgn.		
	Nonwhite	White	Total	Nonwhite	White	Total	Nonwhite	White	Total
225	745	185	930	81	15	96	629	165	794
EA				35	5	40			
226	-	461	461	-	81	81	-	380	380
227	-	50	50	-	-	-	-	50	50
228	7	541	548	2	59	61	5	482	487
229	97	607	704	15	70	85	82	537	619
230*	3	523	526	-	74	74	3	449	452
231	7	1191	1198	1	238	239	6	953	959
232	334	248	582	56	75	131	278	173	451
233*	23	416	439	5	58	63	18	358	376
234	974	452	1426	106	39	145	868	413	1281
235	1	940	941	-	140	140	1	800	801
236	1	805	806	-	129	129	1	676	677
237	-	230	230	-	42	42	-	188	188
238	422	1	423	46	-	46	342	1	343
EA				34	-	34			
239*	7	582	589	-	73	73	7	509	516
240	109	779	888	15	93	108	86	654	740
EA				8	32	40			
241	321	356	677	8	47	55	313	309	622
242	551	618	1169	85	149	234	466	469	935
243	1	685	686	-	80	80	1	577	578
EA				-	28	28			
245	85	1265	1350	12	234	246	73	1051	1104
246	66	1464	1530	7	260	267	59	1204	1263
247	252	572	824	4	65	69	248	507	755
248	107	893	1000	10	155	145	97	758	855
249	30	480	510	5	94	99	25	386	411
253	301	-	301	-	-	-	301	-	301
300	30	24	54	-	-	-	30	24	54
301*	155	90	245	-	-	-	155	90	245
302	47	1	48	-	-	-	47	1	48
303	63	-	63	-	-	-	63	-	63
304	45	46	91	-	-	-	45	46	91
306	41	1	42	-	-	-	41	1	42
307	32	68	100	-	-	-	32	68	100
308	70	17	87	-	-	-	70	17	87
309	74	19	93	-	-	-	74	19	93
310	81	28	109	-	-	-	81	28	109
<b>Total</b>	<b>81,096</b>	<b>37,653</b>	<b>118,749</b>	<b>10,348</b>	<b>5,597</b>	<b>15,945</b>	<b>70,748</b>	<b>32,056</b>	<b>102,804</b>

\*Elementary pupils only.

## PUPIL DESEGREGATION REPORT

TABLE D. INDIVIDUAL SECONDARY-VOCATIONAL SCHOOL PUPILS BY RACE

Sch. No.	Nonwhite	White	Total	Sch. No.	Nonwhite	White	Total
1	106	1	107	180	1030	-	1030
1A	243	5	248	181	1469	-	1469
3	167	73	240	182	208	-	208
9	308	81	389	183	335	-	335
17	133	33	166	222	1820	800	2620
41	100	1965	2065	230&A*	13	878	891
42	1758	26	1784	233*	267	980	1247
43&A	774	1911	2685	239*	226	1033	1259
46	1309	736	2045	294	66	144	210
56*	148	846	994	296	175	42	217
57	1839	-	1839	298	438	1	439
70	487	1539	2026	301*	19	22	41
72	224	349	573	400	2544	8	2552
75	2194	-	2194	401	1655	984	2639
76*	1	959	960	402	613	2345	2958
77	1068	1707	2775	403	425	2440	2865
78	2257	-	2257	404	1483	329	1812
79	2271	1	2272	405	109	2095	2204
80	677	1716	2393	406	1998	2	2000
90&A	2273	7	2280	407	1062	1365	2427
91	1678	3	1681	408	1617	221	1838
96	162	72	234	410	561	1820	2381
115	364	61	425	450	1899	-	1899
130	1741	1	1742	451	162	-	162
133	1267	-	1267	453	1025	51	1076
162*	311	3	314	454	1109	1	1110
176	488	-	488				
				Total	46,676	27,656	74,332

\*Secondary pupils only.

## PUPIL DESEGREGATION REPORT

TABLE E. PUPILS IN SCHOOLS HAVING BOTH ELEMENTARY AND SECONDARY PUPILS

School Number	Elementary Net Roll			Secondary Net Roll			Total Net Roll		
	Nonwhite	White	Total	Nonwhite	White	Total	Nonwhite	White	Total
56	1	784	785	148	846	994	149	1630	1779
76	-	336	336	1	959	960	1	1295	1296
162	275	1	276	311	3	314	586	4	590
230	3	523	526	13	878	891	16	1401	1417
233	23	416	439	267	980	1247	290	1396	1686
239	7	582	589	226	1033	1259	233	1615	1848
301	155	90	245	19	22	41	174	112	286
<b>Total</b>	<b>464</b>	<b>2,732</b>	<b>3,196</b>	<b>985</b>	<b>4,721</b>	<b>5,706</b>	<b>1,449</b>	<b>7,453</b>	<b>8,902</b>

TABLE F. EARLY ADMISSIONS PUPILS BY INDIVIDUAL SCHOOLS

School Number	Nonwhite	White	Total
2&A	36	2	38
4	34	46	80
8	30	-	30
11	37	-	37
19	79	-	79
22	18	19	37
26	40	-	40
27	26	9	35
32	28	-	28
66	21	2	23
86	40	-	40
95	60	-	60
109	28	-	28
112	38	-	38
122	31	-	31
139	40	-	40
162	11	-	11
225	35	5	40
238	34	-	34
240	8	32	40
243	-	28	28
<b>Total</b>	<b>674</b>	<b>143</b>	<b>817</b>

ANNUAL REPORT  
OF  
FACULTY DESEGREGATION  
BALTIMORE CITY PUBLIC SCHOOLS  
SEPTEMBER 1969

Baltimore City Public Schools  
Division of Research and Development  
December 12, 1969

TABLE OF CONTENTS

		<u>Page</u>
<u>Table A</u>	Summary of Faculty by Race	576
<u>Table B</u>	Comparative Number of School Organizations Showing Racial Composition of Faculty on Payroll	576
<u>Table C</u>	Individual Elementary School Faculties by Race	577
<u>Table D</u>	Individual Secondary-Vocational School Faculties by Race	581
<u>Table E</u>	Faculty of Schools Having Both Elementary and Secondary Pupils	583
<u>Table F</u>	Early Admissions Faculty by Individual Schools	583

FACULTY DESEGREGATION REPORT

TABLE A. SUMMARY OF FACULTY BY RACE<sup>a</sup>

Level	Race	Faculty Members	Integrated	Faculty Members	One-Race	Total	Total
		on Integrated Faculties	Faculties	on One-Race Faculties	Faculties <sup>b</sup>	Faculty Members	Faculties
Elem.	Nonwhite	2,298	-	1,672	46	3,970	-
	White	1,901	-	222	8	2,123	-
	Total	4,199	107	1,894	54	6,093	161
Secondary- Vocational	Nonwhite	2,000	-	62	3	2,062	-
	White	2,272	-	4	-	2,276	-
	Total	4,272	49 <sup>c</sup>	66	3	4,338	52
Total	Nonwhite	4,298	-	1,734	49	6,032	-
	White	4,173	-	226	8	4,399	-
	Total	8,471	156	1,962	57	10,431	213

TABLE B. COMPARATIVE NUMBER OF SCHOOL ORGANIZATIONS<sup>d</sup> SHOWING RACIAL COMPOSITION OF FACULTY ON PAYROLL

Level	Race	Number of School Faculties <sup>e</sup> by year									
		Sept. 30 1961	Sept. 30 1962	Sept. 30 1963	Sept. 30 1964	Sept. 30 1965	Sept. 30 1966	Sept. 30 1967	Sept. 30 1968	Sept. 30 1969	
Elem.	Nonwhite	56	58	55	57	54	48	41	48	46	
	White	61	57	40	36	26	6	7	13	8	
	Both	29	33	56	60	75	105	111	97	107	
	Total	146	148	151	153	155	159	159	158	161	
Secondary- Vocational	Nonwhite	15	12	10	4	4	4	1	7	3	
	White	5	4	3	2	1	0	0	1	0	
	Both	31	36	39	46	48	50	51	45	49	
	Total	51	52	52	52	53	54	52	53	52	
Total	Nonwhite	71	70	65	61	58	52	42	55	49	
	White	66	61	43	38	27	6	7	14	8	
	Both	60	69	95	106	123	155	162	142	156	
	Total	197	200	203	205	208	213	211	211	213	

<sup>a</sup>Includes Kindergarten and Early Admissions.

<sup>b</sup>Racial breakdown of staff in schools is based on a 10%-90% definition.

<sup>c</sup>Excluding #175 and #300, accounted for as elementary.

<sup>d</sup>Seven combination Elementary-Junior High Schools include organizations separated as to Elementary and Secondary-Vocational.

<sup>e</sup>Excluding Home, Hospital, Early Admissions prior to 1966, Junior College, dietitians, resource teachers on central office payrolls.

Source: Staffing Patterns Summary Sheets, 9/30/69  
Baltimore City Public Schools  
Division of Research and Development

## FACULTY DESEGREGATION REPORT

TABLE C. INDIVIDUAL ELEMENTARY SCHOOL FACULTIES BY RACE

Sch. No.	Total Faculty			Administrators			Kindergarten Teachers			Aides			Other Teachers Including Coun., Lib., etc.		
	NW	W	T	NW	W	T	NW	W	T	NW	W	T	NW	W	T
26A	50	17	67	1	1	2	3	-	3	30	2	32	16	12	28
EA							-	2	2						
4	23	19	42	1	1	2	2	-	2	5	3	8	14	14	28
EA							1	1	2						
5	9	6	15	-	1	1	1	-	1	3	-	3	5	5	10
6	1	19	20	-	1	1	-	1	1	-	2	2	1	15	16
7	39	4	43	1	1	2	1	1	2	16	-	16	21	2	23
8	38	15	53	1	1	2	2	-	2	13	3	16	21	11	32
EA							1	-	1						
10	15	24	39	-	1	1	1	-	1	4	11	15	10	11	21
EA							-	1	1						
11	49	18	67	1	1	2	-	2	2	26	1	27	22	13	35
EA							-	1	1						
12	14	20	34	-	2	2	-	3	3	-	4	4	14	11	25
13	17	14	31	1	-	1	1	-	1	2	3	5	13	11	24
16	55	4	59	2	-	2	3	-	3	21	-	21	29	4	33
18	16	9	25	-	1	1	-	2	2	4	-	4	12	6	18
19	79	10	89	1	1	2	3	-	3	29	-	29	45	8	53
EA							1	1	2						
20	42	8	50	1	1	2	2	-	2	16	-	16	23	7	30
21	32	4	36	1	1	2	2	-	2	6	-	6	23	3	26
22	13	31	44	1	1	2	1	1	2	4	11	15	7	17	24
EA							-	1	1						
23	3	14	17	-	1	1	1	-	1	-	3	3	2	10	12
25	23	4	27	1	-	1	-	-	-	9	2	11	13	2	15
26	47	4	51	2	-	2	2	1	3	19	-	19	23	3	26
EA							1	-	1						
27	31	18	49	1	1	2	-	1	1	15	5	20	15	10	25
EA							-	1	1						
29	36	5	41	1	1	2	2	-	2	6	-	6	27	4	31
30	48	2	50	2	-	2	1	1	2	16	-	16	29	1	30
32	45	12	57	1	1	2	2	-	2	21	1	22	21	9	30
EA							-	1	1						
33	3	11	14	-	1	1	-	1	1	-	2	2	3	7	10
34	15	19	34	-	1	1	-	2	2	5	8	13	10	8	18
35	52	6	58	2	-	2	2	-	2	18	-	18	30	6	36
37	17	1	18	-	1	1	2	-	2	6	-	6	9	-	9
44	19	30	49	1	1	2	-	3	3	5	4	9	13	22	35
47	6	16	22	-	1	1	1	-	1	-	4	4	5	11	16
48	28	7	35	1	1	2	2	-	2	3	1	4	22	5	27
50	33	21	54	2	1	3	-	2	2	6	-	6	25	18	43
51	4	26	30	-	1	1	-	2	2	-	6	6	4	17	21
52	26	8	34	1	1	2	1	1	2	5	-	5	19	6	25
53	20	22	42	1	1	2	-	2	2	3	3	6	16	16	32
54	15	26	41	1	1	2	-	2	2	2	2	4	12	21	33

## FACULTY DESEGREGATION REPORT

TABLE C. INDIVIDUAL ELEMENTARY SCHOOL FACULTIES BY RACE

Sch. No.	Total Faculty			Administrators			Kindergarten Teachers			Aides			Other Teachers Including Coun., Lib., etc.		
	NW	W	T	NW	W	T	NW	W	T	NW	W	T	NW	W	T
55	6	33	39	1	1	2	-	2	2	-	6	6	5	24	29
56*	3	26	29	1	-	1	-	2	2	-	2	2	2	22	24
58	15	5	20	1	-	1	1	-	1	4	-	4	9	5	14
59	57	16	73	1	1	2	-	3	3	25	-	25	31	12	43
60	45	6	51	1	1	2	2	-	2	9	-	9	33	5	38
61	60	9	69	1	1	2	2	1	3	22	1	23	35	6	41
62	38	17	55	1	1	2	-	3	3	8	5	13	29	8	37
64	32	15	47	1	1	2	2	-	2	5	1	6	24	13	37
65	15	1	16	-	1	1	1	-	1	5	-	5	9	-	9
66	34	20	54	1	1	2	-	2	2	17	1	18	15	16	31
EA							1	-	1						
67	30	4	34	1	1	2	1	1	2	4	-	4	24	2	26
68	6	20	26	-	1	1	-	1	1	-	3	3	6	15	21
69	31	15	46	1	1	2	1	2	3	3	-	3	26	12	38
71	29	10	39	1	1	2	1	1	2	5	2	7	22	6	28
73	11	1	12	1	-	1	-	-	-	4	-	4	6	1	7
74	46	5	51	1	1	2	2	-	2	19	-	19	24	4	28
76*	1	14	15	-	1	1	-	1	1	-	4	4	1	8	9
83	13	38	51	-	2	2	1	1	2	-	7	7	12	28	40
84	13	30	43	-	2	2	-	3	3	-	6	6	13	19	32
85	61	13	74	1	2	3	-	-	-	10	-	10	50	11	61
86	21	3	24	1	-	1	3	2	5	11	-	11	5	1	6
EA							1	-	1						
87	28	4	32	1	1	2	1	-	1	7	1	8	19	2	21
88	71	31	102	2	2	4	3	1	4	29	4	33	37	24	61
92	7	17	24	-	1	1	-	1	1	-	5	5	7	10	17
94	34	7	41	1	-	1	2	-	2	14	1	15	17	6	23
95	77	3	80	1	1	2	2	-	2	43	-	43	30	2	32
EA							1	-	1						
97	49	10	59	1	1	2	2	-	2	22	-	22	24	9	33
98	10	23	33	1	1	2	1	1	2	-	4	4	8	17	25
99	48	9	57	1	1	2	1	-	1	20	2	22	26	6	32
100	32	1	33	1	-	1	1	-	1	12	-	12	18	1	19
101	57	5	62	1	1	2	2	-	2	22	-	22	32	4	36
102	51	4	55	1	1	2	2	-	2	23	-	23	25	3	28
103	31	-	31	1	-	1	1	-	1	12	-	12	17	-	17
104	35	2	37	1	-	1	2	-	2	14	-	14	18	2	20
107	61	1	62	1	1	2	2	-	2	25	-	25	33	-	33
109	31	-	31	1	-	1	3	-	3	13	-	13	13	-	13
EA							1	-	1						
111	18	-	18	1	-	1	1	-	1	6	-	6	10	-	10
112	56	5	61	1	1	2	2	-	2	22	-	22	31	3	34
EA							-	1	1						
113	25	1	26	1	-	1	1	-	1	8	-	8	15	1	16

\*Elementary faculty only.

## FACULTY DESEGREGATION REPORT

TABLE C. INDIVIDUAL ELEMENTARY SCHOOL FACULTIES BY RACE

Sch. No.	Total Faculty			Administrators			Kindergarten Teachers			Aides			Other Teachers Including Coun., Lib., etc.		
	NW	W	T	NW	W	T	NW	W	T	NW	W	T	NW	W	T
116	26	-	26	1	-	1	1	-	1	9	-	9	15	-	15
118	18	-	18	1	-	1	1	-	1	8	-	8	8	-	8
119	32	-	32	1	-	1	1	-	1	15	-	15	15	-	15
121	16	1	17	-	1	1	1	-	1	5	-	5	10	-	10
122	50	2	52	1	1	2	1	-	1	21	-	21	26	1	27
EA							1	-	1						
126	19	-	19	1	-	1	1	-	1	7	-	7	10	-	10
129	17	2	19	1	-	1	1	-	1	6	-	6	9	2	11
132	35	2	37	2	-	2	2	-	2	11	-	11	20	2	22
135	23	-	23	1	-	1	-	-	-	8	-	8	14	-	14
137	51	1	52	1	1	2	2	-	2	20	-	20	28	-	28
138	41	2	43	1	-	1	2	-	2	16	-	16	22	2	24
139	74	16	90	2	1	3	2	1	3	36	1	37	34	12	46
EA							-	1	1						
140	34	-	34	1	-	1	1	-	1	14	-	14	18	-	18
141	47	-	47	2	-	2	2	-	2	19	-	19	24	-	24
142	45	1	46	1	1	2	2	-	2	18	-	18	24	-	24
144	33	1	34	1	1	2	2	-	2	5	-	5	25	-	25
145	59	-	59	2	-	2	2	-	2	22	-	22	33	-	33
146	31	2	33	1	1	2	2	-	2	8	-	8	20	1	21
148	44	1	45	1	1	2	2	-	2	16	-	16	25	-	25
149	55	7	62	1	1	2	2	-	2	19	-	19	33	6	39
150	41	5	46	3	-	3	2	-	2	4	-	4	32	5	37
156	14	-	14	1	-	1	1	-	1	5	-	5	7	-	7
159	59	-	59	2	-	2	2	-	2	26	-	26	28	-	28
EA							1	-	1						
160	29	4	33	1	-	1	2	-	2	7	-	7	19	4	23
161	44	2	46	2	-	2	2	-	2	17	-	17	23	2	25
162*	24	-	24	1	-	1	1	-	1	10	-	10	12	-	12
165	51	3	54	2	-	2	2	-	2	17	-	17	30	3	33
164	46	1	47	1	1	2	2	-	2	16	-	16	27	-	27
175	7	-	7	1	-	1	-	-	-	-	-	-	6	-	6
200	17	3	20	1	-	1	1	-	1	3	-	3	12	3	15
201	14	24	38	1	1	2	-	2	2	-	6	6	13	15	28
202	38	1	39	1	1	2	2	-	2	6	-	6	29	-	29
203	2	24	26	-	1	1	-	2	2	-	4	4	2	17	19
204	33	6	39	1	1	2	2	-	2	6	-	6	24	5	29
205	5	19	24	1	1	2	-	2	2	-	4	4	4	12	16
206	2	4	6	1	1	2	-	-	-	-	-	-	1	3	4
207	9	27	36	-	2	2	-	2	2	-	6	6	9	17	26
209	25	25	50	1	1	2	-	4	4	5	-	5	19	20	39
210	3	34	37	1	1	2	-	3	3	-	7	7	2	23	25
211	1	31	32	-	2	2	-	3	3	-	5	5	1	21	22
212	3	24	27	1	-	1	-	2	2	-	8	8	2	14	16
213	4	27	31	-	1	1	-	2	2	1	5	6	3	19	22
214	15	18	31	1	-	1	-	1	1	3	-	3	9	17	26
215	8	26	34	-	1	1	-	2	2	-	6	6	8	17	25

\*Elementary faculty only.

## FACULTY DESEGREGATION REPORT

TABLE C. INDIVIDUAL ELEMENTARY SCHOOL FACULTIES BY RACE

Sch. No.	Total Faculty			Administrators			Kindergarten Teachers			Aides			Other Teachers Including Com., Lib., etc.		
	NW	W	T	NW	W	T	NW	W	T	NW	W	T	NW	W	T
216	4	38	42	-	2	2	-	3	3	-	6	6	4	27	31
217	30	2	32	1	1	2	2	-	2	3	-	5	24	1	25
218	14	19	33	1	1	2	-	2	2	1	4	5	12	12	24
219	6	32	38	1	1	2	-	3	3	-	8	8	5	20	25
220	11	17	28	-	1	1	1	1	2	-	5	5	10	10	20
221	3	22	25	-	1	1	-	1	1	-	8	8	3	12	15
223	42	37	79	2	1	3	1	4	5	8	2	10	31	30	61
224	12	16	28	-	1	1	1	1	2	1	2	3	10	12	22
225	40	18	58	1	1	2	-	2	2	23	1	24	16	13	29
EA															
226	3	14	17	-	1	1	-	1	1	-	2	2	3	10	13
227	-	3	3	-	-	-	-	-	-	-	-	-	-	3	3
228	4	18	22	-	1	1	-	1	1	-	4	4	4	12	16
229	4	22	26	-	1	1	-	2	2	-	2	2	4	17	21
230*	6	13	19	1	-	1	1	-	1	-	2	2	4	11	15
231	5	36	41	-	2	2	-	3	3	-	4	4	5	27	32
232	8	16	24	-	1	1	-	2	2	2	4	6	6	9	15
233*	4	14	18	1	-	1	-	1	1	-	2	2	3	11	14
234	11	45	56	-	2	2	-	2	2	-	7	7	11	34	45
235	6	30	36	1	1	2	-	2	2	-	6	6	5	21	26
236	5	34	39	-	2	2	-	3	3	-	7	7	5	22	27
237	1	12	13	-	1	1	-	2	2	-	4	4	1	5	6
238	30	3	33	-	1	1	1	-	1	14	-	14	14	2	16
EA															
239*	-	23	23	-	1	1	-	2	2	-	5	5	-	15	15
240	9	45	54	-	2	2	-	2	2	3	19	22	6	21	27
EA															
241	5	29	34	-	1	1	-	1	1	-	8	8	5	19	24
242	13	35	48	1	1	2	-	4	4	1	8	9	11	22	33
243	20	38	58	1	1	2	-	4	4	8	10	18	11	22	33
EA															
245	8	38	46	1	1	2	1	3	4	-	7	7	6	27	33
246	8	50	58	1	2	3	-	4	4	-	9	9	7	35	42
247	4	35	39	1	1	2	-	1	1	-	6	6	3	27	30
248	6	33	39	1	1	2	-	2	2	-	6	6	5	24	29
249	4	17	21	-	1	1	-	2	2	-	3	3	4	11	15
253	27	-	27	1	-	1	-	-	-	13	-	13	13	-	13
300	4	2	6	-	1	1	-	-	-	-	-	-	4	1	5
301*	22	33	55	1	1	2	1	2	3	8	13	21	12	17	29
302	3	4	7	-	1	1	-	-	-	-	1	1	3	2	5
303	10	4	14	-	1	1	-	-	-	3	2	5	7	1	8
304	6	13	19	-	1	1	-	-	-	2	4	6	4	8	12
306	7	2	9	1	-	1	-	-	-	3	1	4	3	1	4
307	18	9	27	1	-	1	-	-	-	6	5	11	11	4	15
308	16	4	20	1	-	1	-	-	-	8	-	8	7	4	11
309	16	2	18	1	-	1	-	-	-	5	1	6	10	1	11
310	22	2	24	1	-	1	-	-	-	11	-	11	10	2	12
Total	3970	2123	6093	132	258	126	153	312	159	1293	1669	376	2392	1462	3854

\*Elementary faculty only.

## FACULTY DESEGREGATION REPORT

TABLE D. INDIVIDUAL SECONDARY-VOCATIONAL SCHOOL FACULTIES BY RACE

Sch. No.	Total Educational Personnel			Prin., Asst. Prin., Tech. in Chg., Spec. Asst.			Teachers, Including Lab. & Shop Assist., Coun., Lib., etc.			Aides		
	NW	W	T	NW	W	T	NW	W	T	NW	W	T
	1	15	5	20	1	-	1	11	4	15	3	1
1A	13	8	21	-	1	1	10	7	17	3	-	3
3	9	8	17	-	1	1	8	6	14	1	1	2
9	16	12	28	-	1	1	15	9	24	1	2	3
17	9	7	16	-	1	1	7	6	13	2	-	2
41	18	79	97	1	3	4	17	72	89	-	4	4
42	70	30	100	2	1	3	62	28	90	6	1	7
43A	48	100	148	1	4	5	47	92	139	-	4	4
46	31	74	105	2	2	4	25	71	96	4	1	5
56*	14	46	60	-	2	2	14	39	53	-	5	5
57	96	24	120	3	2	5	83	21	104	10	1	11
70	19	85	104	1	2	3	18	82	100	-	1	1
72	14	23	37	-	3	3	14	18	32	-	2	2
75	96	22	118	2	4	6	89	18	107	5	-	5
76*	10	44	54	-	2	2	10	39	49	-	3	3
77	41	110	151	1	5	6	40	100	140	-	5	5
78	99	28	127	2	4	6	94	24	118	3	-	3
79	104	26	130	3	1	4	96	25	121	5	-	5
80	33	91	124	1	4	5	32	82	114	-	5	5
90A	92	56	148	2	4	6	82	51	133	8	1	9
91	67	33	100	2	1	3	60	32	92	5	-	5
96	15	5	20	-	1	1	14	4	18	1	-	1
115	16	15	31	-	1	1	15	12	27	1	2	3
130	87	9	96	2	1	3	81	8	89	4	-	4
133	84	11	95	3	-	3	63	11	74	18	-	18
162*	17	3	20	-	1	1	15	2	17	2	-	2
176	34	3	37	-	-	-	30	3	33	4	-	4
180	57	9	66	2	-	2	50	9	59	5	-	5
181	87	13	100	2	1	3	78	12	90	7	-	7
182	15	1	16	1	-	1	12	1	13	2	-	2
183	27	3	30	1	-	1	24	3	27	2	-	2
222	52	94	146	2	2	4	49	88	137	1	4	5
230A*	15	34	49	-	2	2	15	29	44	-	3	3
233*	14	46	60	-	3	3	12	40	52	2	3	5
239*	20	54	74	1	1	2	19	47	66	-	6	6
294	6	9	15	-	1	1	5	7	12	1	1	2
296	11	13	24	-	1	1	10	11	21	1	1	2
298	26	21	47	1	1	2	22	20	42	3	-	3
301*	4	6	10	1	-	1	2	6	8	1	-	1
400	52	86	138	1	4	5	48	79	127	3	3	6
401	36	106	142	2	2	4	30	101	131	4	3	7
402	29	120	149	1	4	5	28	111	139	-	5	5
403	21	121	142	1	3	4	18	117	135	2	1	3
404	20	72	92	1	2	3	17	68	85	2	2	4

\*Secondary faculty only.

## FACULTY DESEGREGATION REPORT

TABLE D. INDIVIDUAL SECONDARY-VOCATIONAL SCHOOL FACULTIES BY RACE

Sch. No.	Total Educational Personnel			Prin., Asst. Prin., Tch. in chg., Spec. Asst.			Teachers, Including Lab. & Shop Assist., Coun., Lib., etc.			Aides		
	NW	N	T	NW	N	T	NW	N	T	NW	N	T
405	20	99	119	1	3	4	19	91	110	-	5	5
406	51	60	111	1	2	3	48	57	105	2	1	3
407A	36	89	125	2	3	5	34	82	116	-	4	4
408	30	82	112	1	2	3	25	80	105	4	-	4
410	22	127	149	1	3	4	21	120	141	-	4	4
450	98	21	119	2	1	3	92	19	111	4	1	5
451	13	-	13	1	-	1	10	-	10	2	-	2
453	62	11	73	1	1	2	56	10	66	5	-	5
454	71	22	93	3	-	3	66	22	88	2	-	2
Total	2062	2276	4338	59	94	153	1862	2096	3958	141	86	227

## FACULTY DESEGREGATION REPORT

TABLE E. FACULTY OF SCHOOLS HAVING BOTH ELEMENTARY AND SECONDARY PUPILS

School Number	Elementary Faculty			Secondary Faculty			Total Faculty		
	NW	W	T	NW	W	T	NW	W	T
56	3	26	29	14	46	60	17	72	89
76	1	14	15	10	44	54	11	58	69
162	24	-	24	17	3	20	41	3	44
175	7	-	7	-	-	-	7	-	7
230&A	6	13	19	15	34	49	21	47	68
233	4	14	18	14	46	60	18	60	78
239	-	23	23	20	54	74	20	77	97
300	4	2	6	-	-	-	4	2	6
301	22	33	55	4	6	10	26	39	65
Total	71	125	196	94	233	327	165	358	523

TABLE F. EARLY ADMISSIONS FACULTY BY INDIVIDUAL SCHOOLS

School Number	NW	W	Total
2&A	-	2	2
4	1	1	2
8	1	-	1
10	-	1	1
11	-	1	1
19	1	1	2
22	-	1	1
26	1	-	1
27	-	1	1
32	-	1	1
66	1	-	1
86	1	-	1
95	1	-	1
109	1	-	1
112	-	1	1
122	1	-	1
139	-	1	1
159	1	-	1
225	-	1	1
238	1	-	1
240	-	1	1
243	-	1	1
Total	11	14	25

*Exhibit No. 7*

August 1969

Mr. Dale Anderson  
County Executive  
County Office Building  
Towson, Maryland 21204

Dear Mr. Anderson:

I have noted with interest the problems Baltimore County faces in its attempt to house persons of low income. As reported by the press you are anxious to avoid an influx of new families which would tax existing facilities; you want to maintain the property tax base; you are desirous of seeing the problem dealt with through a national rather than a state program; and you do not want to concentrate such families in a manner that will increase the difficulties of their acceptance by their neighbors.

After considering your requirements, I believe we have a proposal that would help you house these families while meeting your other objectives. Such a program would consist of the Housing Authority of Baltimore City leasing existing units in Baltimore County, paying the market rent, and then subleasing the apartments to low income families. Such a program would be financed completely with federal funds and would answer your needs in the following manner:

1. Baltimore County would not be threatened by an "influx" of families because the tenants would only be occupying existing units at densities already prescribed. Priority for occupancy could be given to county residents.
2. Property tax revenue would not be effected because the owners of these units would receive full market rents and pay the same tax as if the units were rented in the normal course of business.

Mr. Dale Anderson

3. Concentration of low income families could be avoided by renting no more than two or three units in any one block.
4. The County would be participating in a nationwide program designed to assist low income families.

If the County government is willing to participate in such a program, we could administer such a program, or delegate administration to the County government.

Sincerely yours,



R.C. EMERY, JR.  
Commissioner's Off



DALE ANDERSON  
COUNTY EXECUTIVE

BALTIMORE COUNTY, MARYLAND  
EXECUTIVE OFFICE  
TOWSON, MARYLAND 21204

August 29, 1969

Mr. Robert C. Embry, Jr.  
Department of Housing and Community Development  
The Equitable Building  
Baltimore, Maryland 21202

Dear Bob:

Please excuse the considerable delay in answering your letter of August 5th. I am quite sure you know that I have been away from the office most of this month.

As to the letter itself, I don't quite understand why you make such a proposal because I am sure you know or should know that if the Housing Authority of Baltimore City wishes to lease existing houses or other living units in Baltimore County which are for rent, Baltimore County could not stop them from doing so even if it wished to do so.

I mean, of course, that we have no legal right to interfere with such a transaction between two parties and would not do so if we had such right.

Sincerely,

County Executive

DA/k

SEP 4 1969

Mr. Dale Anderson  
County Executive  
Executive Office  
Towson, Maryland 21204

Dear Mr. Anderson:

Thank you for your recent letter. I apologize for the ambiguity of my letter of August 5. It was sent because the Housing Authority of Baltimore City cannot use federal funds to lease units in Baltimore County, even though they are for rent, unless we receive permission from the County government. Section 23 (a) (2) of the Housing Act of 1937 spells out this requirement. Furthermore, I would not undertake a housing program in Baltimore County without first seeking your advice.

As I gather you would not be opposed to such a program, I am taking the liberty of forwarding a draft of a resolution which would permit us to proceed. As I stated before, an occupancy priority could be given to eligible persons already living in the vicinity of the leased residence.

Please let me know if you are interested in proceeding.

Sincerely,

R. C. EMBRY, JR.  
R. C. EMBRY, JR.,  
Commissioner

*Enclosure*

*Exhibit No. 8*

**UNITED STATES COMMISSION ON CIVIL RIGHTS**

**STAFF REPORT**

**HOME MORTGAGE FINANCING  
AND  
RACIAL AND ECONOMIC INTEGRATION**

## TABLE OF CONTENTS

	Page
I. THE NEED FOR REAL ESTATE FINANCING. . . . .	590
A. Sources of Mortgage Funds. . . . .	590
B. A Sketch of Mortgage Transactions. . . . .	594
II. THE ROLE OF THE FEDERAL GOVERNMENT IN CREATING MORTGAGES. . . . .	597
A. The Agencies. . . . .	598
1. Federal Housing Administration. . . . .	598
2. Veterans Administration. . . . .	601
3. Federal National Mortgage Association. . . . .	602
4. Government National Mortgage Association. . . . .	603
5. Federal Home Loan Bank Board System. . . . .	604
B. Federal Government Action in Relation to America's Housing Needs. . . . .	605
III. THE SAVINGS AND LOAN INDUSTRY . . . . .	606
IV. INADEQUACY OF FUNDS FOR HOUSING OF LOW-INCOME FAMILIES, ESPECIALLY FOR INNER-CITY RESIDENTS. . . . .	611
A. Tight Money. . . . .	611
B. High Cost of Homes. . . . .	612
C. Discrimination in Financing. . . . .	613
D. Loan Size and Profitability. . . . .	615
V. RESPONSIBILITY OF THE FEDERAL HOME LOAN BANK BOARD . . . . .	616
A. Statutory Responsibility . . . . .	616
B. Action by the FHLBB . . . . .	617
C. Additional Steps the FHLBB Could Take. . . . .	619

I. THE NEED FOR REAL ESTATE FINANCING

Debt, the creation of mortgages, finances the building and purchasing of America's homes. In 1968 the total residential mortgage debt in the United States amounted to approximately \$298 billion.<sup>1/</sup>

The magnitude of this figure is clear when compared with the Federal debt, which was about \$314 billion.<sup>2/</sup> The total residential mortgage debt exceeded by 36 percent all other private debt of individuals.<sup>3/</sup>

Individuals in their purchases of new FHA insured homes on the average made a down payment of no more than 9 percent of the total acquisition cost. The remaining 91 percent represented mortgage debt.<sup>4/</sup>

In the Baltimore Standard Metropolitan Statistical Area (SMSA) a sample taken at the end of the fourth quarter of 1969 showed that the average new FHA home sold for \$19,237. The mortgage on these homes averaged \$19,264.<sup>5/</sup>

A. Sources of Mortgage Funds

At least 90 percent of mortgage credit is created by financial institutions. By far the largest contributors to the residential mortgage market are the savings and loan associations (S&L's). Although S&L's are

1/ U.S. Savings and Loan League, Savings and Loan Fact Book 69, 32 (Table 22) (1968) [hereinafter cited as Fact Book 69].

2/ Id.

3/ Id. at 33 (Table 23). Other private debt for 1968 was \$219.3 billion. Id.

4/ FHA-HUD, Area Trends, fourth quarter 1969, (1970) [hereinafter cited as Area Trends].

5/ Id. The cost of buying the home when added to the sales price would exceed the amount of the mortgage.

only the third largest type of financial institution,<sup>6/</sup> in 1968 44 percent of the mortgages outstanding on nonrural homes were held by savings and loan associations. Commercial banks held 15 percent of the total outstanding mortgages. Savings banks and life insurance companies were the source for 14 and 12 percent respectively; Federal agencies provided 5 percent. The remaining 10 percent was held by individuals and other lenders.<sup>7/</sup>

In Baltimore City and Baltimore and Anne Arundel Counties, 1965 data indicate that S&L's were the source for 51 percent of the financing of mortgages of \$35,000 or less.<sup>8/</sup>

Savings and loan associations are financial intermediaries, serving as a link between savers and borrowers. They are formed primarily to promote thrift and homeownership. While not all savings and loan associations are federally insured, federally insured S&L's hold 97 percent of the industry's assets and comprise three-fourths of the associations.<sup>9/</sup> Federally insured associations are subject to Federal Home Loan Bank Board (FHLBB) supervision.<sup>10/</sup> As a general rule, savings and loan associations are limited by law to investment in mortgages and government se-

6/ In 1968, commercial banks held total assets of \$497.9 billion; life insurance companies held \$187.7 billion; savings and loan associations held \$152.8 billion; and mutual savings banks held \$71.7 billion. Fact Book 69, supra note 1, at 53 (Table 48).

7/ Fact Book 69, supra note 1, at 37 (Table 27).

8/ FHA-HUD, Analysis of the Housing Market Baltimore, Maryland, Standard Metropolitan Statistical Area as of May 1, 1966 22 (1966).

9/ Non-federally insured State chartered associations in the United States held assets of \$5.1 billion at the end of 1968. Total industry assets were \$152.8 billion. In numbers, the state chartered non-insured represented 1,526 of the total of 5,996 associations. Id. at 57-58 (Tables 51 & 52).

10/ 12 U.S.C. § 1464 (a) (1964).

curities. <sup>11/</sup> In 1968, 91.7 percent of the savings deposited in S&L's was invested in residential mortgage loans. <sup>12/</sup>

Unlike savings and loan associations, commercial banks are not restricted to investing in mortgages and Government securities. <sup>13/</sup> In fact, the law and regulations governing bank lending limit the amount of mortgages which can be maintained in the investment portfolio of a bank. <sup>14/</sup> Consequently, on the average, less than 25 percent of the savings deposits of commercial banks are directed into residential mortgage lending. <sup>15/</sup>

Savings banks are a hybrid of savings and loan associations and commercial banks. They may become members of the Federal Home Loan Bank System (FHLBS). <sup>16/</sup> However, they are less restricted in their

---

<sup>11/</sup> Federally chartered associations are prohibited from lending their funds except on the security of savings accounts or ". . . of first liens upon real property . . ." or as otherwise provided by the Home Owner's Loan Act of 1933. 12 U.S.C. §1465 (c) (1964). State chartered, non-federally insured associations are regulated by state law. See, Md. Ann. Code, Art. 23, § 161z (Supp. 1969). Every savings and loan association, regardless of whether it is state or federally chartered or insured, if it wishes to enjoy certain tax benefits, must conform to the definition of a "domestic building and loan association." The definition limits the percentage of assets which may be invested in nonspecified assets to 40 percent. The specified assets are (1) cash, (2) Federal or state government securities, (3) shares of a state corporation authorized to insure its members' deposits, (4) loans secured by deposits of members, (5) real estate mortgages, (6) real estate property located within an urban renewal area, (7) loans secured by an interest in educational, health, or welfare institutions, (8) property acquired through the liquidation of real estate mortgages held by the institution (9) loans made for the payment of college expenses, (10) property needed to operate the business of the association. 26 U.S.C. 7701(a)(19) (Supp. V, 1970).

<sup>12/</sup> Fact Book 69, supra note 1, at 36 (Table 26). Mortgage loans represented 85.6 percent of the assets of savings and loan associations at the end of 1968. Id. at 94.

<sup>13/</sup> See 12 U.S.C. § 24 (Supp. IV, 1969).

<sup>14/</sup> 12 U.S.C. § 371 (1964).

<sup>15/</sup> Fact Book 69, supra note 1, at 36 (Table 26).

<sup>16/</sup> 12 U.S.C. 1424 (1964).

investment powers than savings and loan associations. Nonetheless, in 1968, 72.5 percent of the savings deposits of savings banks was allocated to residential mortgages.<sup>17/</sup>

Life insurance companies are financial intermediaries whose principal function is to provide contractual protection against financial loss from death. Their total assets at the end of 1966 were \$167 billion.<sup>18/</sup> Although their share of the residential mortgage market is not as substantial as savings and loan associations, savings banks, or commercial banks,<sup>19/</sup> they are the largest holder of mortgages for apartments and commercial properties.<sup>20/</sup>

In addition to the financial institutions which hold mortgages in their investment portfolios, many originate mortgages for the purpose of selling them. All segments of the mortgage industry sell mortgages.<sup>21/</sup> Indeed this may occur between individual S&L's, as for example, when an

<sup>17/</sup> Fact Book 69, supra note 1, at 36 (Table 26).

<sup>18/</sup> HUD, Mortgage Loan Gross Flows, 67 (1968), [hereinafter cited as Mortgage Loan Gross Flows].

<sup>19/</sup> Insurance companies held \$29.6 billion of mortgages on residential homes at the end of 1968. Fact Book 69, supra note 1, at 37 (Table 27). For a comparison with savings and loan associations, savings banks, and commercial bank holdings, see Id.

<sup>20/</sup> At the end of 1966, insurance companies held \$29.1 billion of mortgage loans on multifamily and nonresidential properties. Commercial banks, the second largest holder of this type of credit, held \$18.5 billion. Mortgage Loan Gross Flows, supra note 18, at 31-32 (Tables 20 & 21).

<sup>21/</sup> Mortgage companies and commercial banks sold \$8.0 and \$2.6 billion of residential mortgages in 1966. Savings and loan associations were the third largest sellers with \$800 million. Id. at 26 (Table 10).

institution having a shortage of mortgage money sells mortgages to another having a surplus of cash. <sup>22/</sup>

"Mortgage companies", another type of financial institution, typically originate mortgage loans and then sell the mortgages to institutional investors. In most instances the mortgage companies continue to service the loans after their sale. <sup>23/</sup> Mortgage companies rarely hold mortgages as an investment. <sup>24/</sup>

Pension funds hold and invest funds set aside for the purpose of providing retirement income for fund participants. Pension funds are not large holders of mortgages. <sup>25/</sup>

B. A Sketch of Mortgage Transactions <sup>26/</sup>

Once the prospective homeowner has identified the home he wishes to purchase, the next step is to obtain financing. If the home <sup>27/</sup>

22/ See notes 45-52 infra, and accompanying text.

23/ The mortgage company may sell the loan it originated but assume under contract with the purchaser an obligation to service the loan.

24/ In 1966, mortgage companies originated \$7.0 billion of residential mortgage loans but had a portfolio holding of only \$2.1 billion at the end of that year. Mortgage Loan Gross Flows, supra note 18, at 23 & 31 (Tables 4 & 19).

25/ Mortgage holdings of all institutions and individuals in 1968, other than savings and loan associations, savings banks, commercial banks, life insurance companies, and Federal agencies, was \$24.8 billion. Fact Book 69, supra note 1, at 37 (Table 27). This figure represents the mortgage holdings of fire and casualty companies, finance companies, investment companies, credit unions, noninsured pension funds, state and local pension funds, as well as individuals. Id. at 53 (Table 48).

26/ See generally, R. K. Brown, Real Estate Economics, 153-63 (1965), W. R. Bryant, Mortgage Lending, 60-195 (1956), R. Ratcliff, Real Estate Analysis, 142-85 (1961).

27/ Generally, home purchasers seek financing only after selecting the site or house since financial institutions need to be able to evaluate the underlying security of a mortgage--the home and the land on which it is located--before granting the loan.

is part of a new development, in all probability the developer will have made arrangements with a financial institution to provide the mortgage money necessary for the buyer to finance his purchase. Such an arrangement is important to a developer, since readily available mortgage credit will greatly facilitate the sale of houses in the new development.

If, on the other hand, the house is not newly built, but is an existing house purchased through a real estate broker, it is typically the broker who knows which financial institutions have mortgage money available, and who provides the initial contact with the financial institution.

After receiving a mortgage application from a prospective purchaser, the lender processes the application as follows: before evaluating the specific application, the financial institution knows to what extent, if at all, it wishes to enter the mortgage market. In the case of a savings and loan association, this is largely predetermined by its supply of money available for investment. However, insurance companies and commercial banks have a wide latitude of possible investment outlets. Their decision to acquire mortgages will depend, among other things, on the rate of return on mortgages as compared to other investments and on their current portfolio mix. <sup>28/</sup>

In addition, many financial institutions have lending policies

---

<sup>28/</sup> A financial intermediary may wish to establish a diversified portfolio of investments. If it determines that it is overcommitted in residential mortgages, the institution will refrain from additional lending on homes to improve its portfolio mix.

with respect to the minimum size of the mortgage it will accept. Similarly, an institution may have delineated areas in which it is unwilling to lend mortgages, or in which it will create mortgages only under special circumstances. This may be due to the institution's belief that it is too heavily invested in the area, that the area's economic viability is questionable, or to similar considerations.

Assuming that such considerations as these are satisfied, the financial institution considers three basic factors before extending credit on the particular application: (1) the credit risk of the purchaser; (2) the credit worthiness of the house itself; and (3) the prospects of the neighborhood in which the house is located.

If review of these factors indicates that the mortgage will be acceptable, the application moves to the next step--that of appraisal. A real estate expert visits the property for the purpose of appraising its value. <sup>29/</sup>

If the appraisal indicates that the property will support the lender's borrowing requirements, the loan is accepted. If the appraisal indicates that insufficient security exists in the property for the loan requested, the lender will indicate to the borrower the amount it is willing to lend.

29/ See generally, S. Kahn, F. Case & A. Schimmel, Real Estate Appraisal and Investment (1963). Appraisals are essential to the mortgage lending process. FHA and VA insurance are pegged to the appraisal value of the real property. 12 U.S.C. § 1709 (b) (2) (Supp. V, 1970). Similarly, financial institutions are restricted by the appraised value in the amount they can loan. See, e.g., id. § 371.

The borrower may accept the lender's offer or attempt to negotiate a higher loan, for example by offering to shorten the maturity of the loan.

Once agreement on mortgage terms is reached, the borrower must submit acceptable deed and title papers to the lender's counsel. This requires a title search and survey. When this has been satisfactorily completed, the transaction is closed and a mortgage created.

However, many mortgages are not held to maturity by the originating lender. In fact, the ability of primary lenders to continue to make mortgage money available to home purchasers depends on their ability to dispose of mortgages to secondary lending institutions, such as life insurance companies. These transactions make up the so-called "secondary market". As will be discussed in the following section, the Federal Government plays an active role in the operation of the secondary market. <sup>30/</sup>

## II. THE ROLE OF THE FEDERAL GOVERNMENT IN CREATING MORTGAGES

The Federal Government is involved in the mortgage market in several ways. Indirectly, it affects the mortgage market by its control of the supply of money through Federal Reserve Board policy and Treasury manage-

---

<sup>30/</sup> See notes 45-52 *infra*, and accompanying text.

ment of the public debt. <sup>31/</sup> The tightening of the money supply restricts credit and causes interest rates to rise. A decrease in the supply of money generally decreases the availability of mortgages. Similarly, an increase in interest rate in the money market will tend to divert money from the home mortgage sector. <sup>32/</sup> A more direct vehicle of governmental intervention in the mortgage market occurs through activities of the Federal Housing Administration (FHA), Veterans Administration (VA), Federal National Mortgage Association (FNMA) (now private) Government National Mortgage Association (GNMA), and Federal Home Loan Bank Board (FHLBB).

A. The Agencies

1. Federal Housing Administration

The Federal Housing Administration (FHA), established by the National

31/ See, e.g., The President's Task Force on Low Income Housing, Toward Better Housing for Low Income Families 1-3 (1969). The task force found that:

The most basic need is for an anti-inflation program that relies more than does the present program on a federal budget surplus, and a large one. The absence of adequate fiscal restraint in an inflationary economy compels severe and extended monetary restraint and results in soaring interest rates, sharply reduced savings flows and severely restricted availability of mortgage credit, especially for low-income housing.

32/ Id.

Housing Act of 1934,<sup>33/</sup> administers a number of home loan programs. FHA does not extend mortgage money loans but rather insures loans made by private lending institutions. FHA guarantees the mortgagee (i.e., the lender) against loss on the mortgage due to default. FHA insurance permits lenders to extend "riskless"<sup>34/</sup> mortgage credit, making possible purchases by many who would have otherwise been excluded from homeownership. Simultaneously, FHA over the years has decreased the amount of down payment necessary to secure a home mortgage.<sup>35/</sup> Similarly, the maximum mortgage term, the time over which the mortgage loan is repaid, has been lengthened progressively since the establishment of FHA in 1934. The existence of an FHA guarantee has made it possible for mortgage loans under the FHA guarantee to carry lower interest rates. All these factors facilitate homeownership.

Since its creation, FHA has insured approximately nine million home mortgages,<sup>36/</sup> with a total value of \$130 billion.<sup>37/</sup> While 80 percent of financed home purchases since 1934 have not been insured by FHA,<sup>38/</sup> the impact of FHA insurance extends to these mortgages as well.

---

<sup>33/</sup> 12 U.S.C. §§ 1701-01r (1964).

<sup>34/</sup> Inasmuch as FHA does not insure the entire amount of the mortgage on all properties, there exists a possibility that a loss will be incurred. However, since it is infrequent that the total of the insured FHA amount and the resale value falls below the initial mortgage amount, losses are unlikely.

<sup>35/</sup> See Housing a Nation, Cong. Q. Ser. 5 (1966).

<sup>36/</sup> FHA-HUD, FHA Home and Project Mortgage and Property Improvement Loan Insurance Operations, Unnumbered first page. (1968). [hereinafter cited as Home And Project Operations.]

<sup>37/</sup> Id.

<sup>38/</sup> Fact Book 69, supra note 1, at 41 (Table 31).

FHA has provided the mortgage market with the stability necessary to permit a continuous flow of money into it. Likewise, because of the favorable experience which has resulted from FHA financing, low down payment and long term mortgages have become the pattern. The fact that FHA is underpinning one of every five existing units also increases stability in the home financing market,<sup>39/</sup> permitting somewhat lower interest rates to be charged.

It should be noted that FHA insurance is available only through FHA approved lending institutions.<sup>40/</sup> Not all applications for FHA approval receive a favorable disposition. FHA may refuse certification because of a lack of credit experience, past criminal conviction, inadequate staffing, or other reasons. However, FHA does not inquire to determine whether these institutions discriminate in their lending policies.<sup>41/</sup>

The volume of FHA insured new construction and home improvement mortgages in the country during the 1968 calendar year exceeded 425,000 units, for a total dollar amount of about \$1.6 billion.<sup>42/</sup> In Maryland

---

39/ Id.

40/ 12 U.S.C. § 1709 (b) (1) (Supp. III 1968).

41/ Interview with B. Clay Knickerbocker, FHA Insuring Office in Baltimore (July 22, 1970).

42/ Home And Project Operations, supra note 36.

during 1968 there were 5,684 insured FHA home mortgages aggregating \$95,129,950. The city of Baltimore accounted for approximately 16 percent of the total number of units, but only 12 percent of the dollar amount insured. While no new home construction guarantees were made in the city, Baltimore County received 72 new home guarantees, totalling \$1,157,750. The total FHA activity in the county was 904 mortgage guarantees totalling \$12,130,950. The average insured home mortgage in Baltimore City was for \$10,480, whereas the Baltimore County's average home mortgage was \$13,420.<sup>43/</sup>

## 2. Veterans Administration

The Veterans Administration (VA) administers a guarantee program insuring home mortgages and also provides loan assistance. Both of these programs are operated for the benefit of veterans exclusively. The guarantee of the Federal Government relaxes conventional mortgage requirements with respect to down payments and mortgage term. By June 30, 1968, VA had insured 7.25 million homes with an aggregate principal amount of close to \$71 billion. The Baltimore Regional Office, servicing all of Maryland except Prince Georges and Montgomery Counties, had insured as of that date 109,754 homes with a principal amount totalling \$961.2 million. VA also has a direct loan program. Direct loans nationally amounted to over \$2.5 billion, representing 286,000 loans. In the Baltimore Region, VA has provided loans for 2,450 homes, with a principal amount of nearly \$2.3 million.<sup>44/</sup>

---

<sup>43/</sup> Id. at 14.

<sup>44/</sup> Subcomm. on Housing and Urban Affairs, Senate Comm. on Banking and Currency, Progress Report on Federal Housing and Urban Development Programs, 91st Cong., 2d Sess. (Table L-8)P. 167, (1960). [Hereinafter cited as Subcomm. Progress Report].

### 3. Federal National Mortgage Association

FHA and VA insurance has increased the acceptability of mortgage loans on the secondary market. The "secondary market" refers to the transactions in which, subsequent to the creation of a mortgage, the primary lender--for example, a mortgage broker--sells the mortgage to a long term private investor--for example, a pension fund. (See pages 1010-1011 supra). The primary lender who sells the mortgage benefits by releasing cash for additional loans.

FHA and VA are important in the operation of this secondary market. Without the confidence created by these programs, many secondary market purchasers would be hesitant to invest in the middle-income homes covered by the FHA and VA program.

The Federal National Mortgage Association (FNMA), known popularly as "Fannie Mae," was authorized to purchase FHA and VA insured mortgages on the secondary market, to help establish the acceptability of these mortgages in the financial market.<sup>45/</sup>

By 1954, FHA and VA mortgages had received a high degree of acceptability in the private secondary market. Then, with the advent of new Federal housing programs, such as below market interest rate mortgages, whose acceptability by the secondary market had to be tested, FNMA in 1954 was also given the function of providing special assistance for the mortgages created by these programs.<sup>46/</sup>

FNMA purchased almost 900 thousand mortgages, for \$11.4 billion, from November 1954 through the end of 1968. In Maryland this represented 45/ See generally HUD, HUD Challenge, Ginnie Mae-New Girl of Mortgage Finance (March-April 1970).

46/ Id.

5,999 mortgages for \$84.7 million. The portfolio holdings of FNMA nationally as of December 1968 were 587,000 loans for in excess of \$7.1 billion. The Maryland total was 4,974 loans amounting to \$71 million and was composed exclusively of one-to-four family dwellings. <sup>47/</sup>

4. Government National Mortgage Association

The Housing and Urban Development Act of 1968 <sup>48/</sup> partitioned FNMA into two new corporate entities, FNMA and a new Government National Mortgage Association (GNMA). <sup>49/</sup> The new FNMA continues as a nationwide Government-sponsored private corporation investing in FHA and VA insured mortgages and assisting the operation of the secondary market. GNMA, also known colloquially as "Ginnie Mae", a wholly-owned corporate instrumentality of the United States, on the other hand, has three functions - two inherited from FNMA and the other new.

One of the functions of Ginnie Mae is to provide assistance in the financing of selected types of mortgages -- including low-and moderate-income housing -- which, because of risk or low interest rate cannot compete for mortgage money in the private market. <sup>50/</sup> It provides this assistance by purchasing mortgages -- from the sponsors of low-income housing projects, for example -- at their face value and reselling them,

<sup>47/</sup> Subcommittee Progress Report, supra note 44, at 183 (Table 0-4), 185 (Table 0-6).

<sup>48/</sup> Pub. L. No. 90-448, 82 Stat. 476 (1968).

<sup>49/</sup> 12 U.S.C. § 1717 (a) (2) (1964), as amended, (Supp. IV 1969).

<sup>50/</sup> 12 U.S.C. § 1720 (1964), as amended, (Supp. IV 1969).

at their market (lesser) value, to FNMA. GNMA in effect subsidizes the mortgages in this manner. This financing techniques provides subsidies for substantially more housing than would be the case were GNMA to hold the mortgages until maturity.

Another function of Ginnie Mae is to manage and to liquidate the portfolio of mortgages acquired by FNMA prior to 1954.<sup>51/</sup>

The third and new function of GNMA is to facilitate the flow of capital into financing of homeownership by the pooling of FHA and VA mortgages and the issuing for sale of securities against them.<sup>52/</sup>

Approved financial institutions holding FHA and VA mortgages are permitted to pool the mortgages and, pursuant to GNMA regulations, to issue securities against the pooled mortgages, and to sell these securities on the private market. The result is to bring additional capital into the housing market from long-term investors.<sup>53/</sup>

#### 5. Federal Home Loan Bank Board System

The Federal Home Loan Bank Board (FHLBB) is an independent agency established to encourage thrift and economical home financing through savings and loan associations. It supervises and establishes policy for the

---

<sup>51/</sup> 12 U.S.C. § 1721 (1964), as amended, (Supp. IV 1969).

<sup>52/</sup> 12 U.S.C. § 1719 (d) (1964), as amended (Supp. IV 1969).

<sup>53/</sup> HUD Challenge, supra note 45, at 4. Two types of mortgage-backed securities can be created by this program. These are a "pass-through" security, in which principal and interest are repaid to the security holder as the underlying mortgages are paid, and a "modified pass-through" security, in which the rate of amortization is determined separately by the security instrument. 24 C.F.R. § 1665.13 (1969). A third method of financing which has yet to be adopted is expected to provide for the issuance of a bond-type security.

Federal Home Loan Banks (FHLB), <sup>54/</sup> the Federal Savings and Loan Insurance Corporation (FSLIC) <sup>55/</sup> and the Federal Savings and Loan System. <sup>56/</sup>

The FHLB provides a central credit facility which may make advances, with the approval of the FHLBB, to savings and loan associations with capital shortages. This helps bring about a continuous flow of capital into home mortgages.

The Federal Home Loan Bank system also has the power to increase the money supply entering the home purchasing market through its powers to issue consolidated obligations. These are evidence of joint indebtedness of the 12 Federal Home Loan Banks and are issued by FHLBB on the open market. <sup>57/</sup> To determine the need for additional money to be generated by the consolidated obligations, FHLBB regularly canvasses the 12 regional banks to determine their needs. If the FHLBB agrees with each regional bank's determination, it totals the amounts requested and issues the consolidated obligations. The money received is distributed to the regional banks to meet their money demands.

B. Federal Government Action in Relation to America's Housing Needs.

The government programs described have been effective in helping to provide middle-income Americans with the opportunity to become home-

<sup>54/</sup> There are 12 home loan banks, each representing a region of the country. Federally chartered or insured S&L's are required to be bank members. The basic function of these regional banks is to provide loans to S&L's to stimulate home financing. See generally, 12 U.S.C. §§ 1421-49 (1964), as amended, (Supp. V.1970).

<sup>55/</sup> This is the insurance program of the savings and loan industry which closely parallels the Federal Deposit Insurance Corporation which insures bank deposits. See 12 U.S.C. §§ 1724-30 (1964).

<sup>56/</sup> These are savings and loan associations which are chartered by the FHLBB. See generally, 12 U.S.C., § 1464 (1964).

<sup>57/</sup> 12 U.S.C. § 1431 (b) (1964).

owners. The FHA system has operated principally to the benefit of middle-income families. As the Douglas Commission reported in 1968:

FHA has . . . been a vital factor in financing and promoting the exodus from the central cities and in helping to build up the suburbs. That is where the vast majority of FHA insured homes have been built. The suburbs could not have expanded as they have during the post war years without FHA.

Taking all factors into consideration, it is difficult to see how any institution could have served the emerging middle class more effectively than has the FHA and its counterpart, the Federal Home Loan Bank System. 58/

The establishment of the FHLB System, FHA, VA and the Federal National Mortgage Association have simplified the home mortgage market and have enabled large sums of private funds to be generated and inserted into the housing market. This Federal effort has helped the housing industry to compete more effectively for funds with other industries. However, this Federal effort has not adequately served the housing needs of low-income persons. This is because of program design and concept, because various programs which do exist have not been adequately financed, and because the financial institutions themselves have been slow to respond to the needs of the low-income housing sector.

### III. THE SAVINGS AND LOAN INDUSTRY

As was previously indicated, savings and loan associations are the largest originators and holders of home mortgages. Nationally, in 1968, 91.7 percent of the savings held by savings and loan associations were

58/ National Comm'n on Urban Problems, Building The American City, 99-100 (1968).

used to generate home mortgages. <sup>59/</sup>

In 1968 in the Baltimore SMSA, federally insured savings and loan associations extended \$156 million of mortgages for the purchase of residential homes. <sup>60/</sup>

As of December 31, 1969 there were 86 federally insured savings and loan associations in Maryland, with total assets of \$2.6 billion. In 1968, the total number of all savings and loan associations in Maryland was 297. <sup>61/</sup> While non-federally insured institutions far outnumbered the insured institutions, they held far less in assets. <sup>62/</sup>

The Federal Home Loan Bank Board reported that as of February 1970 savings and loan association members of the FHLBB maintained 57 offices in Baltimore City, with assets in excess of \$1 billion; Baltimore County had 41 savings and loan offices with \$355 million of assets. <sup>63/</sup>

Three statutes govern the regulation of savings and loan associations. The Home Owners Loan Act of 1933 gives the FHLBB a broad range of powers over Federal savings and loan associations. <sup>64/</sup> The National Housing

<sup>59/</sup> Fact Book 69, supra note 1, at 36 (Table 26).

<sup>60/</sup> Fourth Federal Home Loan Bank District, Savings and Lending Activity, Insured Savings and Loan Associations, Year to date Jan. - Dec., 1969, Table 3 (1970). The impact of tight money can be seen in the fact that in the first five months of 1970 only \$40.4 million mortgages were accepted by S&L's in the Baltimore SMSA. Id. Year to date Jan. - May, 1970, Table 3 (1970).

<sup>61/</sup> Maryland Savings and Loan League, The 86 Insured Savings and Loan Associations of Maryland, (1969).

<sup>62/</sup> The assets of the non-federally insured S&L's in Maryland amounted to \$259 million. Staff telephone interview with Willard Gerling, Asst. Vice President, Maryland Savings Share Insurance Corp., July 29, 1970.

<sup>63/</sup> Staff telephone interview with Derwood Krause, Director of Industry Development, July 30, 1970 citing FHLBB, Branch Office Study for All Member Savings and Loan Associations of FHLBB Systems by SMSA (Feb. 1970).

<sup>64/</sup> 12 U.S.C. §§ 1461-68 (1964).

Act <sup>65/</sup> gives FHLBB regulatory powers over insured associations. The Federal Home Loan Bank Act <sup>66/</sup> authorizes a lesser degree of regulation over members of the 12 regional home loan banks. In addition to regulations promulgated under each of the three acts, the FHLBB can indirectly regulate savings and loans through its control of advances to the regional banks. <sup>67/</sup>

The Federal Home Loan Bank Board is thus the Federal agency chiefly responsible for overseeing savings and loan associations which are either federally chartered or federally insured. <sup>68/</sup> In 1932, the Federal Home Loan Bank Act created 12 regional Federal home loan banks whose basic function was to loan money to savings and loan associations. <sup>69/</sup> It was hoped that this would guard against strains placed upon savings and loan associations by the depression. However, more help was needed to enable distressed homeowners to continue paying for a house when threatened by loss of income during the depression. Consequently, in 1933 the Home Owners' Loan Act was enacted, providing for the creation of a Home Owners' Loan Corporation (HOLC).

The main function of HOLC, which subsequently became part of the FHLBB, was to purchase delinquent home mortgages and to refinance them over longer

<sup>65/</sup> 12 U.S.C. §§ 1724-30b (1964).

<sup>66/</sup> 12 U.S.C. §§ 1421-49 (1964).

<sup>67/</sup> 12 U.S.C. § 1430 (1964).

<sup>68/</sup> Savings and loan associations can be either federally or State chartered; only State chartered associations which also are not federally insured are not subject to regulation by the FHLBB. Fact Book 69, supra note 1, at 56.

<sup>69/</sup> 12 U.S.C. §§ 1423-24 (1964)

terms at lower interest rates. HOLC no longer exists, but during its limited life it refinanced in excess of one million mortgages representing \$3 billion of indebtedness.<sup>70/</sup> Although today much is said against subsidizing home purchases by low-income families, HOLC provided a similar service to homeowners distressed by the depression. Defaulting home purchasers obtained from HOLC the type of financing they could afford -- mortgages with a lower interest rate and longer term.<sup>71/</sup>

The Home Owners' Loan Act also provided for the establishment of savings and loan associations to be chartered and regulated by the FHLBB. The Federal S&L's were to help create stability in the faltering home mortgage market.<sup>72/</sup> The regulating of the Federal S&L's continues to be an important FHLBB function. Today the assets of federally chartered S&L's comprise approximately 53 percent of the total assets of all S&L's.<sup>73/</sup>

In 1934, Congress enacted the National Housing Act, which established the FHA to insure mortgages, and provided insurance for depositors' savings in S&L's by establishing the Federal Savings and Loan Insurance Corporation (FSLIC) as part of the FHLBB.<sup>74/</sup> Since 1966,<sup>75/</sup> FHLBB has been empowered to issue cease and desist orders against violation of its regulations. The Board may issue such an order when, after a hearing, it

70/ T. B. Marvel, The Federal Home Loan Bank Board 24-25 (1969).

71/ Id. at 24.

72/ Id. at 25.

73/ Fact Book 69, supra note 1, at 58 (Table 52).

74/ 12 U.S.C. § 1724 (1964), as amended., (Supp. V, 1970).

75/ 12 U.S.C. § 1730 (e) (Supp. II, 1967).

finds that an S&L engaged in an unsound practice or is in violation of an applicable law, rule or regulation. <sup>76/</sup>

Lending Practices

The lending practices of S&L's in Baltimore follow fairly standard industry practices. <sup>77/</sup> As in the industry generally, few S&L's depend on "walk-ins" to generate a significant percentage of their mortgages. <sup>78/</sup> Instead, builders and brokers, through continuing contact with financial institutions, maintain principal access to mortgage channels. The home buyer typically relies on such contacts to obtain financing. <sup>79/</sup>

As discussed above, S&L's and other financial institutions in reviewing loan applications are concerned with the credit of the borrower, the credit worthiness of the home, and the nature of the neighborhood. Loan review criteria vary from association to association. Indeed, a given loan might be acceptable to a financial institution at one time and unacceptable at another, depending on the tightness of credit, the make up of the lender's investment portfolio, or other factors.

---

<sup>76/</sup> Id.

<sup>77/</sup> Interviews with Thomas Guidera, Executive Vice President, Union Federal Savings & Loan Associations, June 30, 1970, and Dr. Winfred O. Bryson, President, Advance Federal Savings & Loan Association, June 10, 1970.

<sup>78/</sup> Interview with Glenwood Loemann, Vice President, American National Building and Loan Association, June 1970.

<sup>79/</sup> Id.

IV. INADEQUACY OF FUNDS FOR HOUSING OF LOW-INCOME FAMILIES,  
ESPECIALLY FOR INNER-CITY RESIDENTS

The Housing and Urban Development Act of 1968 reaffirmed the national goal to provide every American with "a decent home and a suitable living environment."<sup>80/</sup> In this enactment, Congress recognized that there still are families in the United States with incomes so low that they are unable to house themselves decently. Because minority persons comprise a disproportionately high percentage of the poor, America's failure to meet these housing needs has been correspondingly more damaging to minority persons than to the rest of the population.

A. Tight Money

Over the past 2 years America has gone through a period of tight money and escalating interest rates. The present prime interest rate is the highest in our history. The housing industry generally is most seriously affected by these two conditions and, as a result, housing starts have decreased substantially. Moreover, it is the low-income housing sector which most immediately feels the effects of tight money.<sup>81/</sup>

---

<sup>80/</sup> 12. U.S.C. § 1701 t (Supp. IV 1969).

<sup>81/</sup> See, President's Task Force, Toward Better Housing, *supra* note 3 at 1.

B. High Cost of Homes

It is apparent that new low-income family homes are becoming increasingly less available. In 1965, 51,000 units priced below \$12,500 were sold nationally. By 1968, the number of units available in this price range had decreased by 72 percent. During the same period new homes selling for \$30,000 or more almost doubled.<sup>82/</sup> In the second quarter of 1964, the average home mortgage insured by FHA in Baltimore had a total acquisition cost<sup>83/</sup> of \$12,513.<sup>84/</sup> By the fourth quarter of 1969 that figure had risen by almost 60 percent to \$19,996.<sup>85/</sup> FHA estimates that in Baltimore, the average monthly expense to maintain a house, without considering recurring charges,<sup>86/</sup> was \$220.23 at the end of 1968.<sup>87/</sup> Using the standard multiple of 5, used in the finance industry to estimate the effective income necessary to sustain monthly mortgage payment, a family would need in excess of \$12,000 annual income to afford the average dwelling in Baltimore.

---

<sup>82/</sup> Fact Book '69, supra note 1, at 23(Table 12).

<sup>83/</sup> Total acquisition cost is the sum of the sale price plus such other items as are needed to close the transaction.

<sup>84/</sup> Area Trends, supra note 4, second quarter 1964 (1965).

<sup>85/</sup>Area Trends, supra note 4, fourth quarter 1969 (1970).

<sup>86/</sup> These are expenses which, although not sustained monthly, would add to the total cost of maintaining a home. Items such as painting and electrical and plumbing repair are excluded from this monthly expense item.

<sup>87/</sup> Area Trends, Supra Note 4, fourth quarter 1968 (1969).

C. Discrimination in Financing

Like other segments of the American economy, the finance industry has discriminated against blacks, who increasingly predominate among central city residents in Baltimore and elsewhere. Until the 1960's it was extremely difficult for blacks in Baltimore to obtain financing through regular channels.<sup>88/</sup> Although much of the overt discrimination practiced by financial institutions in the past has been discontinued, such conditions and practices as the following still may produce discriminatory effects.

1. "Redlining"

"Redlining" is a practice by which certain residential areas, often of substandard housing, especially ghetto housing, are excluded from eligibility or greatly disfavored for mortgage financing. The justification for this practice generally is presented in terms of the area's "rundown condition".<sup>89/</sup> The predictable result has been to accelerate the area's decline. In the words of the National Commission on Urban Problems:

The experience of members of the Commission and others convinced us that up until the summer of 1967, FHA almost never insured mortgages on homes in slum districts, and did so very seldom in the "gray areas" which surrounded them. Even middle class residential districts in the central cities were suspect, since there was always the prospect that they, too, might turn as Negroes and poor whites continued to pour into the cities, and as middle and upper-middle income whites continued to move out.

---

<sup>88/</sup> Interview with Dr. Winfred O. Bryson, President, Advance Federal Savings & Loan Association, July 6, 1970.

<sup>89/</sup> T. B. Marvell, supra note 70, at 240-41.

The result was a general, even if unwritten, agreement between lending institutions and FHA that most of the areas inside the central cities did not have a favorable economic future, and that their property values were likely to decline. <sup>90/</sup>

## 2. Appraisal Practices

FHA may foster an inner-city - suburban differential in home valuation by appraising suburban homes at a premium over inner city homes. <sup>91/</sup> Since the amount FHA will loan is determined by appraised value of the home, a higher FHA appraisal means that the buyer need place a smaller downpayment on the house than he would have to place on a similarly priced house in the inner-city.

Also, it should be noted that a professional residential appraisal form presently used by many financial institutions inquires whether the ethnic composition of the neighborhood is changing, <sup>92/</sup> indicating concern with this factor in evaluating the neighborhood.

## 3. Credit Review

Texts on mortgage lending have indicated that data on "racial descent" is relevant in appraising credit worthiness. <sup>93/</sup> Factors used to determine the credit risk of a potential borrower do not reflect the special circumstances in which minority families may find themselves by virtue of limited earnings opportunities in the past.

---

<sup>90/</sup> Building The American City, supra note 58, at 100.

<sup>91/</sup> See FHA-HUD, FHA-Manual, Vol. VII, Book I, Part IV, Section 16.

<sup>92/</sup> Interview with Glenwood Loemann, Jr., supra note 78.

<sup>93/</sup> W.R. Bryant, supra note 26 at 152.

Also, white appraisers are asked to analyze such factors as the character, family life, attitude toward debt, interest in ownership, etc. of the prospective borrower, without apparent recognition that cultural bias or lack of knowledge may distort the analysis.<sup>93a/</sup>

D. Loan Size and Profitability

Another reason for the inadequacy of funds for low-income housing, is the relative unprofitability to financial institutions of handling these loans. A financial institution with \$50,000 to lend generally does much better to create two loans of \$25,000 each than five loans of \$10,000 each, since the cost of handling mortgages varies directly with the number of mortgages and not with their dollar value. The fewer the mortgages an institution must service, the fewer staff and less time is necessary to maintain the accounts.

Although savings and loan associations finance smaller homes than do banks and insurance companies, they, nevertheless, do not meet the needs of the inner-city. The average S&L mortgage nationally is about \$25,000, substantially more than most inner-city residents can afford.<sup>94/</sup>

---

<sup>93a/</sup> See FHA Manual, supra note 91, at Part V, Section 19.

<sup>94/</sup> T. B. Marvell, supra note 70, at 240. Commercial banks and insurance companies lend on homes averaging almost \$35,000. Id.

V. RESPONSIBILITY OF THE FEDERAL HOME LOAN BANK BOARD.

A. Statutory Responsibility

Section 805 of the Fair Housing Law makes it unlawful for any institution "whose business consists in whole or in part in the making of commercial real estate loans" to discriminate in making loans or in setting their conditions, because of race, color, religion or national origin.<sup>95/</sup> On the basis of this provision alone, the FHLBB has a positive responsibility to assure that the federally chartered or insured associations do not discriminate. The statute pursuant to which the FHLBB insures the deposits of savings and loan associations provides:

Whenever, in the opinion of the Corporation [FSLIC] any insured institution... is violating or has violated an applicable law, rules regulation, or order,...the Corporation shall serve upon the institution a statement with respect to such violations....<sup>96/</sup>

FHLBB is empowered to terminate insurance for continued violations:

Unless such correction shall be made within one hundred and twenty days after service of such statement,... or unless within such time the Corporation shall have received acceptable assurances that such correction will be made...[FSLIC may] issue and serve upon the institution written notice of intention to terminate the status of the institution as an insured institution.<sup>97/</sup>

Further, the FHLBB is empowered to issue a cease and desist order when:

<sup>95/</sup> 42 U.S.C. §3605 (Supp. IV, 1969).

<sup>96/</sup> 12 U.S.C. §1730(b)(1) (Supp. II, 1967).

<sup>97/</sup> Id. §1730(b)(2).

...in the opinion of the Corporation, any insured institution...is violating or has violated, or the Corporation has reasonable cause to believe that the institution is about to violate, a law, rule, or regulation, or any condition imposed in writing by the Corporation in connection with the granting of any application or other request by the institution, or written agreement entered into with the Corporation...

B. Action by the FHLBB

On June 1, 1961, the FHLBB adopted Resolution 14656, declaring:

IT IS HEREBY RESOLVED that the Federal Home Loan Bank Board, as a matter of policy, opposes discrimination, by financial institutions over which it has supervisory authority, against borrowers solely because of race, color or creed.

The FHLBB has not implemented this resolution by issuing regulations which prohibit discrimination by insured associations. The one step FHLBB takes in its efforts to assure compliance with nondiscrimination requirements<sup>99/</sup> is inclusion of the following question in its annual audit of financial institutions:

Does the association have a specific policy for the making of real estate loans to non-white or other minority group applicants for mortgage loans in its authorized lending area?<sup>100/</sup>

---

<sup>97a/</sup> Id. § 1730(e)(i).

<sup>98/</sup> See Commission Memorandums on Federal Financial Regulatory Agencies During 1968.

<sup>99/</sup> Interview with Dr. Winfred O. Bryson, supra note 77.

<sup>100/</sup> Id., letter to Dr. Bryson from FHLBB, June 19, 1970.

On July 1, 1968, the Federal Home Loan Bank Board transmitted to its members a letter informing them of the passage of Title VIII of the Civil Rights Act of 1968, calling attention to pertinent provisions of the statute and indicating that, if necessary, the Board would initiate appropriate proceedings to effect compliance by its members. The letter stated, among other things, that the

new law requires the Board to act 'in a manner affirmatively to further' its purposes. A violation of law provides grounds for initiation of the enforcement procedures set out in section 5(d) of the Home Owners' Loan Act and section 407 of the National Housing Act. 100a/

The FHLBB has adopted various regulations to promote mortgage financing of housing for low-income persons. It has liberalized rules and regulations governing savings and loan associations by permitting them greater leeway in their accounting practices, 101/ by making advances for the financing of inner-city housing, 102/ and by expanding the authority of Federal Savings and Loan Associations to invest, without specific approval of the Federal Home Loan Bank Board, in service corporations whose function is to make available mortgage funds for the low-cost housing sector. 103/

---

100a/ These sections give the Board power to sue, to issue cease and desist orders and to terminate insurance in the event of violation of any applicable laws. See Commission Memorandums on Federal Financial Regulatory Agencies during 1968.

101/ 35 Fed. Reg. 7377-78 (1970) (FHLBB amendments to regulations relating to loans on low-rent housing).

102/ Guidelines Adopted by FHLBB Resolution with Regard to Extension of Credit to Finance Housing Projects, No. 23,367, Sept. 18, 1969.

103/ 35 Fed. Reg. 7981-82 (1970) (FHLBB amendments to regulations relating to authority of Federal S&L's to invest in service corporations).

These policies of the FHLBB permit, but do not require, savings and loan associations to service the low-income market. They have been of limited effect since they do little to remedy the principal obstacle to adequate service, which is that savings and loan associations, seeking to maximize profits, have little incentive to incur the added time and expense involved in servicing low-cost housing mortgages. <sup>104/</sup>

30

C. Additional Steps the FHLBB Could Take

FHLBB regulations could indicate that there is an affirmative duty on the part of each federally chartered or insured S&L to review its policies for mortgage credit to determine to what extent they operate to the disadvantage of minority persons. The results of these reviews could then be submitted to the Board for analysis and further action as the circumstances warrant.

The adoption of a "policy" resolution opposing discrimination, with no accompanying enforceable regulations, appears to mean that failure to comply with the resolution neither jeopardizes the association's charter or insurance, nor subjects the institution to the cease and desist authority of the Board. <sup>105/</sup>

---

<sup>104/</sup> This is especially true where the housing is purchased in connection with HUD subsidy programs, entailing additional "red tape" and need for staff expertise concerning such programs.

<sup>105/</sup> 12 U.S.C. §1730(e) (Supp. II, 1967).

Annual audits of savings and loan associations could include a review of the adequacy of the association's service to minority persons and to the low-cost housing sector. Maintenance could be required of records facilitating such a review, including racial data on the institution's home mortgage loan activity.

Further, FHLBB could use its regulatory authority to assure that S&L's, acting singly or through a corporation specially formed and funded by the S&L's for that purpose, make a maximum effort to serve the housing needs of low-income persons.

Exhibit No. 9

DISTRIBUTION OF HOME LOANS FOR THE PERIOD JUNE 1969 - MAY 1970  
SAVINGS AND LOAN ASSOCIATIONS

PURCHASE PRICE	NUMBER OF LOANS	% OF TOTAL	CUMULATIVE %
UNDER - \$10,000	3,512	5.3%	5.3%
\$10,000 - \$15,000	5,261	7.9%	13.2%
\$15,001 - \$20,000	9,951	15.0%	28.2%
\$20,001 - \$25,000	11,668	17.6%	45.8%
\$25,001 - \$30,000	11,429	17.2%	63.0%
\$30,001 - \$35,000	8,627	13.0%	76.0%
\$35,001 - UP	15,864	23.9%	99.9%
TOTAL	66,312		

*Exhibit No. 10*

## FEDERAL HOME LOAN BANK BOARD

WASHINGTON, D. C. 20555

101 INDIANA AVENUE, N. W.

FEDERAL HOME LOAN BANK SYSTEM  
FEDERAL SAVINGS AND LOAN  
INSURANCE CORPORATION  
FEDERAL SAVINGS AND LOAN SYSTEMJOHN E. HORNE  
CHAIRMAN

July 1, 1968

TO MEMBERS OF THE FEDERAL HOME LOAN BANK SYSTEM

On April 11, 1968 the President signed into law the Civil Rights Act of 1968. Title VIII of that Act, entitled "Fair Housing" states:

"It is the policy of the United States to provide, within constitutional limitations, for fair housing throughout the United States."

Section 805 of Title VIII, dealing with discrimination in the financing of housing, states in part as follows:

"Discrimination in the Financing of Housing"

Sec. 805. After December 31, 1968, it shall be unlawful for any bank, building and loan association, insurance company or other corporation, association, firm or enterprise whose business consists in whole or in part in the making of commercial real estate loans, to deny a loan or other financial assistance to a person applying therefor for the purpose of purchasing, constructing, improving, repairing, or maintaining a dwelling, or to discriminate against him in the fixing of the amount, interest rate, duration, or other terms or conditions of such loan or other financial assistance, because of the race, color, religion, or national origin of such person or of any person associated with him in connection with such loan or other financial assistance, or of the present or prospective owners, lessees, tenants, or occupants of the dwelling or dwellings in relation to which such loan or other financial assistance is to be made or given: \* \* \*."

- 2 -

Your attention is directed, also, to section 804, dealing with discrimination in the sale or rental of housing. Under that section the following acts are prohibited where they are based on discrimination on account of race, color, religion or national origin:

(a) Refusal to sell or rent or to negotiate for the sale or rental of a dwelling;

(b) Discrimination against any person in the terms or conditions of sale or rental of a dwelling;

(c) Making any statement with respect to the sale or rental of housing, indicating any racial or religious preference, or an intention to discriminate;

(d) Representing falsely to any person that a dwelling is not available for sale or rental;

(e) For profit inducing owners to sell or rent dwellings by representations regarding the entry into the neighborhood of a person or persons of a particular race, color, religion or national origin.

As a practical matter, most real estate owned by savings and loan associations after December 31, 1968 would be covered by these provisions of the statute.

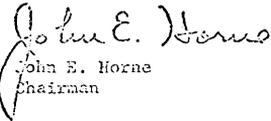
As you know, the Board adopted a policy by Board resolution no. 14,656, dated June 14, 1961 stating:

"IT IS HEREBY RESOLVED that the Federal Home Loan Bank Board, as a matter of policy, opposes discrimination, by financial institutions over which it has supervisory authority, against borrowers solely because of race, color or creed."

This new law requires the Board to act "in a manner affirmatively to further" its purposes. A violation of law provides grounds for initiation of the enforcement procedures set out in section 5(d) of the Home Owners' Loan Act and section 407 of the National Housing Act.

- 3 -

The Board anticipates that all member institutions will comply with the law of the land. However, in the event an institution fails to comply, the Board shall bring proceedings necessary or appropriate to effect compliance.

  
John E. Horne  
Chairman

*Exhibit No. 11*

OPTIONAL FORM NO. 10  
MAY 1962 EDITION  
GSA FPMR (41 CFR) 101-11.6

UNITED STATES GOVERNMENT

*Memorandum*

TO : William L. Taylor  
Staff Director

DATE: June 11, 1968

FROM : General Counsel

SUBJECT: Enforcement of Fair Housing Law by Means of Sanction of Termination of FDIC or FSLIC Insurance

For several years prior to the enactment of Title VIII, a number of organizations and individuals advocated a broadening of Executive Order 11063 beyond its coverage of housing provided through FHA mortgage insurance and VA loan guarantees. It was recommended that the Order be broadened in the following two ways:

1. To require lending institutions whose deposits are insured by the Federal Deposit Insurance Corporation (FDIC) or whose accounts are insured by the Federal Savings and Loan Insurance Corporation (FSLIC) to follow nondiscriminatory policies in their mortgage lending practices.
2. To require FDIC- and FSLIC-insured lending institutions to impose nondiscrimination requirements on builders and developers with whom they have financial dealings.

With respect to each of the above two recommended extensions of the Executive Order, legal doubts were raised, principally on the issue of whether FDIC and FSLIC have the authority to impose these requirements.

In addition to the legal issue involved, reservations also were expressed on policy grounds based, at least in part, on the theory that there are limits to what the Executive Branch, as a practical matter, can do in the absence of clear legislative support and direction from the Congress.

The President determined to introduce fair housing legislation instead of broadening the Executive Order. The enactment of the Fair Housing Law (Title VIII of the 1968 Civil Rights Act), however, has not eliminated the need for the use of executive authority of the sort recommended in a broadened Executive Order. The principal strength of Title VIII lies in its coverage which, although not universal, is sufficient to have a substantial impact in establishing an open housing market. The weakness of

2.

Title VIII, however, lies in its enforcement, limited to efforts to achieve voluntary compliance and resort to litigation. There is some danger that this weakness in enforcement will prevent Title VIII from achieving its purpose.

Enforcement is the Executive Order's strong point. That is, the sanction or withdrawing Federal assistance represents strong leverage to assure compliance far stronger leverage than conciliation or litigation. If the Order were broadened, or if FDIC and FSLIC were to take the recommended action on their own initiative, a federally insured lending institution which knowingly and willfully violated the Fair Housing Law would be subject not only to a possible lawsuit that might take years to resolve and might or might not result in a judgment of money damages, but also would be subject to the possible withdrawal of Federal insurance, which, to all intents and purposes, would end the institution's existence. By the same token, a builder or apartment house owner who knowingly and willfully violated the Fair Housing Law would be subject not only to the penalties that might result from protracted litigation, but also to the sanction of exclusion from the major sources of housing credit (the combination of government underwritten loans and loans from federally insured lending institutions account for some 80 percent of the Nation's mortgage financing.

In short, the enactment of Title VIII has not rendered the suggested extension of the Executive Order a dead issue in terms of need. As we have suggested above, the broad coverage and weak enforcement contained in Title VIII demonstrate the need for full executive support through the use of the sanctions available to the Executive Branch, if the Fair Housing Law is to be of maximum effectiveness. (In this connection, however, we wish to stress that actions of the kind contemplated could be taken by FDIC and FSLIC without extending the Executive Order. That is, if the agencies are authorized to take these actions, they may do so on their own initiative, without the direction of the President.)

Further, Title VIII has established a new set of policy conditions which removes at least one of the previous objections to this use of executive authority (the lack of Congressional support and direction) and which warrants, at the least, a reconsideration of the earlier decision not to use it. In addition, Title VIII has established a new set of legal conditions which, first, provides an overall mandate for the use of executive authority "in a manner affirmatively to further the purposes of this title" and, second, requires FDIC and FSLIC to take some action.

Our discussion will be concerned with the authority and the desirability of FDIC and FSLIC's taking the following two actions:

1. To require insured lending institutions to practice non-discrimination themselves; and
2. To require insured lending institutions to impose nondiscrimination requirements on builders and developers with whom they have financial dealings.

Our conclusion is that with respect to the first action, FDIC and FSLIC are no longer free to remain neutral in the face of discriminatory practices by insured lending institutions. The enactment of Title VIII imposes upon them a legal obligation, at least to initiate action against discriminatory lenders. With respect to the second action, the enactment of Title VIII provides new legal and policy support constituting a mandate for the agencies to take this action.

1. Action to require FDIC- and FSLIC-insured lending institutions to practice nondiscrimination.

Section 805 of the Fair Housing Law makes it unlawful, after December 31, 1968, for any institution "whose business consists in whole or in part in the making of commercial real estate loans" to discriminate because of race, color, religion, or national origin. On the basis of this provision, alone, a substantial argument can be made that FDIC and FSLIC cannot, in good conscience, continue to provide the benefits of insurance to institutions that knowingly and wilfully violate this law. It is not, however, a matter only of good conscience; it also is a matter of law.

Section 1818(a) of Title 12 of the United States Code provides, in part, as follows:

"Whenever the Board of Directors [of FDIC] shall find that an insured bank or its directors or trustees have...violated an applicable law, rule, regulation, or order,...the Board of Directors shall first give to the Comptroller of the Currency in the case of a national bank or a district bank, to the authority having supervision of the bank in the case of a State bank, and to the Board of Governors of the Federal Reserve System in the case of State member bank, a statement with respect to such...violations for the purpose of securing the correction thereof and shall give a copy thereof to the bank. Unless such corrections shall be made within one hundred and twenty days,...the Board of Directors, if it shall determine to proceed further, shall give to the bank not less than thirty days' written notice of intention to terminate the status of the bank as an insured bank, and shall fix a time and place for a hearing.... If the Board of Directors shall find that any...violation specified in such statement has been established and has not been corrected,...the Board of Directors may order that the insured status of the bank be terminated on a date subsequent to such finding...." (emphasis added)

Section 1818(b) provides for cease and desist proceedings "if, in the opinion of the appropriate Federal banking agency, any insured bank...is violating or has violated, or the agency has reasonable cause to believe that the bank is about to violate, a law, rule, or regulation...."

Section 1818(c) provides for procedures to remove a director or officer of an insured bank "whenever in the opinion of the appropriate Federal banking agency, [such director or officer] has committed any violation of law, rule, or regulation...." in instances where the agency determines that

the bank will suffer financial loss or other damage and the violation is one involving personal dishonesty.

Under the above provisions, FDIC not only is authorized to take action with respect to an FDIC-insured bank which practices discrimination in violation of Section 805 of the Fair Housing Law, it is legally obligated to do so. FDIC's minimum obligation is to initiate the machinery to secure corrective action. If corrections are not made, FDIC apparently has discretion to decide whether to proceed further. Section 1818 also authorizes FDIC to choose from among several alternative sanctions in the event an insured bank has violated any law. It may withdraw insurance, institute cease and desist proceedings, or, under some conditions, institute procedures for the suspension or removal of a director or officer.

With respect to FSLIC, similar legal obligations and authority are provided regarding insured savings and loan associations which violate the law. Section 1730(b)(1) of Title 12 of the United States Code provides:

"Whenever in the opinion of the Corporation  $\sqrt{\text{FSLIC}}$ , any insured institution...is violating or has violated an applicable law, regulation, or order,...the Corporation shall serve upon the institution a statement with respect to such violations...and shall send a copy of such statement to the appropriate State supervisory authority." (emphasis added)

Paragraphs (2) and (3) of Section 1730(b) authorize FSLIC to terminate the insurance:

"Unless such correction shall be made within one hundred and twenty days after service of such statement,...or unless within such time the Corporation shall have received acceptable assurances that such correction will be made within a time and in a manner satisfactory to the Corporation, or in the event such assurances are submitted to and accepted by the Corporation, but are not carried out in accordance with their terms...."

Subsection (e) provides for the institution of cease and desist proceedings by the Corporation and Subsection (g) provides for the suspension or removal of a director or officer, where the Corporation determines that the lending institution will suffer financial loss or other damage and that the violation involves personal dishonesty.

Under the above statutory provisions concerning FDIC and FSLIC, both agencies are legally obligated, at the least, to initiate action with respect to insured institutions for violation of any law (including presumably, the Fair Housing Law), and clearly are authorized to apply appropriate sanctions, including the termination of insurance, in the event satisfactory corrective action is not taken.

In addition, both agencies would appear obligated to take appropriate action to prevent violations and assure compliance with the Fair Housing Law, such as informing insured institutions of their responsibilities under the law, notifying them that violations may result in the termination of insurance, and conducting periodic inspections to assure compliance.

The only argument we can see against this conclusion is that when Congress referred to violations of law, it did not mean this kind of law. In our view, we cannot impute to Congress a purpose of permitting lending institutions to violate some laws with relative impunity, while providing for vigorous corrective action with respect to the violation of others.

2. Action to require FDIC- and FSLIC-insured lending institutions to impose nondiscrimination requirements on builders and developers with whom they have financial dealings.

Prior to the enactment of Title VIII, the argument for the validity of this action was as follows:

1. Both Congress and the United States Supreme Court have enunciated a policy of equal housing opportunity. In an 1866 Civil Rights Law, Congress provided:

"All citizens of the United States shall have the same right in every State and Territory as is enjoyed by white citizens thereof to inherit, purchase, lease, sell, hold and convey real and personal property."

The United States Supreme Court, in Hurd v. Hodge, 334 U.S. 24 (1948), enunciated a policy against housing discrimination. There, the Court prohibited a lower Federal court from enforcing a private discriminatory housing agreement on the ground (among others) that such enforcement would violate the public policy of the United States.

2. In 1949, Congress established as a national housing objective: "A decent home and a suitable living environment for every American family." In determining how this objective was to be achieved, Congress recognized that agencies in addition to the then Housing and Home Finance Agency necessarily were involved. Congress provided in the same statute:

"The Housing and Home Finance Agency and its constituent agencies, and any other departments or agencies of the Federal Government having powers, functions, or duties with respect to housing, shall exercise their powers, functions, and duties under this or any other law, consistently with the national housing policy declared by this Act and in such manner as will facilitate sustained progress in attaining the national housing objective hereby established...." (emphasis added)

The relationship between nondiscriminatory access to the housing market and the achievement of the national housing objective was expressly recognized by President Kennedy when he told the Civil Rights Commission in 1962:

"It is clear now, as it was then [in 1949], that this objective cannot be fulfilled as long as some Americans are denied equal access to the housing market because of their race and religion."

3. A principal purpose for which the two systems of Federal insurance were created were, in the case of FDIC, the facilitation of community credit, of which housing credit is an important part, and in the case of FSLIC, the facilitation of housing credit in particular. To the extent that families arbitrarily are denied access to housing credit or to housing provided through such credit it necessarily interferes with this major purpose.
4. Both FDIC and FSLIC possess ample regulatory and discretionary authority to take the recommended action so as to further the national policy of equal housing opportunity and the purposes for which they were created.
5. The fact that the action would affect not only the practices of the lending institutions but ultimately the practices of builders and developers who borrow from these institutions would not invalidate the action in that the requirement would be imposed on the lending institutions as requirements in their home financing activities.

Title VIII provides substantial new policy and legal support. Section 801 provides:

"It is the policy of the United States to provide, within constitutional limitations, for fair housing throughout the United States."

Thus to the extent that there was ambiguity in the Congressional declaration of 1866, Title VIII has removed all doubt as to the will of Congress regarding fair housing.

In addition, Title VIII has established a new set of legal conditions substantially different from those which obtained before its enactment. First, prior to the enactment of the Fair Housing Law, builders and developers, other than those who used FHA or VA programs, were not subject to any Federal law against discrimination. In that context, FDIC and FSLIC were being asked to impose a new Federal requirement on builders and developers by virtue of the use of executive authority, alone. Title VIII has changed this. As of January 1, 1969, virtually all builders

and developers will be prohibited from discrimination by Act of Congress. Thus FDIC and FSLIC are not being asked to impose new requirements on builders and developers, but only to support through executive action requirements already imposed by Congress.

Moreover, Congress has directed such support from all relevant Federal agencies. Section 808(d) of the Fair Housing Law provides:

All executive departments and agencies shall administer their programs and activities relating to housing and urban development in a manner affirmatively to further the purposes of this title and shall cooperate with the Secretary to further such purposes."

This directive constitutes a Congressional mandate for affirmative action in support of the Fair Housing Law by all agencies which carry on programs or activities relating to housing.

We do not think it can be argued that FSLIC or FDIC are not among the agencies with programs or activities relating to housing. FSLIC supervises lending institutions (savings and loan associations) which are engaged almost exclusively in the housing business. FDIC supervises lending institutions (commercial banks and mutual savings banks) which, although they engage in a variety of investments in addition to housing, are a major factor in the residential mortgage market.

Nor do we believe it can be argued that action by these agencies to require insured institutions to impose nondiscrimination requirements on builders and developers would not be action "affirmatively to further the purposes of [the Fair Housing Law]." The purposes of Title VIII are to assure fair housing throughout the country - specifically, by preventing discrimination in the sale, rental or financing of housing. Action by FDIC and FSLIC aimed at assuring compliance by builders with which their insured lending institutions deal clearly would be in furtherance of the purposes of the law.

In summary, through the enactment of Title VIII, Congress has provided clear, new policy to guide the actions of executive agencies, including FDIC and FSLIC. Further, a new set of legal conditions has been established which changes the nature of the recommended action from one involving the imposition of new Federal requirements through the use of executive authority, alone, to executive support to assure compliance with requirements imposed by Congress. Finally, Congress has commanded these agencies to adopt affirmative measures to provide full support to the Fair Housing Law.

In our view, to the extent doubt existed as to the legal authority of FDIC and FSLIC to take the recommended action, the enactment of Title VIII has removed this doubt and represents, in effect, a mandate for action.

For full effectiveness, it would be desirable for FDIC and FSLIC to take both actions contemplated - action to require insured institutions to practice nondiscrimination and action to require insured institutions to impose nondiscrimination requirements on builders and developers with whom they have financial dealings. It may be deemed preferable, however, for the agencies to follow a step-by-step procedure in which case action number 1 would become effective on January 1, 1969, and action number 2 would follow after an appropriate interval of time. In any event, full implementation of action number 1, which we believe is required by law, would be salutary in itself and, in our view, should not be made contingent on the adoption of action number 2.

*Exhibit No. 12*

Baltimore Afro-American  
July 21, 1970

## Need help to buy or sell a house?

Everyone should expect good service, but . . . Only Realtors are pledged to a strict code of ethics enforced by Real Estate Boards. Their professional experience and expertise can help you save money buying or selling a house, or in getting mortgage money.

Look for the expert who displays this seal.

### **YOUR REALTOR**

Serving the  
Total Community

**THE REAL  
ESTATE BOARD  
OF GREATER  
BALTIMORE**



Exhibit No. 13

July 23, 1970

The Honorable Marvin Mandel  
Governor of Maryland  
State House  
Annapolis, Maryland

Dear Governor Mandel:

Recently there have been a number of attacks against the Real Estate Commission of Maryland by certain groups. In order to provide you with correct and adequate information regarding the activities of your Commission we are herewith communicating with you.

Since 1967 the present Chairman has been a member of this Commission. During this time the Commission has:

1. Licensed and regulated over 15,000 licensees.
2. Processed and investigated an average of two complaints every working day.
3. Held hearings on an average of two days per month.
4. The Commissioners have attended an average of two additional meetings per month.

During the past three years the Commission has performed under the most trying conditions. It operates with one of the lowest budgets of any Commission in the country, although it turns over to the State Treasury twice as much in revenues as it is allocated in its annual budget.

We have only three Investigators to cover the entire state and the 15,000 plus licensees. Numerous requests for additional Investigators have been made and as recently as last month such a request

Page 2  
July 28, 1970  
The Honorable Marvin Mandel

was declined. The pay of our Investigators is less than Investigators with some of the other agencies.

The complaints received, processed and investigated by the Commission cover all aspects of the law and the Code of Ethics, with less than 1% of these being concerned with discrimination, block-busting, etc. One of the chief concerns of the civil rights groups seems to be over the various speculators which are operating in the real estate market. However, the Real Estate Commission has no authority over such speculators unless they are licensed brokers. This Commission supported a Bill in the last session of the Legislature which would have authorized regulation by the Real Estate Commission of speculators, but such a Bill was defeated. In point Senate Bill No. 727 would have regulated those operators with ten properties or more but this Bill was defeated.

The report of the Human Relations Commission and the criticisms made by it and other "civil right groups" are in general terms, innuendoes, implications and the like. None of them has been able to delineate any specific case brought to the Commission's attention in which the Commission has failed to take action.

On the other hand, the following are pertinent specific cases which the Commission has investigated either because of an outside complaint, or on its own initiative:

Page 3  
 July 28, 1970  
 The Honorable Marvin Mandel

1. Complaint of Henry S. Bradley vs T. D. Burgess and John S. Glover, salesman. A hearing was held on this case and after considering all the facts and testimony brought out the Commission found the respondents not guilty.
2. Complaint of Robert Abel vs Charles T. Vinley and Theodore G. Gehring, salesman. The alleged violation here was blockbusting and causing a change in the neighborhood by introducing race into the situation. A hearing was held on January 25, 1968 and after consideration of all the facts and testimony of the case the defendant was found not guilty.
3. Case of Neal Myricks vs John T. Kelpin. This was a case of discrimination in the rental of housing and after consideration of all the facts in the case at a hearing which was held on March 12, 1970 the Commission found the defendant guilty and ordered a six month suspension of this license.
4. The Real Estate Commission vs Alvin Mintzes, broker, trading as Castle Realty Co., and Elaine S. Mintzes, salesman. This was a case of a conduct by the defendants which was used to mean that negroes were moving into the neighborhood. After a consideration of all the facts of the case at a hearing on December 18, 1969, the defendants licenses were revoked.

All of these cases were decided on the basis of the facts brought out in testimony and hearings on each case.

Page 4  
July 28, 1970  
The Honorable Marvin Mandel

Prior to July 3, 1970 we had been informed by the office of the Attorney General that in the case of blockbusting the Commission was limited to action taken after a court had found the defendant guilty under Section 230A of Article 56 of the Code. We are enclosing herewith a copy of the opinion of the Attorney General in relation to this matter.

During the past three years the Commissioners have given their own time and paid their own expenses to travel throughout the state in order to inform licensees of the obligations under the country's fair housing and anti-discrimination laws. In addition, the COMMISSIONER, a quarterly publication, contains many articles and warnings to licensees regarding such activities. In the most recent issue of the COMMISSIONER you will find two pages devoted to "fair housing". Copies of the various issues of the COMMISSIONER are enclosed herewith.

Despite the criticisms and threats made by the various civil rights groups, the Commission has never received any bona fide complaint from one of these groups on racial matters.

The members of the Commission represent over 150 years of expertise in the field of real estate and, as dedicated members of the Commission have, in the past, and will in the future, protect the interest of the public by enforcing all laws, regulations and the Code of Ethics, as set forth under Article 56 of the Annotated Code of Maryland, including all violations pertaining to race, and/or neighborhoods.

Page 3  
July 28, 1970  
The Honorable Marvin Mandel

We are fully aware of the fact that our critics can never be satisfied until they have gained control of the Real Estate Commission by replacing the present Commissioners with inexperienced appointees, who will be charged with making decisions about a sophisticated industry.

While performing our functions under the law, we have been continually harassed by those various civil rights groups, namely: Baltimore Neighborhoods, Inc., Activists, Inc., and more recently by the Human Relations Commission for the State of Maryland. Nevertheless the Commission is united in its efforts to adequately and forcefully enforce the law and protect the public interest.

Furthermore, please be assured that the Commissioners are concerned about any violations of the law, whether or not racial in character.

The Commission has held completely open hearings and meetings, and since January of this year has notified the press, radio and TV stations, and all interested parties, of such hearings and meetings.

You may rest assured that it is the prime purpose of this Commission to protect the public, and to have its activities reflect credit on your administration.

Page 6  
July 28, 1970  
The Honorable Marvin Mandel

We shall be pleased to have the opportunity to discuss these matters further with you at your convenience.

Very truly yours

GND/sa  
Encls.

---

G. Neilson Sigler  
Chairman

cc: Mr. John F. Jewell, Secretary  
Department of Licensing and Regulation

*Exhibit No. 14*

**UNITED STATES COMMISSION ON CIVIL RIGHTS**

**STAFF REPORT**

**LAND USE CONTROL IN RELATION  
TO RACIAL AND ECONOMIC INTEGRATION**

## TABLE OF CONTENTS

	Page
I. INTRODUCTION AND SUMMARY . . . . .	642
II. EXCLUSIONARY ZONING . . . . .	644
III. THE CONSTITUTIONAL STATUS OF EXCLUSIONARY ZONING . . . . .	654
IV. NEIGHBORHOOD PLANNING TO PROMOTE RACIAL AND ECONOMIC INTEGRATION . . . . .	662
A. Cost . . . . .	662
B. Access to Facilities . . . . .	666
C. Social Relationships . . . . .	668
V. TOOLS FOR SOCIALLY RESPONSIBLE LAND USE CONTROL . . . . .	670
A. Massachusetts Zoning Appeals Law . . . . .	670
B. New York State Urban Development Corporation . . . . .	672
C. Maryland Community Development Authority . . . . .	673
D. Possible Action by Local Governments Without Special State Legislation . . . . .	675
E. Maryland's Planning and Zoning Enabling Legislation . . . . .	679
VI. LAND USE CONTROL IN BALTIMORE COUNTY . . . . .	681
A. Present Zoning . . . . .	681
1. Requirements . . . . .	681
2. Procedure for Rezoning . . . . .	683
B. Proposed Changes in Zoning Ordinance . . . . .	685
1. Residential Classifications . . . . .	688
2. Unit Developments . . . . .	690
C. Subdivision Control in Baltimore County . . . . .	696

## I. Introduction and Summary

This paper reviews zoning and other land use controls in relation to racial and economic residential integration, with particular attention to Baltimore County. Section I is an overview of the paper. Section II provides an introduction to the history and purpose of zoning, focusing on the use of zoning as an exclusionary tool. Section III outlines the state of the law with respect to the legality of such exclusionary zoning.

Section IV describes the ways in which neighborhoods should be shaped in order to bring about an adequate level of economic and racial integration. Tools which can be used to create such neighborhoods are discussed in Section V. This section includes discussion of recent legislation by the Commonwealth of Massachusetts designed to curb the use of exclusionary zoning, of New York State's Urban Development Corporation -- which has power to override local zoning ordinances -- and of actions which local governments can take on their own initiative.

Against this background, Section VI describes land use control in Baltimore County. The county's present and proposed zoning regulations are reviewed, as is the county's subdivision code (which regulates land subdivision and the provision of streets, sewers, etc.). This review (together with a Commission staff examination of apartment rezoning applications) indicates that Baltimore County has not used the zoning process to prevent apartment development. On the other hand, the section also indicates that the county has taken few of the steps outlined in Sections IV and V in order to further balanced development of the county. Section VI also discusses the county's proposed guideplan.

which sets out in broad terms the growth patterns proposed for the county. It is noted that the guideplan does not recognize as a planning goal the need to reverse the process of racial and economic polarization in the Baltimore metropolitan area.

An addendum to Section VI notes that the county council on August 3, 1970 adopted a new zoning ordinance. In its one significant alteration of the ordinance as proposed by the county planning board, the council rejected proposed "holding zones". As noted in the addendum, the county council by this action appears to have created another major obstacle to racial and economic integration in Baltimore County.

## II. Exclusionary Zoning

By 1985, at least 178 million Americans will be living in metropolitan areas, or nearly half again more than today.<sup>1/</sup> One-half million acres of land are added to the metropolitan areas of the country each year.<sup>2/</sup> Privately owned land devoted to urban uses, according to one study, was worth \$320 billion in 1966.<sup>3/</sup>

Local governments are directly concerned with urban land use in two major ways: (1) through their own land needs for streets, parks, and other public facilities, altogether demanding nearly one-third of the land area in sizable cities,<sup>4/</sup> and (2) through their power to regulate private uses of land, in the interest of public safety and welfare.<sup>5/</sup> These concerns have led to the widespread creation of local planning agencies, which have as a minimum responsibility the study of prospective uses of land within their jurisdiction and the bearing of such uses upon governmental programs and policies.<sup>6/</sup>

---

<sup>1/</sup> ADVISORY COMM'N ON INTERGOVERNMENTAL RELATIONS, URBAN AMERICA AND THE FEDERAL SYSTEM 43 (1969). Virtually all that population growth is likely to take place in metropolitan suburbs, for which a 1985 population of 113 million is projected, as compared with 55 million in 1960. Id.

<sup>2/</sup> PRESIDENT'S COMM. ON URBAN HOUSING, A DECENT HOME 137 (1969).

<sup>3/</sup> A. Manvel, R. Gustafson & R. Welch, Three Land Research Studies, Prepared for The National Commission on Urban Problems, Research Report No. 12, at 2 (1968).

<sup>4/</sup> Id. at 22. In the typical city of 100,000 or more, streets alone occupy 17.5 per cent of the city land area.

<sup>5/</sup> ADVISORY COMM'N, supra note 1, at 60.

<sup>6/</sup> See generally C. HAAR, LAND-USE PLANNING 34-90 (1959 ed.) for a discussion of the evolution of city planning.

Most such agencies seek to develop a "comprehensive plan" of growth and development. Such a plan reflects the agency's view as to how the area should be developed and appear at some future date.<sup>7/</sup> It usually specifies the existing and preferred use of specific land areas, transportation patterns, and location of public facilities.<sup>8/</sup> Social and economic factors including population density and income and educational levels, increasingly have been considered in order to plan more realistically for the needs of the area. The plan is a "description of current physical and human resources; an assessment of the direction in which the community is developing; an expression of desired goals; and a recommendation of governmental steps required to reach those goals."<sup>9/</sup>

The device most commonly used to attain the goals of the comprehensive plan is the local zoning ordinance. Pioneered in 1916 by New York City, zoning ordinances are now applied in practically all

<sup>7/</sup> ADVISORY COMM'N, supra note 1, at 61.

<sup>8/</sup> Id.

<sup>9/</sup> Id.

incorporated cities of substantial size <sup>10/</sup> and by about one-quarter of all county governments. <sup>11/</sup>

A typical zoning ordinance prescribes how all land in a community may be used. Zoning ordinances, accompanied by a zoning map, generally designate permitted uses for specific areas. Many divide uses into three basic categories: residential, business, and industrial. These categories are further subdivided to distinguish, for example, between one-family detached houses and apartment buildings, or between "light" and "heavy" industry. Many ordinances make provision for hundreds of specific uses. <sup>12/</sup>

A limitation on population density also is part of the typical zoning ordinance. Most ordinances establish this limitation by setting a minimum required lot size. <sup>13/</sup> They also may limit the number of residents per acre or set a minimum required ground or floor area for each dwelling unit on a lot. <sup>14/</sup>

<sup>10/</sup> Approximately three-fourths of the Nation's population lives in jurisdictions having local planning and zoning bodies, including more than nine-tenths of the metropolitan sector. A. Manvel, Local Land and Building Regulations, Prepared for The National Commission on Urban Problems, Research Report No. 6, at 6 (1968).

<sup>11/</sup> Although about one-half of the county governments in the Nation, including four-fifths of those in metropolitan areas, have a planning board, only about half of these boards control land-use through zoning regulations. Id. at 23.

<sup>12/</sup> See HAAR, supra note 6, at 192-252.

<sup>13/</sup> See notes 26-33 infra and accompanying text.

<sup>14/</sup> NATIONAL COMMISSION ON URBAN PROBLEMS, BUILDING THE AMERICAN CITY 201 (1968), hereinafter referred to as the DOUGLAS COMMISSION.

Zoning regulations also limit building bulk. Usually they do this by requiring open space between lot boundaries and by limiting the proportion of lot area that may be covered by buildings.<sup>15/</sup> Refinements of these devices have become common in recent years because communities have recognized that rigid yard and height requirements often deter imaginative design.<sup>16/</sup> "Floor area ratio" and "useable open space" requirements are increasingly common requirements.<sup>17/</sup>

Many other requirements, including minimum house size, minimum house cost,<sup>18/</sup> landscaping, and offstreet parking, also often appear in zoning regulations.

All 50 States authorize local governments to exert zoning powers over land within their jurisdiction.<sup>19/</sup> Because local officials are

<sup>15/</sup> Id. at 201-02.

<sup>16/</sup> Id. at 202.

<sup>17/</sup> Id.

<sup>18/</sup> But see Brookdale Homes, Inc. v. Johnson, 126 N.J. 516, 19 A.2d 868 (1941) and County Commissioners v. Ward, 186 Md. 330, 46 A.2d 684 (Ct. App. 1946) declaring unconstitutional ordinances which set a minimum cost of construction.

<sup>19/</sup> DOUGLAS COMMISSION, supra note 14, at 199.

described in terms of conflicting metropolitan interests.<sup>22/</sup>

The primary interest of suburban residents is in maintaining the exclusive nature of their community,<sup>23/</sup> restricting the numbers and sorts of people who will move into the area. Fewer neighbors mean less noise, less traffic,<sup>24/</sup> and more open space. Residents may wish to exclude families of an economic status lower than their own, perhaps on the assumption that poorer or dark-skinned neighbors will hinder the education of their children, commit more crime, or make living in the suburbs less prestigious.<sup>25/</sup>

The most widely used zoning device to achieve exclusionary policies is large lot zoning, by which a relatively large minimum lot area for residential dwellings is prescribed, thereby effectively raising the cost of new housing in the affected area.<sup>26/</sup> Large lot

<sup>22/</sup> Cf. R. BABCOCK, THE ZONING GAME (1969 ed.); Note, Large Lot Zoning, 78 YALE L.J. 1418, 1420 (1969).

<sup>23/</sup> Suburbs try to exclude "undesirable" uses and "undesirable" people who would not "fit in." DOUGLAS COMM'N, supra note 14, at 212.

<sup>24/</sup> But see Large Lot Zoning, supra note 22, at 1422, which notes that increased isolation brings a greater need for automobile travel and thus increased traffic.

<sup>25/</sup> Id. at 1420-21. See generally DOUGLAS COMM'N, supra note 14; PRESIDENT'S COMM. ON URBAN HOUSING, supra note 2; REPORT OF THE NAT'L ADVISORY COMM'N ON CIVIL DISORDERS (1968).

<sup>26/</sup> DOUGLAS COMM'N, supra note 14, at 213. See Sager, Tight Little Islands: Exclusionary Zoning, Equal Protection, and the Indigent, 21 STAN. L. REV. 767, 796 (1969); Large Lot Zoning, supra note 22.

responsible only to their constituents, administrative zoning policy reflects the interests of the individual municipalities, which may be contrary to those of the metropolitan area as a whole.<sup>20/</sup> For example, local officials and their constituents may not want a regional sewage disposal plant located in their community; yet it may be clear that such a plant is needed in the area. Similarly, there may be recognition that low- and moderate-income families within the metropolitan area need to be housed somewhere; that they need to be housed within a given jurisdiction in the area is less readily accepted.<sup>21/</sup>

Zoning is a device which lends itself to protecting suburban areas from the problems of the region. Zoning policy may be

---

<sup>20/</sup> As stated by the Advisory Commission on Intergovernmental Relations,

The officials of each municipality naturally feel that they are using their municipal powers for their town's best advantage. But a basic tenet of the Advisory Commission's philosophy is that with increasing size and complexity of metropolitan problems, the rights of the individual community are circumscribed by the rights of other communities.

ADVISORY COMM'N, supra note 1, at 62.

<sup>21/</sup> See SASSO v. Union City, 424 F.2d 291 (9th Cir. 1970) and Ranjel v. City of Lansing, 417 F.2d 321 (6th Cir. 1969), cert. denied, 38 USLW 3364 (1970). In both cases local residents, through the use of voter referenda, vetoed proposed low- and moderate-income housing units to be built in their community.

zoning raises house prices in three ways.<sup>27/</sup> Extensive large lot zoning significantly reduces the amount of housing that can be built;<sup>28/</sup> if demand for new housing is strong, this restriction on supply will increase land and housing costs generally. (2) Some builders will not build a small house on a large lot;<sup>29/</sup> if such a rule is followed a \$1,000 increase in lot cost may result in a \$5,000 increase in the price of the finished house and lot.<sup>30/</sup> (3) Large lot zoning generally results in added costs for land improvements; more sidewalks, sewers, landscaping and the like. Such ordinances exclude a class of potential residents whose income thresholds are exceeded because of the cost increment attributable to the ordinance.

Another major interest of suburban areas is that of keeping down the community's tax rate. Again, large lot zoning is a means of achieving this goal. Since local governments rely on the real estate tax as their major source of revenue,<sup>31/</sup> they greatly favor land uses which add more in property taxes than they require in public services.<sup>32/</sup>

<sup>27/</sup> DOUGLAS COMM'N, supra note 14, at 213-14.

<sup>28/</sup> A given developer will be able to build fewer houses on available land. If the development is on a large tract, the effect on the total number of houses will be substantial.

<sup>29/</sup> Many builders observe a rule of thumb that the price of a lot should be some specified percentage of the total price of the house and lot, e.g., 20 percent. DOUGLAS COMM'N, supra note 14, at 214.

<sup>30/</sup> Id.

<sup>31/</sup> 2 REPORT OF THE PRESIDENT'S COMM. ON URBAN HOUSING, TECHNICAL STUDIES, EFFICIENCY IN THE HOUSING INDUSTRY 92 (1968).

<sup>32/</sup> This practice is known as "fiscal zoning". As an extreme example, the city of Vernon, California, where over 70,000 people work but only 236 live, has an assessed valuation of about one-half million dollars per capita, affording a low tax rate and helping to attract new industry, which in turn would raise the assessed value and lower the tax rate even more. ADVISORY COMM'N ON INTERGOVERNMENTAL RELATIONS, METROPOLITAN SOCIAL AND ECONOMIC DISPARITIES: IMPLICATIONS FOR INTERGOVERNMENTAL RELATIONS IN CENTRAL CITIES AND SUBURBS 95 (1965).

Low- and moderate-priced single family dwellings and high density apartments (except for luxury apartments for people with few, or no, children), do not return in taxes what they add to municipal expenses, particularly in the cost of education. Exclusionary zoning is partly an effort to exclude potential "tax-loss" residents.<sup>33/</sup>

Much the same effect as large lot zoning is achieved by ordinances which fail to reserve adequate land for multifamily dwellings.<sup>34/</sup>

multifamily housing units generally provide the most economic housing for persons of low- and moderate-income. When adequate suitable land is not zoned for multifamily use, multifamily project developers must go through the process of obtaining a zoning change. This may entail a heated struggle with the community -- which builders are under-

<sup>33/</sup> The Advisory Commission on Intergovernmental Relations reports that "as long as each community has its own zoning and land use control without reference to its neighbors and to the urban area as a whole, fiscal competition will continue to be attractive to local political leadership, thus aggravating the [intra-metropolitan] disparities already apparent." Id. at 96.

<sup>34/</sup> See In re Appeal of Girsh, 263 A.2d 395, (Penn. 1970) (holding unconstitutional a zoning ordinance which did not provide for any multifamily structures).

standably reluctant to undertake.<sup>35/</sup>

A given exclusionary ordinance, especially where combined with similar ordinances of other jurisdictions in the area, thus operates to severely reduce the supply of low-cost housing in the region. Making the suburbs inaccessible to a certain class of people serves to concentrate them within the city.<sup>36/</sup> Excluded potential residents may be shut out from outlying suburban areas, and relegated to available housing units, perhaps placed at the mercy of exploitative landlords with a "seller's market".

While protecting their own interests, suburban areas are legislating for the entire region. As stated by the Advisory Commission on Intergovernmental Relations,

On the one hand, [the cities] are confronted with the need to satisfy rapidly growing expenditures triggered by the rising number of 'high cost' citizens. On the other hand, their tax resources are increasing at a decreasing rate

<sup>35/</sup> Also, even if rezoning is obtainable, the process can be time consuming and therefore expensive to the builder, who must hold the land, often under option, until a final determination is reached. Moreover, the process puts a premium on personal and political contacts, thereby effectively restricting the builder's ability to be confident of the outcome. See Note, Administrative Discretion in Zoning 82 HARV. L. REV. 668 (1969).

<sup>36/</sup> "The scarcity of older low-cost suburban housing and the persistent barrier of discrimination in the case of blacks tend to sustain the white noose around the central cities." ADVISORY COMM'N, supra note 1, at 51.

(and in some cases actually declining), a reflection of the exodus of middle- and high-income families and business firms from the central city to suburbia.<sup>37/</sup>

For example, while 27 percent of Maryland's population is located in Baltimore, 72 percent of Maryland's AFDC <sup>38/</sup> expenditures are in the city.<sup>39/</sup>

The success of suburbanites in preserving the relatively exclusive character of their communities also is reflected in the fact that in 1967, 95 percent of the inhabitants of the suburban rings were white.<sup>40/</sup> Moreover, while black suburbanites comprised only 19 percent of all blacks living in metropolitan areas of one million or more, white suburbanites comprise 62 percent of all whites living in metropolitan areas.<sup>41/</sup> The Douglas Commission reports concluded it to be likely that by 1985 most major American cities will have a black majority while the nonwhite proportion in the suburbs will remain relatively constant at about 6 percent.<sup>42/</sup>

<sup>37/</sup> ADVISORY COMM'N, supra note 1, at 10.

<sup>38/</sup> Aid to Families with Dependent Children Program.

<sup>39/</sup> ADVISORY COMM'N, supra note 1, at 10.

<sup>40/</sup> U.S. BUREAU OF THE CENSUS, CURRENT POPULATION REPORTS, SERIES P-23 NO. 26, at 5 (1968) In 1967 the median family income for suburbia was 20 percent higher than that for the central cities. U.S. BUREAU OF THE CENSUS, CURRENT POPULATION REPORTS, SERIES P-23, NO. 27, at 36 (1969).

<sup>41/</sup> POPULATION REPORTS NO. 26 Id.

<sup>42/</sup> DOUGLAS COMM'N, supra note 14, at 43-44.

### III. The Constitutional Status of Exclusionary Zoning

The Supreme Court, in Euclid v. Ambler, upheld the constitutionality of zoning laws as an exercise of the States' police powers.<sup>1/</sup> Such powers are justifiable, the Supreme Court held, unless a given ordinance is "clearly arbitrary and unreasonable, having no substantial relation to the public health, safety, morals, or general welfare".<sup>2/</sup> The scope of inquiry whether such a "substantial relation" exists was held by Euclid to include all circumstances surrounding the law's application.<sup>3/</sup> The Supreme Court noted that there is the "possibility of cases where the general public interest would so far outweigh the interest of the zoning municipality, that the municipality would not be allowed to stand in the way".<sup>4/</sup> In Nectow v. City of Cambridge,<sup>5/</sup> the Court considered a zoning ordinance which, as applied to plaintiff's land, the Court held did not meet the "substantial relation" test.<sup>6/</sup> Finding that the value of plaintiff's land was lowered by the ordinance, the Court held that the ordinance operated as a taking of property without due process of law.<sup>7/</sup>

<sup>1/</sup> Village of Euclid v. Ambler Realty Co., 272 U.S. 365 (1926).

<sup>2/</sup> Id. at 395.

<sup>3/</sup> "The question . . . is to be determined, not by an abstract consideration of the building or of the thing considered apart, but by considering it in connection with the circumstances and the locality. . . It may be merely a right thing in the wrong place,--like a pig in a parlor instead of the barnyard." Id. at 388.

<sup>4/</sup> Id. at 390.

<sup>5/</sup> 277 U.S. 183 (1928).

<sup>6/</sup> Plaintiff's land, although surrounded by factories, was zoned for residential uses. A court appointed master found that "no practical use can be made of the land in question for residential purposes . . . taking into account the natural development and the character of the district. . . ." Id. at 187.

<sup>7/</sup> Id. at 188.

and thus was contrary to the 14th amendment.<sup>8/</sup> Any expectation thereby generated that the Court would take an active role in reviewing zoning ordinances has been unfulfilled; Nectow was the last opinion on the constitutional dimensions of zoning handed down by the Supreme Court.<sup>9/</sup>

It is clear that the zoning jurisdiction must point to a precise, legitimate purpose, rooted in the health, safety and general welfare of its citizens, to justify its zoning ordinance.<sup>10/</sup> However, it has been held that municipalities are not permitted to argue that they do not have the requisite facilities to accommodate newcomers and thus to restrict entrance to the community.<sup>11/</sup> Nor, it has been held, may cities make comprehensive plans that work to exclude all low and moderate income housing because of tax considerations.<sup>12/</sup> It is often the case, however, that the jurisdiction will try to hide a lack of proper purpose behind the "presumption of validity" given to all legislative enactments.<sup>13/</sup> Under this doctrine, an ordinance will not be

<sup>8/</sup> U.S. CONST. amend. XIV, § 1. "[N]or shall any State deprive any person of life, liberty, or property, without due process of law." Id.

<sup>9/</sup> But see James v. Valtierra, 38 U.S.L.W. 3485 (June 8, 1970) in which the Court granted review of an appeal from a U.S. Federal district court decision holding unconstitutional the use of public referendums to override local zoning determinations. See notes 30- 41 infra and accompanying text.

<sup>10/</sup> See 58 AM. JUR. Zoning § 26 (1961).

<sup>11/</sup> In In re Appeal of Kit-Mar Builders Inc., No. 218 (Pa., filed Feb. 24, 1970), the Pennsylvania Supreme Court stated: "We . . . refuse to allow the township to do precisely what we have never permitted -- keep out people, rather than make community improvements." Id. at 6.

<sup>12/</sup> Simon v. Needham, 311 Mass. 560, 42 N.E. 2d 516 (1942). It has also been held that a community cannot zone to protect private property values. Senefky v. Lawler, 307 Mich. 728, 12 N.W. 2d 387 (1943).

<sup>13/</sup> The burden of proof put on plaintiffs in zoning challenge cases is a major obstacle to effective judicial review of large lot zoning ordinances. Note, Large Lot Zoning, 78 YALE L.J. 1418, 1436 n. 60 (1969).

invalidated unless there is a plain violation of the Constitution; <sup>14/</sup>  
doubtful cases will be decided in favor of the validity of the enactment. <sup>15/</sup>

An increasing awareness that a denial of zoning for low-and moderate-income housing specifically victimizes poor people who are confined to ghetto or substandard housing <sup>16/</sup> has resulted in several lawsuits challenging different aspects of exclusionary zoning and land use policies and practices. Nat'l Land & Inv. Co. v. Easttown Bd. of Adjmt., <sup>17/</sup> a Pennsylvania case, was the first to hold that a scheme of zoning which has an exclusionary purpose or result is unconstitutional. In holding that a four-acre minimum lot size is "larger than what should be considered necessary for the building of a house, and therefore not the proper subject of public regulations," <sup>18/</sup> the court stated that "a zoning ordinance whose primary purpose is to prevent the entrance of newcomers in order to avoid burdens, economic and otherwise, upon the administration of public services and facilities cannot be held valid." <sup>19/</sup> This position

<sup>14/</sup> Miller v. Bd. of Public Works, 195 Cal. 477, 234 P. 381, appeal dismissed, 273 U.S. 781 (1927).

<sup>15/</sup> Euclid, supra note 1, at 388.

<sup>16/</sup> This "awareness" has largely been the result of recent commission reports. See generally, NAT'L COMM'N ON URBAN PROBLEMS, BUILDING THE AMERICAN CITY (1968); REPORT OF THE NAT'L ADVISORY COMM. ON CIVIL DISORDERS (1968); ADVISORY COMM'N ON INTERGOVERNMENTAL RELATIONS, URBAN AMERICA AND THE FEDERAL SYSTEM (1969); THE PRESIDENT'S COMM. ON URBAN HOUSING, A DECENT HOME (1969).

<sup>17/</sup> 419 Pa. 504, 215 A.2d 597 (1965).

<sup>18/</sup> Id. at 524, 215 A.2d at 608.

<sup>19/</sup> Id. at 532, 215 A.2d at 612.

was reaffirmed in In re Appeal of Kit-Mar Builders Inc.,<sup>20/</sup> where the same court invalidated a two-acre minimum lot size requirement. The court stated that

it is not for any given township to say who may or may not live within its confines. If Concord is successful in un-naturally limiting its population growth through the use of exclusive zoning regulations, the people who would normally live there will inevitably have to live in another community, and the requirement that they do so is not a decision that Concord Township should alone be able to make.<sup>21/</sup>

This holding finds support in the recent Supreme Court case of Shapiro v. Thompson.<sup>22/</sup> In that case, plaintiffs claimed that State residency requirements, as a condition precedent to receiving welfare payments, were an unconstitutional restraint on their right to travel.<sup>23/</sup> The defendant States argued that the purpose of the requirement was "to protect [their] fisc by discouraging entry of those who come needing relief."<sup>24/</sup> The Court, in holding the requirements unconstitutional, stated

the nature of our Federal Union and our constitutional concepts of personal liberty unite to require that all citizens be free to travel throughout the length and breadth of our land uninhibited by statutes, rules, or regulations which unreasonably burden or restrict this movement.<sup>25/</sup>

---

<sup>20/</sup> No. 218 (Pa. Sup. Ct. filed Feb. 24, 1970).

<sup>21/</sup> Id. at 6.

<sup>22/</sup> 394 U.S. 618 (1969)

<sup>23/</sup> Id.

<sup>24/</sup> Id. at 623, quoting Thompson v. Shapiro, 270 F. Supp. 331, 336-37 (1967).

<sup>25/</sup> Id. at 629

Similarly, inability to obtain housing in proper surroundings because of exclusionary zoning discourages and restricts the free movement of citizens.

In another recent case, Dailey v. City of Lawton,<sup>26/</sup> an Oklahoma city with a history of segregated housing patterns denied a rezoning request for construction of a federally subsidized low-rent multi-family housing project in a predominantly white area. The District Court found that the actions of the city council were "a direct result of bias and prejudice"<sup>27/</sup> and that the motivation for the denial of the zoning change "was to keep a large concentration of Negroes and other minority groups from living in North Addition... and the fear of the property owners...that... such a project as proposed by the plaintiff would bring about a depreciation in property values in the district."<sup>28/</sup> The Circuit Court of Appeals noted that it is enough for complaining parties to show that the local officials are effectuating the discriminatory designs of private individuals.<sup>29/</sup>

Another series of cases has attacked provisions of State laws which allow a voter referendum to challenge municipal zoning decisions.

---

<sup>26/</sup> No. 291-69 (10th Cir. filed May 1, 1970).

<sup>27/</sup> 296 F. Supp. 266, 268 (W.D. Okla. 1969).

<sup>28/</sup> Id. at 269.

<sup>29/</sup> No. 291-69, supra note 26, at 8-9.

In SASSO v. Union City,<sup>30/</sup> a Mexican American community organization was successful in obtaining the passage of a city ordinance rezoning a tract of land within Union City, California, to permit the construction of a federally financed housing project for low- and moderate-income families.<sup>31/</sup> The ordinance was nullified almost immediately by a city-wide referendum.<sup>32/</sup> The organization, as plaintiffs, asserted that the effect of the referendum was to deny decent housing and an integrated environment to low-income residents of the city. The court, although holding the referendum law constitutional,<sup>33/</sup> stated: "If the environmental benefits of land use planning are to be enjoyed by a city and the quality of life of its residents is accordingly to be improved, the poor cannot be excluded from the enjoyment of the benefits."<sup>34/</sup>

---

<sup>30/</sup> Southern Alameda Spanish Speaking Organization v. Union City, 424 F. 2d 291 (9th cir. 1970).

<sup>31/</sup> Id. at 292.

<sup>32/</sup> CAL. ANN. ELECTIONS CODE § 4051 provides that if a petition bearing the names of at least 10 percent of the voters of a city is filed with the city clerk within 30 days of the passing of an ordinance, the ordinance is suspended until further consideration by the legislative body. CAL. ANN. ELECTIONS CODE § 4052 provides that if the legislative body does not repeal the ordinance after reconsidering it, a special election may be called for voter approval or disapproval of the ordinance; such vote being the final determination for one year until the process may begin again.

<sup>33/</sup> See also Ranjel v. City of Lansing, 417 F. 2d 321 (6th Cir. 1969), cert. denied, 38 U.S.L.W. 3364 (1970) (upholding Michigan's referendum law against a similar attack).

<sup>34/</sup> 424 F.2d at 295.

The case has been reset for a determination of whether "the city's plan [of development]. . . accommodates the needs of its low-income families."<sup>35/</sup> The question of the referendum, though, may be finally decided by the U.S. Supreme Court which recently granted review in James v. Valtierra.<sup>36/</sup> James, which arose in San Jose, California,<sup>37/</sup> involves the constitutionality of article 34 of the California constitution, forbidding government construction of low-rent housing in any community unless a majority of the voters first approve it at a public referendum. A group of Mexican Americans and blacks applied for Federal funds to build such housing, but the proposal was defeated after a public vote. A three-judge Federal court, noting that San Jose has no public housing for low-income families, invalidated article 34 because it makes it "more difficult for state agencies acting on behalf of the poor and the minorities to get federal assistance for housing than for state agencies acting on behalf of other groups to receive Federal financial assistance"<sup>38/</sup> thus violating the equal protection clause of the 14th amendment.<sup>39/</sup> Citing Hunter v. Erickson,<sup>40/</sup> invalidating

---

<sup>35/</sup> Id. at 295-96. On July 31, 1970, the District Court found that the city's plan did not provide for the needs of low-income families. The court ordered the city to move to correct the situation. SASSO v. Union City, Civil No. 51-590 (N.D. Cal., filed July 31, 1970).

<sup>36/</sup> 38 U.S.L.W. 2528 (N.D. Cal. 1970), review granted, 38 U.S.L.W. 3485 (U.S. June 8, 1970).

<sup>37/</sup> CALIF. CONST. art. 34 § 1.

<sup>38/</sup> 38 U.S.L.W. at 2528.

<sup>39/</sup> U.S. CONST. amend. XIV, § 1. "No state shall... deny to any person within its jurisdiction the equal protection of the laws."

<sup>40/</sup> 38 U.S.L.W. at 2528.

a referendum which rejected a city "fair housing" act, the court took notice of the fact that "the impact of the law falls upon the minorities." <sup>41/</sup>

---

41/ 38 U.S.L.W. at 2528.

#### IV. Neighborhood Planning to Promote Racial and Economic Integration.

In the minds of many, the idea of low-income housing in suburbia conjures up the image of high-rise public housing filled entirely with large families with female heads of household, in the center of a subdivision of \$40,000 houses. Presented with this image, one quickly decides that low income housing cannot work in upper-<sup>1/</sup> middle class suburbia. Fortunately, happier models are possible.

In successful planning of a balanced community, three general factors must be considered. These are cost, access to facilities, and social relationships.

**B. Cost.** Housing must be provided at a cost which persons of low-and moderate-income can afford. Several methods are possible; used together they will result in the availability of a substantial amount of housing within the reach of persons of low-and moderate-income.

<sup>1/</sup> If racially and economically integrated neighborhoods are created with the expectation that this action by itself will be sufficient to solve the social problems of urban slums, disappointment will follow. The new setting will provide only a better opportunity for the underlying problems to be met. See Gans, The Effect of Community on Its Residents: Some Considerations for Sociological Theory and Planning Practice, PEOPLE AND PLANS 12, 14 (1968), citing B. Berger, WORKING CLASS SUBURB: A STUDY OF AUTO WORKERS IN SUBURBIA (1960). See also Gans, THE LEVITTOWNERS (1969). However, Robert Gutman concludes, "Programs should be developed to enable low-income groups to acquire housing in areas of the cities and in the suburbs which already are defined as prestigious.... Our analysis suggests that the cumulative positive effect of housing in the suburbs or cooperative low-income housing in the cities may be even greater than the new policies have led the housing movement to expect." Gutman, A Sociologist Looks at Housing, in TOWARD A NATIONAL URBAN POLICY 130 (D. Moynihan ed. 1970).

1. First, low density residential development should be avoided. By having less land per unit, the land cost per unit, and the utilities and street cost per unit, are reduced.<sup>2/</sup> This does not mean that the development should consist of elevator apartments. Group houses and garden apartments fit quite comfortably at densities of 10 to 20 to the acre,<sup>3/</sup> which contrasts greatly to the 1 to 4 units to the acre typical in many suburban residential developments.

2. A second means of supplying lower cost housing is to use the existing housing supply. Used housing, with other factors held constant, is cheaper than new. This means creating the kind of neighborhoods described here in areas in which houses are already located, applying housing subsidy programs to the preexisting housing stock, and remodeling houses to meet the needs and the financial capabilities of lower-income families.<sup>4/</sup>

<sup>2/</sup> See page 9 supra. Higher density development also will allow the neighborhood to support needed facilities that would not otherwise be economically viable. See page 25-27. infra.

<sup>3/</sup> At a density of 10 to the acre, each group house has a lot of over 4,000 square feet; if the house measures 20 by 40, which is not untypical, 3,200 square feet is left over for lawn. If units are placed atop each other, twice the density would be possible without reducing the amount of open space left over. This would permit, for example, a two bedroom, 800 square foot, apartment, topped by a duplex, 1,600 square foot, four-bedroom apartment.

<sup>4/</sup> There are, however, countervailing considerations: "There is strong logic to suggest that an effective way of breaking through the forces which make for [racial and economic] segregation would be to create new communities which are so attractive as an environment for the average family that very many people who now resist it would be willing to accept open occupancy and mixed communities." Perloff, Common Goals and the Linking of Physical and Social Planning, in URBAN PLANNING AND SOCIAL POLICY (B. Frieden ed. 1968).

Because lower-income families have fewer cars, or no car at all, the neighborhood must be planned in such a way that good public transportation is possible. This requires that the neighborhood have a fairly high residential density and that it not be so far from other parts of the metropolitan area that linking it by public transportation with the rest of the metropolis is prohibitively expensive.

Low-and moderate-income families require different facilities from those needed by higher-income families. Because lower-income families are more likely to have two working parents (or a spouseless head of household who works) than are higher-income families, and because they cannot afford to have a baby sitter regularly come for the day, child care centers are highly desirable in a neighborhood where lower-income families reside.

Because low-income families are less able than others to depend on private physicians and dentists, and because of transportation problems, some kind of medical clinic also is needed.

While middle class families usually own their own washer and dryer, lower-income families need access to a laundromat, usually absent in suburban neighborhoods.

Public recreational facilities should be present, since lower-income families are less able to travel to recreational facilities and less able to provide their own facilities.

3. A third method is for the local government (perhaps subsidized by the State or Federal government) to absorb the costs that follow from residential development. These include the cost of providing access roads, sewers, a water supply, gas and electricity, parks and recreation facilities, and schools. To the extent these costs are now absorbed by the developer, a higher selling price or monthly rental results. Furthermore, when parks and swimming pools are privately provided, which frequently happens in new suburban developments, the local government has less incentive, and encounters less pressure, to provide these services itself--making the area even less attractive to lower-income families.

4. Finally, Federal subsidized housing programs are available. These include programs to rent housing, either owned or leased by a local housing authority, to low-income families,<sup>5/</sup> to subsidize rental housing for moderate-income families<sup>6/</sup> (with rent supplements available so that low-income families can afford the units),<sup>7/</sup> and to subsidize home ownership for moderate-income families.<sup>8/</sup>

<sup>5/</sup> 42 U.S.C. §§1401-35 (1964), as amended, (Supp. V 1969).

<sup>6/</sup> Nat'l Housing Act §236, 12 U.S.C. §1715g-1 (1964), as amended, (Supp. V 1969).

<sup>7/</sup> 12 U.S.C. §1701s (1964), as amended, (Supp. V 1969), commonly referred to as the Rent Supplement Program.

<sup>8/</sup> Nat'l Housing Act §235, 12 U.S.C. §1715z (1964), as amended (Supp. V 1969).

B. Access to facilities. The second important factor in planning a neighborhood in which persons of low-and moderate-income will be able to live, and in which there will be social and racial balance, is the access afforded to facilities.<sup>9/</sup>

The present location of suburban residential development, combined with transportation patterns, typically requires a family to have two cars (and a third if there is a teenager of driving age in the family). One car is needed for the husband for driving to work, another for the wife for shopping and chauffeuring the children. If a neighborhood

---

<sup>9/</sup> "In the provision of public facilities, a sensitivity to the space preferences of working-class users would result in different designs than have been formulated for the middle-class. Where a middle-class housewife may easily travel from several blocks to several miles to a shopping center, the prototype working-class homemaker, often tied to the house by young children, is less mobile and typically unwilling to travel more than a block or two to shop. She may make some of her major purchases from door-to-door peddlers. Instead of large community shopping centers, small shops carrying a variety of grocery and household items, yet located within the blocks, would be more acceptable to her. Similarly, if the hospitals, clinics, schools, and recreation facilities are to be effectively used by working-class and lower-class persons, they should be located at a number of sites and at small scale, rather than in a single large facility at a central location. Where distance in space presents an obstacle to the working-class person, he is less likely to use the community facilities that might help him." Weber & Weber, Culture, Territoriality, and the Elastic Mile in 1 TAMING MEGALOPOLIS, WHAT IS AND WHAT COULD BE 52-53 (Eldredge ed. 1967).

is to be viable for families of low-and moderate-income, the need for private automobiles must be substantially reduced. <sup>10/</sup>

Areas of employment should be close by. A significant percentage of the neighborhood's residents should be able to reach their job by walking; many others should be able to reach their job with a short ride on public transportation. While, for higher paying jobs, people will find it worth their while to own an automobile or to take a long journey by public transportation, the work force for lower paying jobs must be based residentially in greater proximity to the job. <sup>11/</sup> Because lower-income families have (by definition) lower paying jobs, and because middle-income black families more often rely on two job-holders than white families of comparable income, it is important that the area not be far removed from employment opportunities.

Likewise, shopping facilities should be easily accessible. In many suburban areas there is no store that can be reached by walking. A car is needed if one wants to buy a quart of milk, or go to the dry cleaners or the drug store. Moreover, suburban roads and shopping centers are designed in such a way that the closest resident to a shopping center is separated from the stores by a road that cannot be safely crossed on foot and by great stretches of parking lot.

---

<sup>10/</sup> "Much of our trouble is that in most American cities and suburbs we have to mobilize the power of 250 horses to get a pack of cigarettes or a glass of beer. Essential human activities have to be brought into human reach, the reach of our own two feet." Von Eckardt, Urban Design, in TOWARD A NATIONAL URBAN POLICY 116 (D. Moynihan ed. 1970).

<sup>11/</sup> NAT'L COMM. AGAINST DISCRIMINATION IN HOUSING, JOBS AND HOUSING (1970).

The cultural and social facilities of lower-income areas differ from those of middle class areas.<sup>12/</sup> A neighborhood that excludes such facilities will not be one in which lower-income families feel welcome. Thus the neighborhood should accommodate a variety of churches, working class and ethnic bars,<sup>13/</sup> low cost restaurants and carry-outs, and facilities for meetings and social occasions.

C. Social relationships. The third necessary element in opening an area to lower-income families is a neighborhood composition and structure which will promote stable social relationships.<sup>14/</sup>

<sup>12/</sup> See George Schermer Associates, More Than Shelter: Social Needs in Low- and Moderate-Income Housing, Prepared For the Consideration of the National Commission on Urban Problems 39 (1968).

<sup>13/</sup> See Molotch, Racial Integration in a Transition Community, AM. SOC. REV. 878, 883-84 (Dec. 1969).

<sup>14/</sup> See Gans, Planning and Social Life: Friendship and Neighbor Relations in Suburban Communities 152; The Balanced Community: Homogeneity or Heterogeneity in Residential Areas? 166; and Planning for the Everyday Life and Problems of Suburban and New Town Residents 183; in PEOPLE AND PLANNING (1968). Compare the latter article with Alvin L. Schorr, National Community and Housing Policy, in URBAN PLANNING AND SOCIAL POLICY 107 (B. Frieden ed. 1968).

Ideally, there should be enough representation from each ethnic or social group in the neighborhood that no group feels threatened; and there should be expectation that this balance will continue, so that other members of the groups represented will not be reluctant to move into the area. Families generally want to live in a neighborhood where enough members of their social or ethnic group are present to allow their distinctive culture and values to be maintained and passed on to their children.<sup>15/</sup> Especially if they are buying a house, they want assurance that this representation will continue in the future.<sup>16/</sup> To plan a neighborhood in which groups will not feel themselves excluded, or feel threatened, requires that housing be available for families of more than one income level, and that the whole metropolitan area be open to families of all social and ethnic groups, so that there will be no need for members of particular groups to concentrate in the few areas open to them. Neighborhoods should be balanced enough to allow racially and economically balanced student bodies in the schools.<sup>17/</sup>

---

15/ See Downs, The Future of American Ghettos, URBAN PROCESSES AS VIEWED BY THE SOCIAL SCIENCES, a National Academy of Sciences Symposium, Organized by the Urban Institute 51 (1970).

16/ See P. Wolf, The Tipping-Point in Racially Changing Neighborhoods 148 and Chester Rapkin & W. Grigsby, The Prospect for Stable Interracial Neighborhoods in URBAN PLANNING AND SOCIAL POLICY 56 (B. Frieden ed. 1968).

117/ See U.S. Commission on Civil Rights, RACIAL ISOLATION IN THE SCHOOLS (1967).

## V. Tools for Socially Responsible Land Use Control

One of the most important proposals to attack exclusionary zoning has been the idea of shifting responsibility for exercising certain zoning powers from a smaller unit of government to a larger unit.<sup>1/</sup> As stated by the Douglas Commission:

It is becoming increasingly apparent that many of the most important problems facing our cities... cannot be neatly segmented for solution by reference to municipal borders. States, regional governments of general jurisdiction, or both, must accordingly take a more active role in planning for regional needs and overseeing local decision-making.<sup>2/</sup>

### A. Massachusetts Zoning Appeals Law

Perhaps the most significant legislation enacted for this purpose is the recently passed Massachusetts statute relating to zoning and low-income housing.<sup>3/</sup> The intent of the law is to stimulate the construction of housing in the suburbs for low- and moderate-income families. The law seeks to accomplish this by providing that certain qualified bodies<sup>4/</sup> proposing to build subsidized low- or

<sup>1/</sup> See ADVISORY COMM'N ON INTERGOVERNMENTAL RELATIONS, URBAN AMERICA AND THE FEDERAL SYSTEM 63-64 (1969); ADVISORY COMM'N ON INTERGOVERNMENTAL RELATIONS, METROPOLITAN SOCIAL AND ECONOMIC DISPARITIES: IMPLICATIONS FOR INTERGOVERNMENTAL RELATIONS IN CENTRAL CITIES AND SUBURBS 94 (1965); NAT'L COMM'N ON URBAN PROBLEMS (DOUGLAS COMMISSION), BUILDING THE AMERICAN CITY 240 (1968); THE PRESIDENT'S COMM. ON URBAN HOUSING, A DECENT HOME 143-44 (1968).

<sup>2/</sup> NAT'L COMM'N ON URBAN PROBLEMS (DOUGLAS COMMISSION), supra note 1, at 240.

<sup>3/</sup> MASS. GEN. LAWS ANN. ch. 40B §§ 20-23 (Supp. 1970).

<sup>4/</sup> The applicant must be either a public agency or a nonprofit or limited dividend corporation. Id. § 21.

moderate-income housing may submit a single application to a regional board of zoning appeals in lieu of separate applications to various local boards. <sup>5/</sup> The board of appeals will then, notifying the local boards, hold a public hearing on the proposed plan. <sup>6/</sup> After receiving testimony, the board has three possible courses of action: (1) approve the application and issue a comprehensive permit, which includes zoning, subdivision and building permit approval; (2) approve the application with certain conditions and requirements; or (3) deny the application. If the application is either denied or "granted with such conditions and requirements as to make the building or operation of such housing uneconomic," <sup>7/</sup> the applicant may appeal the decision to a Housing Appeals Committee of the Massachusetts Department of Community Affairs which has the power to either affirm, <sup>8/</sup> reverse, or modify the board's decision. Further appeal may be taken through the courts. <sup>9/</sup> To assure that quality standards are met for the development in question, the committee cannot issue any order

---

<sup>5/</sup> Most municipalities require that all building applications be approved by several boards (e.g. town board of survey, board of health, board of subdivision control, planning board, and building inspector).

<sup>6/</sup> The hearing must be held within thirty days of the receipt of an application. MASS. GEN. LAWS ANN. ch. 40B, § 21 (Supp. 1970).

<sup>7/</sup> Id. § 22. "Uneconomic" is defined as "any condition...that makes it impossible for a public agency or nonprofit organization to proceed in building or operating low or moderate income housing without financial loss, or for a limited dividend organization to proceed and still realize a reasonable return...within the limitations set...on the size or character of the development...and without substantially changing the rent levels and unit sizes proposed..." Id. § 20.

<sup>8/</sup> Id. § 23.

<sup>9/</sup> Id. § 22.

permitting standards below the applicable building and site plan requirements of the Federal Housing Administration or the Massachusetts Housing Finance Agency, whichever is financially assisting the housing.<sup>10/</sup>

B. New York State Urban Development Corporation

Another recent legislative enactment limits exclusionary zoning by allowing one unit of government to preempt another unit's zoning authority.<sup>11/</sup> The New York State Urban Development Corporation is specifically given the power to bypass local zoning ordinances, building codes, or subdivision regulations for the purpose of building housing projects for low-and moderate-income families.<sup>12/</sup> Although the Corporation is encouraged to work closely with local officials and to give consideration to "local and regional goals and policies as expressed in ...local comprehensive land use plans",<sup>13/</sup> it is empowered to override the requirements of local law "when in the discretion of the corporation, such compliance is not feasible or

---

<sup>10/</sup> Id. § 23.

<sup>11/</sup> N.Y. UNCONSOL. LAWS § 6254 (McKinney Supp. 1969).

<sup>12/</sup> Id. § 6266(2)(f). The Corporation is given the power to acquire property for such housing by condemnation. Id. § 6263.

<sup>13/</sup> Id. at § 6266(1).

practicable."<sup>14/</sup> To date, however, the Corporation "has displayed considerable sensitivity to the desires of municipal authorities, acting only by municipal invitation."<sup>15/</sup>

#### C. Maryland Community Development Authority

In 1969 the Maryland legislature, responding to the "inadequate supply of safe and sanitary dwelling accommodations for persons and families of low and moderate income"<sup>16/</sup>, passed a law setting up a State housing and community development authority<sup>17/</sup> with the power to build and assist in financing low-cost housing projects.<sup>18/</sup> The authority was given the power of condemnation and could operate without local approval of its projects.<sup>19/</sup> The lifespan of the authority was short. A group of Maryland citizens<sup>20/</sup> petitioned the law to referendum and the legislature repealed the law in its entirety. In its place, the legislature recently passed

<sup>14/</sup> Id., § 6266(3). The Corporation, however, must comply with the requirements of the State building code.

<sup>15/</sup> Reilly & Schulman, The State Urban Development Corporation: New York's Innovation, 1 URBAN LAWYER (A.B.A. NAT'L Q. ON LOCAL GOV'T L.) 129 (1969).

<sup>16/</sup> MD. CODE ANN. Art. 44C § 2 (Supp. 1969).

<sup>17/</sup> Id. § 4.

<sup>18/</sup> Id. § 5.

<sup>19/</sup> Id. § 8(1). The Authority, though, must comply with local zoning and building ordinances. Id. § 8(2).

<sup>20/</sup> The organization of the petition-gathering was by a group called the Maryland Lobby. The Baltimore News-American, May 18, 1970, at 3C.

a second law <sup>21/</sup> dealing with the same subject, but with the requirement that local government must approve each phase of the project undertaken by the State authority. <sup>22/</sup> Although this plan is considerably less controversial, the same citizens group has successfully petitioned the new law to referendum. <sup>23/</sup> The voters of Maryland will decide the fate of the law at the November elections.

---

<sup>21/</sup> MD. LAWS ch. 527 (1970).

<sup>22/</sup> *Id.* § 266DD-5(b).

<sup>23/</sup> Telephone interview with the Maryland Election Administration, Aug. 3, 1970.

D. Possible Action by Local Governments Without Special State Legislation

Although the creation of economically and racially integrated neighborhoods requires supportive action by the Federal Government-- both in the field of housing and in more general welfare policies-- and on actions by State governments, contributions also can be made by local jurisdictions by means of land use control.

1. The local government can prohibit, with effective enforcement machinery, discrimination in the sale or rental of housing by developers, and by others. As a condition of being allowed to build within the jurisdiction, developers can be required to undertake an affirmative efforts to overcome existing racial barriers and to market their houses and apartments to blacks. This can include pledges of nondiscrimination in all advertising, adequate publicity concerning all new projects in the black community, and promotional activities that convince black ghetto residents that they will be welcome at the development. Racial statistics on sales and rentals can be maintained to permit monitoring of the developer's affirmative program.

2. In order to reduce the cost of residential development and to reduce the disparities between the amenities available to the more and to the less affluent residents of the jurisdiction, the local government can provide at its own expense the local roads, sewers, water supply, parks, recreational facilities, swimming pools, public transportation, and child care facilities required for residential development.

3. Even newer zoning ordinances making relatively liberal reforms may continue to provide low density development and to separate different kinds of residential development. Most zoning readily can be liberalized further without endangering the health, safety, or welfare of the residents of the jurisdiction, at the same time substantially benefiting the residents of the metropolitan area.

In Baltimore County, under the proposed zoning regulations, for example, the maximum gross density allowed, except for elevator apartments, is 16.0 density <sup>24/</sup> to the acre. Since a three-bedroom house counts as 1.5 density units, there could be fewer than 11 three-bedroom group houses to the acre. Furthermore, if the development consists of three-story group houses, the basement of which is a two bedroom apartment and the upper two floors of which comprise a three-bedroom dwelling unit, there could be fewer than seven of these group houses to the acre. The foregoing is the greatest density permissible for group houses or garden apartments; the actual average density of such housing will be lower. <sup>25/</sup>

24/ County Council of Baltimore County, Maryland, Bill No. 100, Sec. 1B02.2 (Introduced July 6, 1970). Density units are defined infra Section VI, note 53.

25/ Even more severe density restrictions are placed on those parts of a tract adjoining another tract zoned for lower density. See page 48 infra. Higher density is allowed in Unit Developments. See page 49 infra.

4. Local jurisdictions can encourage families to have fewer cars--by such means as reducing parking requirements in new developments or requiring that parking places be rented separately from apartments--in order to make more possible a viable system of public transportation in the area.

5. Planned unit developments, which allow a higher density than is otherwise permitted and some mixing of residential and nonresidential uses, could be permitted on small tracts of land. The proposed Baltimore County Zoning Regulations do not allow for tracts smaller than 250 acres. Allowing unit development on smaller parcels would enable more unit development to occur, would allow the use of unit developments in the nearer suburban areas (where fewer large tracts are available, but where there is more potential for the creation of balanced neighborhoods), and would allow the blending of old and new development.

6. The local government can coordinate its policies in the approval of new developments with its social programs and planning. Agencies not now involved in the review of zoning applications or subdivision and building permit applications, but which are concerned with the social policies of the jurisdiction could be included. In Baltimore County, for example, these agencies might include the department of social services and the human relations commission.

7. Local governments could exercise greater control over residential development. Baltimore County's new zoning regulations increase the amount of control over density developments and elevator

apartments and, to a greater extent, over unit development. This approach could be extended further, with more requirements imposed on the developer. For example, further criteria for the acceptance of development plans could be specified and those plans going furthest to meet the criteria be given preference.

Thus, developments which would provide housing for all income levels (or complement the preexisting housing in the neighborhood) could be preferred. Preference also could be given to developments which provide, or are near, shopping and places of employment; higher density developments; developments convenient to present, proposed, or economically feasible public transportation; developments which provide a mix of housing type, i.e. rental and sale, large and small; developments in which apparent contrasts between the housing for higher- and lower-income groups is minimized; and developments in areas for which the local government has decided it is more feasible to provide public services.

E. Maryland's Planning and Zoning Enabling Legislation

The Maryland Planning and Zoning Enabling Act, <sup>26/</sup> while it does not make an affirmative statement in favor of racially and economically balanced neighborhoods, does not prevent a county's using its planning and zoning powers for the purpose of creating such neighborhoods. Section 3.06 requires that a master plan be made "with due regard to [the county's] relation to neighboring territory." This means that Baltimore County in its planning should take into account the problems of the city of Baltimore and the impact of county development on these problems. Furthermore, section 3.06 means that values which the plan is to promote -- "health, safety, morals, order, conveniences, prosperity, and general welfare, as well as efficiency and economy in the process of development" <sup>27/</sup> -- should not be viewed solely in terms of benefits for the residents of the county, but of benefits for the county's neighbors as well.

The zoning power given to the counties is broad. For the purpose of "promoting health, safety, morals or general welfare of the community" <sup>28/</sup> the counties may regulate the size of buildings, lot size, and density of population. In addition, if appropriate procedures are adopted the county may

impose such additional restrictions, conditions, or limitations as may be deemed appropriate to preserve, improve, or protect the general character and design of the lands and improvements being zoned or rezoned...and may...retain or reserve the power

<sup>26/</sup> MD. CODE ANN. ART. 66B (1970).

<sup>27/</sup> *Id.* at § 4.01(a).

<sup>28/</sup> *Id.*

and authority to approve or disapprove the design of buildings, construction, landscaping, or other improvements, alterations, and changes made or to be made on the subject land or lands to assure conformity with the intent and purpose of this article and of the jurisdiction's zoning ordinance. 29/

Thus, if the county decides that the health, safety, morals, or public welfare of its residents require the promotion of racially and economically balanced neighborhoods (which would be a reasonable finding), it can use the powers specified by Section 4.01 to accomplish this purpose.

---

29/ Id. at § 4.02 (b).

## VI. Land Use Control in Baltimore County

Baltimore County either is using, or is preparing to make use, of each of the traditional land use guides and controls--a master plan, zoning, subdivision regulation, a building code, and building permit regulation.

While this paper restricts itself to a discussion of such governmental devices as these, it should be recognized that the practices and decisions of various parts of the private sector--including builders, real estate dealers, land speculators, and financial institutions--have a great impact on the pattern of land use, as does the Federal Government through its housing, transportation, education, and other programs and through its policies of taxation.

### A. Present Zoning

The Zoning Regulations of Baltimore County establish zones for different kinds of residential, business, and industrial use, and regulate the use of land in these zones in great detail. This section will be concerned almost exclusively with residential zoning.

#### 1. Requirements

The zoning ordinance of Baltimore County provides for six different residential zones--R.40, R.20, R.10, R.6, R.G., and R.A.<sup>1/</sup>

The R.40 zone allows one-family detached dwellings<sup>2/</sup> on 40,000 square foot lots<sup>3/</sup> and a limited number of nonresidential uses.<sup>4/</sup> Further nonresi-

<sup>1/</sup> Baltimore County Zoning Regulations, section 100.1A2. [Citations to the Zoning Regulations are to section numbers]. With various restrictions, residents also are allowed in business zones. Secs. 230.1, 230.7, 230.13, 233.1, 233.4 235A.1., 236.4 and 238A.1.

<sup>2/</sup> Sec. 200.1.

<sup>3/</sup> Sec. 202.1. There are 43,560 square feet in an acre. If lots larger than 40,000 square feet are provided or if common open space is provided lots as small as 30,000 (Sec. 202.1) or 25,000 square feet (Sec. 202.1.1) are permitted.

<sup>4/</sup> Secs. 200.3 through 200.14 .

dential uses are allowed by special exception,<sup>5/</sup> under a special approval procedure by which conditions can be imposed.<sup>6/</sup>

The R.20 zone differs, with minor exception, only in that a lot size of 20,000 square feet is specified;<sup>7/</sup> likewise, the R.10 zone calls for 10,000 square foot lots.<sup>8/</sup> The R.6 zone, which provides generally for 6,000 square foot lots,<sup>9/</sup> allows two-family as well as one-family dwellings.<sup>10/</sup> The R.G. zone allows group houses<sup>11/</sup> as well as one and two family dwellings.<sup>12/</sup> The gross residential density allowed for group houses is 10.5 dwelling units<sup>13/</sup> per acre.

While many of the special exceptions allowed in the prior R zones are allowed in an R.G. zone, several are not; these include boat yards, cemeteries, commercial beaches, "community building, swimming pool, or other structural or land use devoted to civic, social, recreational, and educational activities,"

---

<sup>5/</sup> Sec. 200.15 .

<sup>6/</sup> Sec. 502 .

<sup>7/</sup> Secs. 203-205.

<sup>8/</sup> Sec. 208.1 .

<sup>9/</sup> Sec. 211.1 .

<sup>10/</sup> Sec. 209.2 .

<sup>11/</sup> Sec. 212.2. A group can consist of no more than 6. (Sec. 101-Definitions, Dwelling, Group House).

<sup>12/</sup> Sec. 212.1 .

<sup>13/</sup> Sec. 214.5 .

funeral establishments, outdoor recreation clubs and day camps, marinas, radio and television studios, tourist homes, veterinarians' offices, and volunteer fire companies. <sup>14/</sup> Thus R.G. zones are much more restricted to residential use than are the prior R zones.

The R.A. zone permits apartment buildings <sup>15/</sup> with a maximum gross residential density of 16 units to the acre. <sup>16/</sup> This can be increased for elevator apartment buildings, <sup>17/</sup> which require a special exception. <sup>18/</sup> R.A. zones generally allow most of the special exceptions of the other R zones; <sup>19/</sup> in addition, offices and office buildings are allowed by special exception. <sup>20/</sup>

## 2. Procedure for Rezoning

Applications for rezoning are filed with the zoning commissioner, <sup>21/</sup> who submits them for comments to the director of planning <sup>22/</sup> and to the members of the joint zoning advisory committee, which includes representatives of 11 different county departments <sup>23/</sup> --including, inter alia, the office of

<sup>14/</sup> Sec. 270.

<sup>15/</sup> Sec. 215.2.

<sup>16/</sup> Sec. 217.7.

<sup>17/</sup> Id.

<sup>18/</sup> Sec. 215.5.

<sup>19/</sup> Sec. 270.

<sup>20/</sup> Sec. 215.5.

<sup>21/</sup> Sec. 500.2a.

<sup>22/</sup> Sec. 500.2d.

<sup>23/</sup> Rules of Practice and Procedure of the Zoning Commissioner of Baltimore County, Rule II, 3.

planning and zoning, the department of public works, the fire department, the department of health, the school board, and the industrial development commission, (but not the department of social services or the human relations commission)<sup>24/</sup> --for review and comment. On the basis of these comments, and after a public hearing,<sup>25/</sup> the zoning commissioner or deputy zoning commissioner decides to grant or deny the requested rezoning.<sup>26/</sup> Either the petitioner or any protestant can appeal to the county board of appeals,<sup>27/</sup> which holds a new hearing<sup>28/</sup> and makes a new decision.<sup>29/</sup> The record developed before the appeal board is subject to the review of the Circuit Court of Baltimore County<sup>30/</sup> and then by the Maryland Court of Appeals<sup>31/</sup> if either the petitioner or a protestant wishes to secure judicial review.

---

24/ Interview with James D. Dyer, Zoning Supervisor, Baltimore County Office of Planning and Zoning, May 27, 1970.

25/ Sec. 500.2b.

26/ Sec. 500.3a.

27/ Sec. 500.10.

28/ Sec. 501.6.

29/ Sec. 501.7.

30/ Sec. 501.4.

31/ Id.

When an application for rezoning is made, a plan is submitted showing generally the use intended for the land.<sup>32/</sup> For apartment projects the plan shows the location of buildings,<sup>33/</sup> the proposed density,<sup>34/</sup> the number of parking places,<sup>35/</sup> and the location of access roads and drive-ways.<sup>36/</sup> The plan also shows the location of any other facilities, such as swimming pools, which are proposed.<sup>37/</sup> Once the rezoning is obtained, however, the builder is under no obligation to follow the plan he has submitted. He is required only to meet the zoning requirements.<sup>38/</sup>

#### B. Proposed Changes in Zoning Ordinance

Proposed amendments to the Baltimore County Zoning Regulations will go far to modernize them and to take into account factors not considered in the previous zoning. The principal changes it makes are the creation of a rural holding zone (R.D.P.), the creation of a very low density suburban zone (R.S.C.), the conversion of residential zones to a density standard--providing less control and more flexibility in types of residential development, the creation of elevator apartment building zones, and the authorization

---

<sup>32/</sup> Rules of Practice and Procedure of the Zoning Commissioner of Baltimore County, Rule II.

<sup>33/</sup> Id., Rule II 1.d(13).

<sup>34/</sup> Id., Rule II 1.d(16).

<sup>35/</sup> Id., Rule II 1.d(17).

<sup>36/</sup> Id., Rule II 1.d(8)(10) and (11).

<sup>37/</sup> Commission Staff review of plans.

<sup>38/</sup> Dyer interview, supra n. 24.

of unit developments, which permit the creation of new neighborhoods, communities, and towns, with nonresidential uses allowed, and with tight control over development exercised by the county.<sup>39/</sup>

The zoning amendments are intended to help achieve the goals of the Baltimore County Guideplan.<sup>40/</sup> (See map on following page.) The principal goals of the Guideplan are to channel more intensive development into several selected areas of the county and "to prevent the surging population from sprawling over the countryside in land-devouring subdivisions."<sup>41/</sup> Higher density than was previously permissible will be allowed in "town centers" and "sector centers."<sup>42/</sup> Other developments will be centered around these centers. This plan of development will allow the county to retain undeveloped during the next decade the northern and northeastern rural sectors of the county.<sup>43/</sup>

The Guideplan makes no mention of providing adequate housing for blacks or lower-income families as a goal.

---

<sup>39/</sup> See Final Report of the Baltimore County Planning Board, Proposed Zoning Amendments 1969, Introduction (1969).

<sup>40/</sup> The Guideplan has not been adopted by the County Council.

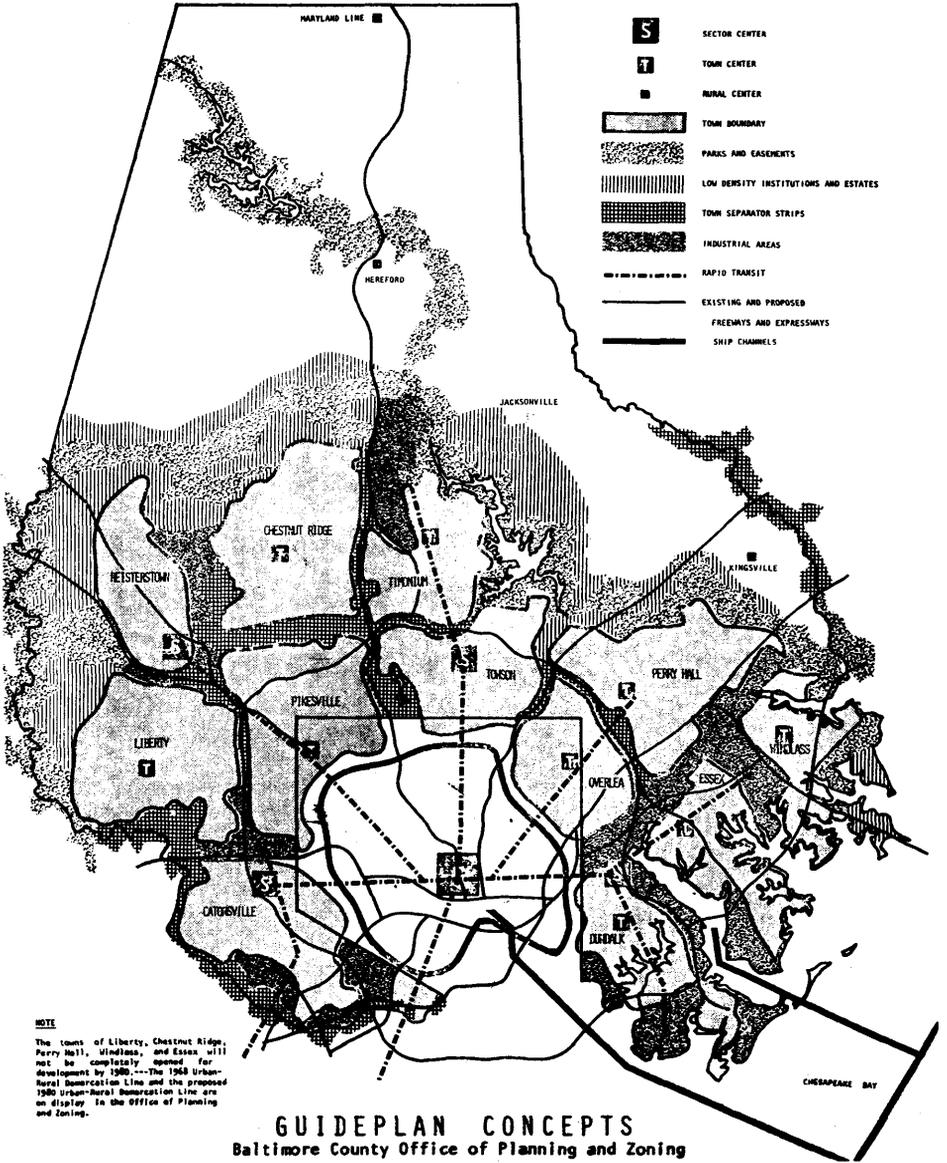
<sup>41/</sup> Baltimore County Office of Planning and Zoning, Pointing Baltimore County Toward 1980; Major Guideplan Elements and Policies (1969).

<sup>42/</sup> Id.

<sup>43/</sup> Id.

LEGEND

-  SECTOR CENTER
-  TOWN CENTER
-  RURAL CENTER
-  TOWN BOUNDARY
-  PARKS AND EASEMENTS
-  LOW DENSITY INSTITUTIONS AND ESTATES
-  TOWN SEPARATOR STRIPS
-  INDUSTRIAL AREAS
-  RAPID TRANSIT
-  EXISTING AND PROPOSED  
FREEMWAYS AND EXPRESSWAYS
-  SHIP CHANNELS



**NOTE**  
 The towns of Liberty, Chestnut Ridge, Perry Hill, Windmass, and Essex will not be completely opened for development by 1980.---The 1968 Urban-Rural Demarcation Line and the proposed 1980 Urban-Rural Demarcation Line are on display in the Office of Planning and Zoning.

**GUIDEPLAN CONCEPTS**  
 Baltimore County Office of Planning and Zoning

### 1. Residential Classifications

The purpose of the R.D.P. (Rural: Deferred Planning) zoning is to channel development during the next 10 years into areas of present development and into selected, limited growth areas.<sup>44/</sup> Normal rural uses,<sup>45/</sup> single family dwellings<sup>46/</sup> with a minimum lot size of 10 acres,<sup>47/</sup> and some institutional and other uses are allowed.<sup>48/</sup>

The R.S.C. (Rural-Suburban: Conservation) zone is intended for permanent low density.<sup>49/</sup> It establishes a minimum average lot size of three acres.<sup>50/</sup>

It is intended for areas to which the sewer and water systems cannot be economically extended and for public institutions which will provide a large amount of open space.<sup>51/</sup> One result of this zoning classification may be to set persons who can afford three acre estates away from the rest of the county's residents.

<sup>44/</sup> Final Report, supra n. 39, at v.

<sup>45/</sup> County Council of Baltimore County, Maryland, Bill No. 100, sec. 1A00.2A1 (Introduced July 6, 1970) (cited hereafter by section number).

<sup>46/</sup> Sec. 1A00.2A.2.

<sup>47/</sup> Sec. 1A00.3B.1.

<sup>48/</sup> Sec. 1A00.2A&B.

<sup>49/</sup> Final Report, supra n. 39, at vi.

<sup>50/</sup> Sec. 1A01.3B.1.

<sup>51/</sup> Final Report, supra n. 39, at vi.

One of the legislative findings on which this zone is based is "that <sup>51/</sup> it is desirable to provide within Baltimore County a permanent green ring."

Despite this finding, it is unclear what benefit a ring consisting of three-acre lots will provide. Presumably higher density residential development will preserve a significant amount of grass and trees. The private green belt will not satisfy the parkland and recreational needs of county residents.

The zoning amendments referred to above create six density residential zones, D.R.1, 2, 3.5, 5.5, 10.5 and 16. <sup>52/</sup> The numbers refer to the number of dwelling units per acre <sup>53/</sup> that are allowed in each zone. Single or

51/ Sec. 1A01.1A.7.

52/ Sec. 100.1A.2.

53/ Id. In Zone D.R.16 the measure of Density Units, rather than Dwelling Units, is used. Density Units are defined by the following table:

Size of Dwelling Unit	Equivalency in Density Units
Efficiency Apartment	0.50
1-bedroom dwelling unit	0.75
2-bedroom dwelling unit	1.00
dwelling unit with 3 or more bedrooms	1.50

Section 101.

double family dwellings, group houses, and garden apartments are all allowed in any zone.<sup>54/</sup> The special exceptions allowed are generally the same as those allowed for the corresponding zone under the old zoning ordinance.<sup>55/</sup> Areas near the edge of zones have certain additional restrictions to prevent uses incompatible with adjoining zones.<sup>56/</sup>

The amendments create elevator apartment zones, replacing the special exception procedure now used. Zone R.A.E. 1 allows a maximum gross density of 40 density units<sup>57/</sup> to the acre;<sup>58/</sup> R.A.E. 2 allows 80 density units to the acre.<sup>59/</sup> An R.A.E. 1 zone can be no further than 1,000 feet from a community business center;<sup>60/</sup> R.A.E. 2 zones must be within a town center,<sup>61/</sup> of which six have been designated in the county.<sup>62/</sup> With many limitations and restrictions,<sup>63/</sup> a variety of commercial uses are allowed in apartment buildings.

## 2. Unit Developments

The amendments allow "unit developments" of various sizes. These are intended to be "large, coherently planned, diversified developments brought

<sup>54/</sup> Sec. 1B01.1A.1.

<sup>55/</sup> Sec. 1B01.1C, 1B02.1.

<sup>56/</sup> Sec. 1B01.1B.

<sup>57/</sup> See definition of density unit in note above.

<sup>58/</sup> Sec. 200.3D.

<sup>59/</sup> Sec. 201.3D

<sup>60/</sup> Sec. 200.1B. Over 30 of these have already been designated. Final Report, supra n. 39, at vii.

<sup>61/</sup> Sec. 201.1B

<sup>62/</sup> Final Report, supra n. 39, at viii.

<sup>63/</sup> Secs. 200.2A, 201.2A

about under single ownership or control." <sup>64/</sup> "Neighborhoods" can range in size from 250 to 600 acres, or smaller if the land is zoned for higher density development. <sup>65/</sup> "Communities" can range from 1,300 to 2,500 acres, <sup>66/</sup> and "towns" must contain at least 5,000 acres. <sup>67/</sup> With the underlying zoning held constant, towns can have a higher density than communities, and communities a higher density than neighborhoods. <sup>68/</sup> Neighborhoods can be located in any Density Residential (D.R.) or Business (B.) zone, <sup>69/</sup> and contain a variety of commercial uses.

Communities can be in any zone in which neighborhoods are permitted and can also be in an R.D.P. zone. <sup>70/</sup> If beyond the "urban-rural demarcation line", which delineates the part of the county not yet provided with sewer and water services and in which suburban development is not planned at this time, <sup>71/</sup> the development is "subject to requirements for additional financing of public facilities," <sup>72/</sup> beyond those otherwise imposed. Some additional uses

<sup>64/</sup> Final Report, supra n. 39, at x.

<sup>65/</sup> Sec. 430.2A. The area must be of sufficient size to accommodate 200 density units under the applicable zoning. Id.

<sup>66/</sup> Sec. 430.3A. The area can be smaller if it is of sufficient size to accommodate 7500 density units under the applicable zoning. Id.

<sup>67/</sup> Sec. 430.4A. The area can be smaller if it is of sufficient size to accommodate 25,000 density units under the applicable zoning. Id.

<sup>68/</sup> Secs. 430.2C.1, 430.3C.1, 430.4C.1. In addition, all land--save industrial--in a Unit Development which is used for nonresidential purposes is included for the purposes of density requirements. Id.

<sup>69/</sup> Sec. 430.2B.

<sup>70/</sup> Sec. 430.2D.

<sup>71/</sup> Sec. 430.3B.

<sup>72/</sup> Final Report, supra n. 39, at v.

<sup>73/</sup> Sec. 430.3B.

beyond those allowed in neighborhoods are allowed in communities,<sup>74/</sup>  
 including some light industrial uses.<sup>75/</sup>

Towns may be located in any part of the county, except that not more  
 than 10 percent of the town may be in a manufacturing zone.<sup>76/</sup> Twenty per-  
 cent of the town area may be devoted to light industrial uses.<sup>77/</sup>

The creation of unit developments will be dependent upon private  
 landowners<sup>78/</sup> assembling a large tract of land and obtaining financing for  
 the development. The difficulty of land assembly leads to the danger that  
 the site for the unit development will not be ideal. If the county itself  
 were to plan the development, through the use of zoning powers and through  
 the provision of municipal services, then better sites probably could be  
 chosen. Such a role by the county also would lessen the problems of land  
 assembly and permit the undertaking of more unit development than purely  
 private initiative might yield. Also, social concerns could be taken more  
 into account by the county, since its primary motivation would not be profit  
 maximization.

---

74/ Sec. 430.3D.

74/ Not more than 2 percent of the tract may be devoted to high-performance  
 industrial uses. Sec. 430.3D.12.

75/ Sec. 430.4B.2.

76/ Sec. 430.4D.11.

77/ Final Report, supra n. 39, at x.

Detailed plans for unit developments must be submitted to the County, and approval must be obtained from the planning board and the zoning commissioner.<sup>78/</sup> In the case of unit developments proposed beyond the urban-rural demarcation line, approval must be by the county council rather than the zoning commissioner.<sup>79/</sup> The development must be in accord with the plan approved by the county.<sup>80/</sup>

---

78/ Sec. 430.1B.

79/ Sec. 430.1C.

80/ Sec. 430.1F.

## ADDENDUM

On August 3, 1970, the Baltimore County Council adopted new zoning regulations.<sup>a/</sup> One major substantive change was made by the council in the zoning regulations proposed by the county planning board.<sup>b/</sup> The county council in effect eliminated the major "holding zones" provided in the proposed ordinance. A "holding zone" is one in which, by means of use restrictions or a large minimum lot size, suburban development is severely inhibited. The function of the holding zone is to protect the area from suburban development, either temporarily or permanently. This use of holding zones is an important tool in shaping the growth patterns of a metropolitan jurisdiction.

The ordinance recommended by the planning board called for a holding zone in the northern part of the county (the R.D.P. zone) with a 10 acre minimum lot size -- designed to postpone suburban development in the area for at least a decade -- and a permanent green belt across the middle of the county (the R.S.C. zone) with a 3 acre minimum lot size. As amended by the county council, the rural holding zone (R.D.P.) and the rural-suburban conservation, or greenbelt, zone (R.S.C.) will both have a minimum lot size of one acre.<sup>c/</sup>

a/ The Baltimore Sun Aug. 4, 1970, at A8, col. 4.

b/ Telephone interview with Leslie H. Graef, Deputy Director, Baltimore County Office of Planning and Zoning, Aug. 7, 1970.

c/ Id.

The new zoning regulations therefore fail to reflect the goal of the proposed Guideplan to channel growth into selected areas of the county and to preserve the northern half of the county for future development.

While opening these large areas of the county to one acre development now may help reduce land costs by increasing the supply of land available for development, the county council's action on balance appears to have created a major obstacle to racial and economic integration in Baltimore County. As noted in Section IV, reasonably concentrated development is essential if there is to be an adequate supply of moderately priced housing and of supportive facilities, such as public transportation, near-by-shopping facilities and the like, needed in economically and racially integrated neighborhoods. Large lot development in the northern part of the county will intensify a growth pattern of suburban sprawl, seriously inhibiting higher density, low-income residential development in the county. Moreover, it will facilitate further racial and economic polarization in the metropolitan area, enabling those who can afford them to flee to one-or-more-acre site houses, still further from the city.

## C. Subdivision Control in Baltimore County

Municipalities generally regulate the subdivision of tracts of land into lots and the planning of streets. Among the purposes of this regulation are to assure that zoning requirements are met, that the circulation of traffic and the safety of pedestrians are adequately provided for, and that arrangements for utilities are adequate. Regulation of subdivisions also allows the buyer of a lot to know in advance generally how the rest of the tract will be developed.<sup>81/</sup>

In Baltimore County subdivision plans must be approved by the planning board<sup>82/</sup> (which uses the staff of the office of planning and zoning).<sup>83/</sup> Also involved in the approval process are the department of public works,<sup>84/</sup> the State department of health,<sup>85/</sup> the roads engineer,<sup>86/</sup> the county health officer,<sup>87/</sup> and the metropolitan district.<sup>88/</sup>

Subdivision regulations often require the subdivider to pay all or part of the cost of streets, sidewalks sewers, and water systems, and to provide or dedicate land for parks or open space and for schools.

---

<sup>81/</sup> The Baltimore County subdivision regulations are contained in Article 44 of the Baltimore County Code. <sup>82/</sup>Citation to the subdivision regulations are to section numbers.<sup>83/</sup>

<sup>82/</sup> Secs. 44-63 and 44-76.

<sup>83/</sup> Interview with Charles B. Heyman, Chairman, Baltimore County Planning Board, July 16, 1970.

<sup>84/</sup> Secs. 44-5, 44-62(b), 44-63, 44-73 and 44-74.

<sup>85/</sup> Secs. 44-62(b), 44-73, and 44-74.

<sup>86/</sup> Secs. 44-63, 44-64.

<sup>87/</sup> Secs. 44-33, 44-63.

<sup>88/</sup> Sec. 44-33.

Baltimore County requires developers to provide open space,<sup>89/</sup> to pay for local streets, alleys, and sidewalks,<sup>90/</sup> and to provide --according to regulation--for water lines,<sup>91/</sup> storm drainage,<sup>92/</sup> and sanitary sewerage.<sup>93/</sup> The exact determination of what improvements are to be provided and the costs that are to be imposed on the developer is made in a contract, between the county and the developer, called a public works agreement.<sup>94/</sup>

As is generally the case elsewhere, before any construction can begin on a project in Baltimore County, a building permit must be secured. In Baltimore County building permits must be approved by two divisions of the office of planning and zoning, as well as the department of health, the bureau of engineering, the fire department, the buildings department, and the school board.<sup>95/</sup>

89/ Secs. 44-2, 3, and 4.

90/ Secs. 44-6 through 30.

91/ Sec. 44-31

92/ Sec. 44-32

93/ Sec. 44-33

94/ Interview with A. V. Quimby, Director, Project Planning Division, Baltimore County Office of Planning and Zoning, July 9, 1970.

95/ Interview with James D. Dyer, Zoning Supervisor, Baltimore County Office of Planning and Zoning, May 27, 1970.

*Exhibit No. 15*

THE EFFECTS OF DEVELOPMENT CONTROL  
ON HOUSING OPPORTUNITIES FOR BLACK HOUSEHOLDS  
IN BALTIMORE COUNTY, MARYLAND

A Report to the  
U.S. Commission on Civil Rights

by  
Yale Rabin, AIP  
August, 1970

## CONTENTS

	<i>Page</i>
Introduction. . . . .	700
Summary and Conclusions . . . . .	701
Recent Growth and Change in the County. . . . .	705
Existing Black Residential Areas. . . . .	714
Effects and Remedies. . . . .	727
References. . . . .	729

*Introduction*

Private decisions regarding the use and development of land are profoundly influenced and often controlled by a broad range of official actions by local government. These development-control activities fall into two categories: improvements and regulations. They range from the construction of roads, utilities, and public facilities to the levying of property taxes, the designation of permitted uses, the establishment of standards for the character and quality of development, and condemnation.

*The existence of equal opportunities for housing by low-income and minority groups within a given jurisdiction is largely a function of the exercise of these development controls.*

In Baltimore County, Maryland, the authority to carry out these development-control activities is vested in an elected County Executive and County Council consisting of seven members, one from each of seven councilmanic districts. There are no incorporated places or other independent political subdivisions within the county.

The county has no Workable Program or housing authority, and in recent years voters have overwhelmingly rejected proposals to enact public accommodation and fair housing legislation.

*Summary and Conclusions*<sup>1</sup>

*Development-control activities in Baltimore County over the past ten years have functioned to substantially reduce housing opportunities in the county for low-income, predominantly (but not exclusively) Black households.*

The total current population of Baltimore County is estimated at between 647,000 and 657,000.<sup>2</sup> For the purpose of this paper the average of these, 652,000, will be used. Population growth in the county has slowed considerably as compared to the 1950-1960 decade. Between 1950 and 1960 total county population grew by 225,155 to 492,478,<sup>3</sup> for an increase of 82.2%. The estimated growth of 159,500 since 1960 represents an increase of 32.3%. During the period between 1950 and 1960 the Black population declined by almost 1000, to 17,054, and the percentage of Black

---

<sup>1</sup> This report outlines the findings of an examination of certain development control activities by Baltimore County in recent years, and the effects of those activities on housing opportunities for Black households.

No attempt was made at exhaustive study, either as regards public actions or their geographic distribution. Consideration was limited to the more urbanized portion of the county including and south of Reisterstown and Cockeysville. Within that area attention was focused primarily on zoning and demolitions, and to a lesser extent on improvements and other regulations. These activities were considered in the larger context of major developmental changes which have occurred in the county principally during the past ten years.

Surveys were conducted of existing Black residential areas, and numerous interviews were conducted with residents.

<sup>2</sup> The first is an estimate by the Baltimore County Office of Planning and Zoning as of 1 January 1970, and the second is a projection made in 1967 by Morton Huffman and Co.

<sup>3</sup> This and other data relating to 1960 population are from the U.S. Census.

residents in the county declined from 6.7% to 3.6% of the total.

The 1970 Census will probably reveal that roughly 1100 to 1200 moderate- to middle-income Black households totalling approximately 4200 persons found housing in Baltimore County, mainly just west of the city, during the ten-year period since the 1960 Census.<sup>1</sup> However, the net gain in Black population will probably total no more than 2500, for a new total of approximately 19,500; and the percentage of Black residents in the county will have declined to 3.0% or less. This results from the demolition during that period of over 350 homes occupied by low-income Black families, and the failure to provide relocation assistance.

Except for this changing area west of the city mentioned above, virtually all the rest of Baltimore County's Black residents live in segregated enclaves or neighborhoods.

Non-residential zoning of Black residential areas was a significant factor in many of the demolitions which have taken place, and several other remaining low-income Black residential areas are similarly zoned for industry or business.

The traditional suburban device of totally excluding low-cost housing by preventing *all* high density development is not a factor here. However, over 65% of the land designated for residential use<sup>2</sup> in the portion of the county under consideration is zoned for two houses to the acre or less; and of the residentially-zoned land yet to be developed, about 90% is zoned for one house to the acre.

---

<sup>1</sup>This is an estimate derived from a comparison of Black school enrollments in the county for 1960 and 1969, and includes the assumption that no significant change in Black population had occurred in the northern portion of the county.

<sup>2</sup>This includes, of course, all land already residentially developed.

In addition the distribution of high density zones has the effect of concentrating lowest-cost<sup>1</sup> housing in a few existing high density areas of the county and preventing such construction over most of the remainder of the county. This distribution is often functionally unrelated to the locations of growing centers of employment whose development is also influenced by zoning.

A review of applications for rezoning to apartment uses since 1965<sup>2</sup> serves to reinforce the conclusion that high density housing is most acceptable in or adjacent to existing high density low-income areas.

The expansion and renewal of some Black residential areas is prevented by adjacent non-residential zoning or unreasonably low density residential zoning.

Some Black residential areas are isolated from their surroundings and particularly from adjacent white residential areas by discontinuous street patterns.

Many Black residential areas are characterized by unpaved streets and a generally low level of public improvements, while adjacent white residential areas often have paved streets and are better served by public improvements.

Code Enforcement and subsequent demolitions combined with the absence of available low-cost housing has forced many low-income Black, and some white, families to leave the county. During the first six months of 1970 the City of Baltimore Housing Authority received 29 applications for admission to public housing from families from the county.

In the absence of any affirmative local program to assist in the production of low-cost housing, even the subdivision

---

<sup>1</sup>Although there are several large privately owned moderate-cost apartment developments in the county, standard housing at rates comparable to public housing does not exist.

<sup>2</sup>See Table I, page 8.

ordinance becomes a significant obstacle. One major builder of moderate-cost apartments in the county estimates that subdivision regulations have added over \$700 to the cost of each apartment unit.

*Blacks have not shared proportionately in the benefits of subsidized suburbanization generated in large measure by the construction of highways and reinforced by home mortgage insurance, school subsidies, and public utilities grants.*

*Zoning and other development-control activities in Baltimore County have served to reinforce local discriminatory attitudes and practices, and have played a major role in significantly altering the income distribution of the Black population in the county through systematic displacement of low-income Black households.*

*The likely effects of the continuation of present policies and practices by the county are: low-income Blacks (and some whites) will be forced to leave the county (and move to the city) through rezoning, restrictions on growth, and condemnation of older housing; and the county will reduce its share of the costs of providing health, welfare, and educational services to low-income households by imposing those costs on the city.*

*Recent Growth and Change in the County*

In general it can be said that county zoning and development near the city has tended to reflect the character and intensity of adjacent development in the city. Similarly, zoning, and consequently development in and around older areas in the county has tended to continue and extend earlier patterns of development. Thus, high density development has been confined predominantly to the southeast and southwest, which are also, coincidentally, the locations of the principal concentrations of Black population in the county. Most new growth in recent years has occurred around inter-sections of the Beltway or adjacent to certain principal radials such as Eastern Boulevard, York Road, Reisterstown Road, and Liberty Road.

Infrequent attempts to significantly alter the nature or direction of change have been consistently unsuccessful. Perhaps the most notable of these were proposals by the county government in 1964 to carry out urban renewal projects in Towson and Catonsville. Both projects were similar. Each was intended to renew the central business district. Both would have involved the demolition of large numbers of Black-occupied homes, and this action would, of course, have been subject to the relocation requirements of HUD.

Both projects were rejected by the electorate, but in Towson substantial elements of the renewal proposal are being undertaken without HUD assistance. As a consequence, Black residents displaced to date by road improvements or commercial expansion in the town center have received no relocation assistance, and most have been forced to leave the county.

Another indication of attitudes toward change is to be found in the responses to requests for zoning changes. In a review of the requests for changes to group house or

apartment zoning between July 1965 and July 1970, it was found that out of 106 applications 68 were granted, 5 were modified, and 33 were rejected.

Applications were classified and analyzed according to size, location, and year of request. Size yielded no meaningful results, and it was found that the number of requests declined and the rate of rejection increased as time went by. However, the most significant results relate to location.

Table I on the following page clearly indicates that certain areas such as Catonsville and Essex are more readily acceptable locations for high density housing than areas like Cockeysville or even Towson. In general it can be said that the greatest resistance to high density housing appears to be in that portion of the county north of the Beltway between Cromwell Bridge Road and the Reisterstown Road corridor. It is significant to note here that (as will be shown below) this area has experienced a larger growth in employment during the past ten years than any other section of the county.

Employment in the county, and particularly industrial employment, has grown rapidly during the last decade, and at a much more rapid rate than in the city. As has been the experience in many other places, construction of the freeway system in metropolitan Baltimore has resulted in a substantial decentralization of industry. Between 1963 and 1968, 35 industrial firms moved from the city of Baltimore to new locations in Baltimore County, while only one plant moved from the county to the city.<sup>1</sup>

A study<sup>2</sup> completed in 1968 by the Chamber of Commerce indicates that during the five-year period 1963-1967,

---

<sup>1</sup>*Social Impact Analysis of the Baltimore Freeway System*, George W. Grier and Norma M. Robinson, December 1968, p. 48

<sup>2</sup>*Growth Patterns, Metropolitan Baltimore 1963-1967*, The Chamber of Commerce of Metropolitan Baltimore, February 1968, pp. 7-9.

Table I

## REQUESTS FOR CHANGE TO GROUP HOUSE OR APARTMENT ZONING

BY ELECTION DISTRICT - July 1965-July 1970

District	Area Name	Granted	Modified	Rejected	Total
1	Catonsville	9	-	-	9
2	Liberty Road	14	-	9	23
3	Pikesville	9	1	7	17
4	Reisterstown	14	1	2	17
5	-	-	-	-	-
6	-	-	-	-	-
7	-	-	-	-	-
8	Cockeysville	1	1	6	8
9	Towson	5	1	5	11
10	-	-	-	-	-
11	Northeast	2	-	1	3
12	Dundalk	3	-	-	3
13	Halethorp	2	-	3	3
14	Overlea	3	1	-	4
15	Essex	6	-	2	8
	Total	68	5	33	106

employment in the county grew by almost 40,000 jobs, about 10,000 of them in manufacturing. During the same period employment in the city grew by 26,400, including only 4,300 new jobs in manufacturing.

The principal areas developing new jobs during the five-year period described were: Dundalk, 3,500, mostly in manufacturing; Towson-Cockeysville corridor, 16,000, over half in manufacturing, R&D, and engineering; Reisterstown-Owings Mills corridor, 2,200, almost half in manufacturing; Woodlawn, 6,500, over half of which are jobs in the Social Security complex which now employs approximately 16,000; Catonsville, 2,300, none in manufacturing; and Arbutus, 3,000, over half in manufacturing.<sup>1</sup>

With a few significant exceptions, major population increases have occurred in or near areas which experienced increases in employment, although the changes were seldom proportionate. Again referring to the Chamber of Commerce study, the Reisterstown-Owings Mills area, which gained 2,200 jobs, increased in population by 8,700 or about 50%. Pikesville, which gained only 800 jobs, grew by 18,200 or about 50%. The Towson-Cockeysville corridor, with 16,000 new jobs, increased in population by 16,000; and Woodlawn, while gaining 6,500 jobs, grew by 12,700.<sup>2</sup> As indicated below, however, the population increase in Woodlawn was accompanied by a substantial turnover in the occupancy of existing housing.

The most intensively developed section of the county is the southeast, which contains major industrial areas including the vast Sparrows Point facilities of Bethlehem Steel and the Martin Marietta plant. This section, which lies south of I-95 and includes the areas known as Dundalk and Essex, is

---

<sup>1</sup>*Growth Patterns, op. cit.*, pp. 7-9.

<sup>2</sup>*Ibid.*, pp. 3,7-9.

characterized in the close-in portions by high density row-house and apartment development. Extensive outlying areas to the south and east which are rural in character are zoned for additional industry and high density residential use.

The population of the southeast section is predominantly blue-collar, and the median household income in 1960 was less than \$6200.<sup>1</sup> The area contains many whites of Polish or German origin, and in 1960 it housed almost half of the county's Black population. Overall population growth has been moderate in this section since 1960, and Black population has probably declined by over 15%.

Further north and radiating from the northeast corner of the city between I-95 and Loch Raven Blvd. is a section whose developed area is almost all residential. This section includes the sub-areas of Overlea, Carney, Parkville, and Loch Raven. Those areas near the eastern boundary of the city south of Joppa Road are characterized by medium density single homes and some garden apartments and row houses. North of Joppa Road this section is predominantly rural in character, and zoning changes to R-10, R-20, and R-40 toward the north. Over 20% of the housing in this area was built during the past ten years, including over 2000 garden apartment units.<sup>2</sup>

Population in this section is almost entirely white, lower middle-income, and the median household income in 1960 was about \$7200.<sup>3</sup>

Due north of the city between Loch Raven Blvd. on the east and the Jones Falls and Harrisburg Expressways on the west lies one of the most rapidly developing sections of the

---

<sup>1</sup>U.S. Census.

<sup>2</sup>*Growth Patterns, op. cit., p. 14.*

<sup>3</sup>U.S. Census.

county. This section includes the sub-areas of Towson (which is the county seat), Ruxton, Lutherville, Timonium, Texas, and Cockeysville. This area is bisected by York Road, which runs north from the city through Towson, Timonium, Texas, and Cockeysville. The principal generating force in the area has been the creation of a vast industrial development in the area between York Road and the Baltimore-Harrisburg Expressway from Timonium to Cockeysville. In the five-year period between 1963 and 1967, 16 new manufacturing plants, 10 new research or engineering laboratories, and 10 new warehouses were added in this section.<sup>1</sup> Housing is mainly medium density single homes except in the western portion and the east adjoining Loch Raven reservoir, where densities are generally two dwelling units to the acre or less. Most residentially zoned undeveloped land is zoned for low densities, R-10, R-20, and R-40. Although several thousand apartments have been built in this section since 1960, most of them are in the southern part of the section in and around Towson. In addition, some undeveloped areas zoned for apartment development still exist; but in relation to both the total land for housing and the tremendous growth in employment, the amount is unusually small.

With the exception of a shrinking community in Towson and some small enclaves of old housing which all together contain less than 5% of the county's Black population, the area is almost entirely white. Median household income in this area in 1960 was in excess of \$10,000 per year.

Northwest of the city, mainly along Reisterstown Road, is another section which has experienced substantial residential growth in the past ten years. This section, which extends from the Baltimore-Harrisburg Expressway around to Winans Road, includes the sub-areas of Pikesville, Garrison, Owings Mills, and Reisterstown. The vast bulk of this area

---

<sup>1</sup>*Growth Patterns, op. cit.*, pp. 23-26,29.

lying between the Baltimore-Harrisburg Expressway and the tracks of the Western Maryland Railroad and north of the Beltway is still rural in character and is all zoned R-40. The developed area within the Beltway and east of Reisterstown Road is predominantly low density (R-10, R-20, R-40) single-family housing. Between the developed corridor of Reisterstown Road and Liberty Road there is another wedge of rural land reaching all the way to the Beltway and zoned R-40.

Development along Reisterstown Road has not proceeded continuously out from the Beltway as in the case of York Road, but has skipped most of the area between the Beltway and Owings Mills where new industrial development has created almost 1000 new jobs.<sup>1</sup> The bulk of new residential development has taken place on the north side of Reisterstown Road between Owings Mills and Reisterstown. With the exception of one R-6 development and a few garden apartment zones, all new housing has been low density, mostly R-10.

With the exception of two old Black residential areas in Reisterstown totalling about 80 families, and a small integrated subdivision in Pikesville, this area is also almost all white. The new development has accommodated predominantly higher-income families than lived in the area before 1960. The increase in median household income in the Reisterstown area from \$6580 in 1960 to \$8450 in 1967 (almost 30%) was the largest for any area in Baltimore County.<sup>2</sup>

West of the city from Winans Road south to Valley Road is a large section which includes the Liberty Road corridor, the Woodlawn-Security area, and Catonsville. Between Liberty Road and Catonsville the area west of the Beltway is largely rural and zoned R-40.

---

<sup>1</sup>*Growth Patterns, op. cit.*, p. 8.

<sup>2</sup>*Ibid.*, p. 5.

Most new development along the Liberty Road corridor has taken place between the Beltway and Randallstown. This has consisted of medium to low density (R-6 and R-10) single homes with a scattering of garden apartments. The population of the area, except for a small enclave of older Black-occupied housing off Winans Road, is almost entirely white.

Between Liberty Road and Security Blvd. is the area known as Woodlawn-Security, consisting almost entirely of medium density (R-6) single homes and a few garden apartment projects. This area was largely developed before 1960; and according to the Census of 1960, only one Black person lived in the area at that time. Since 1960 the area has been the scene of significant racial change brought about by the influx of perhaps 800-1000 new Black families, most of whom have not previously lived in the county. Little is known about these families at this time other than that most are young, and employment at the nearby Social Security complex was probably a major generator of the change.

South of Woodlawn-Security lies Catonsville, which has also expanded substantially in the last decade. This area is quite old, and most new development has taken place to the west of the town and south of Old Frederic Road. The older sections both east and west of the Beltway consist of medium density (R-6) single homes, and the newer areas to the west are low density (R-10 and R-20).

Just north of the business center of Catonsville is an old Black residential area which until 1960 contained the second largest concentration of Black population. The area has also grown somewhat in the last decade through the construction of a new subdivision.

Outside this Black residential neighborhood, Catonsville is entirely white. Although median household income for the Catonsville area as a whole was \$8100 in 1960, median household income among the Black population there was \$5400 at that time.

South of the city, between Catonsville and the mouth of the Patapsco River, is a section somewhat similar in character to the Dundalk area, and containing the sub-areas of Arbutus, Halethorpe, and Lansdown. Residential development is medium to high density (R-6 and R-G), and there are extensive industrial zones through the center of the section. Rural portions of this section along the southern edge are zoned R-10 and R-20.

The population of the area is predominantly white, but there are two Black residential enclaves, one in Arbutus and one in east Halethorpe. Total population of this area increased by about one-third during the last decade,<sup>1</sup> while Black population probably increased by no more than 10%.

---

<sup>1</sup>*Growth Patterns, op. cit., p. 3.*

*Existing Black Residential Areas*

There are at present approximately 20 (depending on how they are grouped) Black residential areas in the urban portion of Baltimore County, ranging in size from enclaves with fewer than a dozen homes to neighborhoods of 1000 homes. With the significant exception<sup>1</sup> of the Woodlawn area and a small isolated subdivision in Pikesville (and it is too early to state with assurance that these areas will remain integrated), and regardless of the area size, Black homes are generally located in all-Black clusters of housing.

Although their locations are widely scattered in an arc around the City of Baltimore, the bulk of the Black population lives in the southeast and southwest sections of the county. In 1960 over half of the county's Black population was in the southeast, with the largest concentration, 6,549, in Turners Station. The second largest Black community totalling 2,567 was in Catonsville. It is likely that the second largest Black population group is now in the Woodlawn area.

Many of the Black communities trace their origins to pre-Civil War days, and most of the smaller ones were once considerably larger than they are today.

Turners Station: This is the largest of the Black communities in Baltimore County. It is located at the southern end of the Patapsco Neck Peninsula in the area known as Dundalk. The 1960 Census showed 1486 Black households in the area with a total population of 6,549. The area is bounded by water on

---

<sup>1</sup>Although not observed during surveys, local residents reported that a few Black families, totalling perhaps ten in all, have purchased homes in recent subdivisions in Middle River Neck, Timonium, and Reisterstown.

the east and south, the tracks of the Pennsylvania Railroad on the west, and Dundalk Ave., a major arterial road, on the north. None of the residential streets in Turners Station connect directly with white residential streets north of Dundalk Ave. Access to the area is only via two intersections with Dundalk Ave.

The zoning in Turners Station is R-6, R-G, and R-4, and the area is completely built-up.

This community was developed largely in response to the need for housing for workers at the Sparrows Point Steel Plant during World War II. Prior to 1940 a small number of Black families lived in the area, but it was predominantly rural in character. Between 1941 and 1945, over 1400 apartment units and several hundred single homes for Black steel workers were built in Turners Station. Of these, 620 apartment units were built with Federal assistance and operated by the Baltimore Housing Authority until 1954. At that time 200 of these units were demolished with no relocation assistance to residents, and the remaining 420 were sold to a private owner. This last group, called Solers Homes, was located west of the Pennsylvania tracks in an area known as Solers Point.

Census figures indicate that by 1960 only 244 units in Solers Homes were occupied. Median household income among the occupants was less than \$4200, and unemployment was almost 16%. According to present residents of Turners Station, many households in Solers Homes were welfare recipients, and the buildings had been permitted to become deteriorated.

Apparently the return to peacetime production levels had reduced labor needs at the steel mill, and many Solers Homes residents had formed part of the subsequent labor surplus. In 1966 Solers Homes were demolished by the owner, and 244 families totalling over 1330 persons were displaced without relocation assistance. The former site of these homes is now being developed for industry.

It is significant to note here that while the site of Solers Homes was zoned industrial as part of an industrial band which included almost all the area west of the tracks, extending to the city boundary, a small white community (51 homes) to the north within the band was zoned residential. It is also significant that both Solers Homes and the white community were in existence at the time the zoning was adopted in 1955. The recently-approved Guide Plan for the county quite reasonably includes the entire area west of the railroad in the industrial area. Nevertheless, the white area remains R-6.

Sparrows Point: Sparrows Point is a company town owned by Bethlehem Steel and located within the Sparrows Point works. Some of the housing was built before the turn of the century and was added to through the period of World War II. According to residents of the town, Black families have lived there since at least 1900. The 1960 Census showed that of the 676 occupied houses, 107 were rented to Black families.

Until 1967 the town was completely segregated, with Black families occupying the oldest housing in the northwest corner of the town. At that time five Black families selected by the company were invited to move to the white side of town. In addition a policy was established that housing vacated in the Black neighborhood would only be rented to white families. Although a few white families have moved into the formerly all-Black area, many houses have simply remained vacant and boarded up. When both sides of a semi-detached structure become vacant, the structure is demolished. Since the entire area is zoned industrial, the company has also been free to demolish housing from time to time in order to provide space for the expansion of plant facilities.

Norris Lane: This is a street running north from North Point Boulevard just southeast of the Baltimore Sewage Treatment Plant on which 36 homes occupied by low-income Black families were demolished several years ago. The origin of the

community is not known. As was the case in Sparrows Point, all families were tenants, many were on welfare, and no relocation assistance was provided. About 40 Black households remain in the general area. The entire area is zoned industrial and is very sparsely populated.

Edgemere: This is an area on the peninsula which lies across Jones Creek east of Sparrows Point. The Black residential area is old, deteriorated, semi-rural in character. It is located between Sparrows Point Blvd. and Lodge Farm Road. Public improvements in the area are poor. Black population in 1960 consisted of 132 households totalling 518 persons, and median income was about \$4500.

The Black community here is very old. School records indicate that a "colored school" was established in this area in August 1874. The present population of the area is about equally divided between owners and tenants. The southern portion of the community between Sparrows Point Blvd. and Oak Ave. is zoned for business, and the northern portion is zoned R-6.

Back River Neck: In the area east of Patapsco Neck there are two Black communities. One is in the northern section of the area on Hopewell Ave., and the other is in the south on Goodwood, Maple, and Hyde Park Aves. The Hopewell community is the older and smaller of the two. Estimates of the age of the community range from 60 to 100 years. There are approximately 30 homes lining both sides of the street, and population in 1960 was 128. The area has not grown. Hopewell Ave. is not paved, but most homes are well kept in spite of their age. Zoning is R-6.

The Hyde Park community to the south is larger and of more recent origin than Hopewell. Major development of this area is believed to have begun about 50 years ago. The quality of the homes is somewhat better than on Hopewell Ave. There are presently 50 to 60 homes in this area, and signs of recent construction combined with a 1960 census count of 129

would indicate that there has been considerable growth<sup>1</sup> in this community. Present population is probably close to 200.

Streets in the area are unpaved, but a federally assisted water and sewer project is currently under way in the community. Zoning in this community is R-6, and extensive undeveloped areas to the north are zoned for row housing and apartments.

Benjies: This is an area in the Middle River Neck Peninsula which centers around the intersection of Eastern Ave. Ext. and Carroll Island Road. The area is semi-rural in character, and the present Black community lives principally in three enclaves. The first is located on both sides of Eastern Ave. Ext. between Carroll Island Road and the Chase Consolidated School; it contains about 15 homes. The second enclave is also along Eastern Ave. Ext. but is about a mile further east; it contains about 50 homes. Total population of these two areas in 1960 was 315.<sup>2</sup> Part of this second area is located on an unpaved street which runs south for a short way from Eastern Ave. Ext. The last enclave is north of Eastern Ave. on Benjies Road about 1/4 mile east of the intersection with Wampler Road; it had a population in 1960 of 176. Occupants of the three areas are about equally divided between owners and tenants.

According to local residents, the two enclaves on Eastern Ave. Ext. are somewhat older than the Benjies Road one and date back to Civil War times. An 1877 Atlas of the county shows a "Colored School House" about midway between the two present Eastern Ave. clusters, and the land for the Black church near the same site was acquired in 1869.

---

<sup>1</sup>The low figure may also be due to an undercount in the area.

<sup>2</sup>The figure also includes a few isolated Black-occupied homes located on farmland further to the southeast.

The first enclave near Carroll Island Road is zoned for industry on the north side of Eastern Ave. Ext. and for business on the south side. The second enclave to the east is zoned R-6. The enclave to north around Benjies Road is also zoned for industry.

Again it is interesting to note that while the Benjies Road community is located in a broad belt of land zoned for industry, a white subdivision just to the west and equally within the industrial belt is zoned R-40.

Residents claim the Black community is dwindling in size here because the children of older residents have been unable to obtain land for housing and have therefore been forced to leave the area. It was also reported that several (three or four) young Black families have purchased housing in a recently developed subdivision in the area south of Eastern Ave. Ext. and east of Carroll Island Road.

Loreley:<sup>1</sup> This community is located in the northeast section of the county within the major transportation corridor including I-95, Rt. 40, Rt. 1, and the B&O Railroad lines. There are three enclaves, two just south of Big Gunpowder Falls and one just to the north. The two enclaves to the south are located on both sides of Rt. 40 on Redline Road and Loreley Road. The Census indicates there were 48 Black-occupied homes in these two areas in 1960, with a total population of 212. About 3/4 of the homes were owner occupied.

The enclave north of Big Gunpowder Falls contained 38 homes with a total population of 111. About 2/3 of these were owner-occupied.

These communities are said to have originated in the early part of this century<sup>2</sup> and to have been at their peak

---

<sup>1</sup>The community was not surveyed. Information was obtained primarily from a local resident.

<sup>2</sup>However, school records indicate an all-Black school here in 1880.

population between 1930 and 1955. As was the case in the Benjies area, young Black families have been unable to purchase land in this area.

The two enclaves south of Big Gunpowder Falls are both zoned for industry, and the enclave to the north is in an area zoned R-20.

Towson: The Black community in Towson is one of the oldest in the county and is presently located just east of the town center. The 1960 Census showed 167 households with a total population of 610. About 56% are tenants. Median income in 1960 was \$2642. The community has been steadily reduced in size by the encroachment of public improvements and the expansion of other areas.

In 1968 on the occasion of the Towson Bicentennial a booklet was published which included a brief history of the town's Black population, and which notes that, "Negroes have lived in the Towson area since its earliest settlement."<sup>1</sup> Blacks have owned property in Towson since 1853, and Black population reached its peak around 1950. At that time there were about 700 Black residents in two neighborhoods, the present area known as East Towson and an area several blocks to the northwest along York Road which was called Sandy Bottom.

Almost all occupants of the Sandy Bottom area were tenants, and all the housing which they occupied has been eliminated since 1950 by a combination of public and private actions. A total of about 50 homes were demolished to make way for expansion of Towson Junior High School,<sup>2</sup> the construction of County Police and Fire stations, the construction of a new road, and commercial expansion.

---

<sup>1</sup>*Then...Now, Towson, Baltimore County, Maryland*, Towson Business Assoc., Inc., 1968, p. 40.

<sup>2</sup>This was formerly Carver High School, an all-Black school.

The East Towson community which was included in the 1964 Urban Renewal proposal has been steadily eroded since that time by road construction, power station expansion, and the condemnation of deteriorated housing. It is estimated that the 1960 population of 610 has been reduced by about 1/3 to a present population of approximately 400. To date there has been no relocation assistance.

At present plans to continue the ring road development around the downtown and through the center of the East Towson Black community are apparently being delayed by demands for relocation housing. However, the threat to the continued existence of the East Towson community is not limited to the road proposal. Most of this community which lies within the proposed ring road is zoned for business, and part of the community outside the ring road is zoned for industry.

Lutherville: This area lies just northwest of Towson across the Beltway and between York Road and the Baltimore-Harrisburg Expressway. There are two small enclaves of Black-occupied housing in Lutherville, one at the intersection of Bellona and Lincoln Aves., and the other on School Lane and Railroad Ave. The first is the newer and better maintained of the two, but both are very old. School records indicate that in 1881 the county rented the "Colored Odd Fellows Home" in Lutherville for use as a school.

Total population of the two enclaves in 1960 was 99 people in 23 households. Two-thirds were tenants. The Bellona Ave. area is zoned R-10, and the Railroad Ave.-School Lane area is zoned R-6.

Cockeysville: The Black community in Cockeysville is located northeast of the town on Powers Ave. around the intersection with Sherwood Road. The homes are very old and the area is semi-rural in character. There are about 20 homes in the area.

In addition it was said that several Black families lived in the town on Hillside Ave., but this could not be confirmed by survey. Also, until several years ago, seven Black

families lived in a tenement dwelling just south of Cockeysville in Texas. That building was condemned and demolished. According to the 1960 Census the Black population of the Cockeysville-Texas area consisted of 35 households totalling 160 persons. The present total is probably between 100 and 120 persons.<sup>1</sup> Zoning in the remaining area on Powers Ave. is R-40.

Bare Hills: On the west side of Falls Road about 1/2 mile north of the Baltimore City line is a recently developed middle-class Black community. This community consists of 30 to 40 homes and was developed during the past twenty years around the nucleus of a small older Black community. Most of the land was purchased from two Black farmers in the area and then subdivided during the 1950's. Population in 1960 was 117, and the area has apparently not grown appreciably since.

Zoning is R-10 although the development borders an industrial zone to the northwest.

Pikesville: Just southeast of Pikesville off Greenwood Road is a recent subdivision of ranch homes which is integrated, although it appears predominantly Black. The subdivision is small, totalling perhaps fifty houses, and is relatively isolated from surrounding areas by a railroad line and a major traffic artery, Naylor's Lane. Zoning is R-6.

Winans: West of Pikesville off Winans there is an old Black community located on two adjacent streets, Oakland Park Road and Valley Forge Road. Both streets are unpaved and dead-ended. Houses are mostly rundown. The origin of the community is not known.

The area is surrounded by new white-occupied subdivisions and parkland. Population in 1960 consisted of 47 households

---

<sup>1</sup>It was also reported by a local resident, but not confirmed by survey, that a few (two or three) Black families have purchased housing in a new subdivision in Timonium.

totalling 168 persons. There were 27 owners and 20 tenants. Zoning is R-6.

Reisterstown: The Black community in Reisterstown is located in two primary groups located on Bond Ave. and Sacred Heart Lane and a small enclave of six houses located at the end of an unnamed alley on the east side of Reisterstown Road just south of Westminster Road. The total Black population in 1960 consisted of 76 households totalling 319 persons.

The housing on Sacred Heart Lane is newest and in best condition, while some of the Bond Ave. housing is deteriorating. Housing in the alley appears very old but reasonably well maintained.

The first Black church in Reisterstown was established in 1834, and an all-Black school was established in 1872. It is believed that the Black settlement along Bond Ave. occurred following World War I when Black families who lived in the outlying rural areas near Reisterstown moved into the town. All three existing Black areas are zoned R-10.

There is no sign of recent growth in the Black community, but it was reported, but not confirmed, that a few (two or three) Black families have purchased housing in a subdivision in Reisterstown between Bond Ave. and Sacred Heart Lane.

Chattolane: East of Reisterstown Road and south of the Green Spring Valley Hunt Club and fronting on an abandoned railway line is a small Black community of seven homes which in 1960 had a total population of 40 persons.

This enclave is the remains of a formerly larger Black community. The once all-Black Chattolane Elementary School which adjoins the area was built for the community in 1931. The houses are very old, and the surrounding area is a sparsely developed upper middle-class white area. The Black community is zoned R-20, and the surrounding area is zoned R-40.

Granite: This is a rural community in the western part of the county about four miles from the county line on Old Court Road. There are about 18 Black families living on two unpaved dead-end streets, Bunker Hill Road and Melrose Ave. Total population in 1960 was 106.

The houses are very old, and many are dilapidated. Adjoining white-occupied streets are paved. The area is zoned R-20.

Woodlawn: This area has been described earlier.

Oella: This is a textile mill town just across the county line from Ellicott City. A small Black community of 15 to 18 houses is located on Oella Road about one mile east of the river. Population in 1960 was 87. About 2/3 are owners. The homes in the area are old and deteriorating. The area is zoned for business.

Catonsville: The Black community in Catonsville is the only one of the older Black communities which has experienced substantial growth in recent years. This community, which is centered along the axis of Winters Lane between Frederic Road and Rt. 40, has expanded during the last twenty years to the east and the northwest. Population in 1960 consisted of 533 households totalling 2567 persons.

There is a great variety of housing in terms of age, type, and quality. The southern part of the area along Winters Lane contains the oldest housing, much of which is seriously deteriorated. Just east of Winters Lane on Wesley Ave. and Bobby Road is a recent subdivision of duplex rental houses and single homes. To the north and west of Winters Lane is a moderate-cost duplex rental development of 260 units which was built during the 1950's. Adjacent to these to the west is a new subdivision of 51 single homes built in 1967.

Total growth of the Black population of Catonsville in the past ten years has probably been 8-10%. All of the area described is zoned R-6 with the exception of a strip on the south side of Rt. 40 which is zoned R-A.

In the northeast part of the community near the Bannaker School there are several unpaved streets. However, the most remarkable feature of the street system in this Black community is that except for Winters Lane which runs through from Frederick Road to I-40, none of the other streets connect through to adjacent white neighborhoods. All dead-end or loop within the area, even though they are shown on county zoning maps as continuous.

Arbutus: South of the city and west of Halethorp there is a small enclave of Black-occupied housing near the fork of Sulphur Spring Road and Shelbourne Road. The houses are located on Circle Terrace, Garrett Ave., and Brown Terrace. Population of the area in 1960 consisted of 26 households totalling 100 persons.

Circle Terrace and Garrett Ave. are the only two unpaved streets in the area. Houses on these two streets are old and deteriorating. The houses on Brown Terrace are newer and appear to have been built as part of a subdivision. The area is zoned R-6 and is completely enclosed by Arbutus Junior High School, University of Maryland, Arbutus Cemetery, and adjacent housing development.

Halethorpe: The community is in a narrow triangle of land just south of the city and enclosed by the Beltway on the north, Washington Blvd. on the west, and the B&O Railroad and industrial development on the east. This isolated pocket of land contains a white residential area and an adjacent Black residential area which are not connected to each other except by going out onto Washington Blvd.

The Black residential area which is in the southern part of this triangle consists of 80-100 homes with a population which in 1960 totalled 284 persons.

The Black community is largely lower middle-class in composition, and the houses are in good condition. Development

of the community dates back to the early 1920's, when a 13-acre parcel of land was purchased by the Patapsco Negro Business League, and subdivided.

The residential area is zoned R-6, but it is surrounded by business and industrial zoning.

*Effects and Remedies*

As a result of restrictions on growth imposed in large measure by county development-control activities, at least 13 of the existing Black communities, containing over 15% of the total Black population in Baltimore County, have been steadily dwindling in size. Unless affirmative steps are taken, these communities, with a population of over 3000 predominantly low-income persons, are likely to be entirely eliminated.

In addition, access by Blacks to rapidly growing employment opportunities in the county, and in particular in the Cockeysville area, is seriously inhibited by the absence of housing opportunities. The distribution of residential density zones in the Cockeysville area is quite inappropriate to the level of industrial development taking place.

In order to offset past inequities and remove official obstacles to equal opportunity in the county, the following remedial steps should be taken by the county:

1. *Adopt fair housing and fair employment practices ordinances.*
2. *Establish a housing authority.*
3. *Rezone, where necessary, existing Black residential areas and their surroundings to permit continued residential uses at densities which reflect both the economic character of the community and its potentials for growth.*
4. *Create substantially greater areas of high-density residential zoning in the Cockeysville area.*
5. *Pave presently unimproved streets in Black residential areas and equalize the provision of other public*

*improvements such as sewers and street lighting.*

- 6. End the isolation of some Black communities by opening and improving dedicated rights-of-way.*
- 7. Seek and apply federal subsidies for streets, utilities, and open spaces in areas where low-income groups live or might live, in order to reduce development costs.*
- 8. Encourage the production of low-cost housing by exempting developers of low-cost housing from the cost of site improvements.*

## References

Abrams, Charles.

*The Role and Responsibilities of the Federal Highway System in Baltimore.* May, 1967.

Baltimore County Office of Planning and Zoning.

*Baltimore County Population 1970*

*Land for Industry.* October, 1965.

*Preliminary Guide Plan.* April, 1969.

*Proposed Zoning Amendments.* September 1969.

*Subdivision Regulations.*

*Zoning Regulations.*

Chamber of Commerce of Metropolitan Baltimore.

*Growth Patterns, Metropolitan Baltimore 1963-1967.*  
February, 1968.

*Market Transition of Metropolitan Baltimore.* November 1966.

*Negro Market Data Handbook.* November 1968.

Grier, George W., and Norma M. Robinson.

*Social Impact Analysis of the Baltimore Freeway System.*  
December 1968.

Hoffman, Morton.

*Baltimore County Rental Housing Market Study, Phase I.*  
August 1967.

Hopkins, G.M.

*Atlas of Baltimore County, Maryland, 1877.* Reproduced 1968.

League for Human Rights.

*Summary of Baltimore County School System Racial Distribution 1968-69.*

Maryland Department of Economic Development.

*Community Economic Inventory, Baltimore County, Maryland.*  
December 1968.

Regional Planning Council.

*Industry and Occupation Structure of the Baltimore Labor  
Market 1960-1975.* September 1969.

*Suggested General Development Plan, Baltimore Region.* 1967.

*The Third Million.* 1969.

Towson Business Association, Inc.

*Then...Now, Towson Bicentennial 1768-1968.* 1968.

U.S. Census of Population and Housing, 1960.

*Exhibit No. 16*

**UNITED STATES COMMISSION ON CIVIL RIGHTS**

**STAFF REPORT**

**HUD PROGRAMS AND ACTIVITY IN**

**BALTIMORE CITY AND COUNTY**

## TABLE OF CONTENTS

	Page
INTRODUCTION . . . . .	734
I. HUD PROGRAMS . . . . .	734
A. THE PLANNING PROCESS . . . . .	735
1. Comprehensive Planning Assistance . . . . .	735
2. Workable Program for Community Planning . . . . .	737
B. SUBSIZED RENTAL HOUSING . . . . .	739
1. Public Housing . . . . .	739
2. Other Rental Housing Program for Low and Moderate Income Families . . . . .	743
a. § 221 (d) (3) MR . . . . .	743
b. § 221 (d) (3) BMR . . . . .	744
c. § 221 (d) (4) . . . . .	745
d. § 236 . . . . .	745
e. Rental Housing for the Elderly and Handicapped . . . . .	747
f. Rent Supplements . . . . .	748
C. HOME OWNERSHIP PROGRAMS . . . . .	750
1. § 235 . . . . .	750
2. § 237 . . . . .	752
D. SECTION 203 . . . . .	752
E. URBAN RENEWAL . . . . .	754
F. RELOCATION . . . . .	755
G. REHABILITATION . . . . .	756
H. FHA COUNSELING SERVICE . . . . .	757
I. WATER AND SEWER AND OPEN SPACE PROGRAMS . . . . .	759

1.	Water and Sewer . . . . .	759
2.	Open Space . . . . .	759
II.	HUD ORGANIZATION AND RESPONSIBILITIES . . . . .	760
A.	GENERAL . . . . .	760
B.	EQUAL OPPORTUNITY . . . . .	763
III.	EQUAL OPPORTUNITY . . . . .	764
A.	LEGAL AUTHORITY . . . . .	764
B.	STRUCTURE AND FUNCTIONING OF THE PHILADELPHIA EQUAL OPPORTUNITY OFFICE . . . . .	766
C.	CRITERIA USED TO REVIEW HUD PROGRAMS . . . . .	767
D.	TITLE VIII . . . . .	769
	ATTACHMENTS . . . . .	773

INTRODUCTION

The Department of Housing and Urban Development's programs of financial assistance have played a major role in the physical development of the Baltimore area. A variety of Federal laws <sup>1/</sup> require that these programs be administered so as to assure nondiscrimination and to promote equal opportunity. A study of HUD structure and functioning, focusing on its operations in greater Baltimore, suggests that HUD does not give adequate priority to its equal opportunity obligations and that Federal assistance is awarded with inadequate attention to equal opportunity considerations.

I. HUD PROGRAMS

The Department of Housing and Urban Development (HUD) administers a wide range of Federal programs <sup>2/</sup> which shape patterns of urban and suburban development. While the best known of these are housing programs, HUD also provides financial assistance for such diverse activities as community planning, construction of water and sewer facilities, and the

---

<sup>1/</sup> Executive Order No. 11063, 3 C.F.R. 652, 1959-1963 Comp., (1962); Title VI of the Civil Rights Act of 1964, 42 U.S.C. §§ 2000d to d4 (1964); Title VIII of the Civil Rights Act of 1968, 42 U.S.C. §§ 3601-19 (Supp. V, 1965-1969).

<sup>2/</sup> U.S. Department of Housing and Urban Development, Catalog of HUD Programs, SP/MP 78 (June 1969) (hereinafter cited as HUD catalog) lists 73 HUD programs; Office of Economic Opportunity, Catalog of Federal Domestic Assistance (April 1970) (hereinafter cited as OEO Catalog) lists 88 programs administered by HUD.

development of parks. There follows a brief description of the major HUD programs and those which have been used in the Baltimore area.

#### A. THE PLANNING PROCESS

##### 1. Comprehensive Planning Assistance

Under Section 701 of the Housing Act of 1954, as amended,<sup>3/</sup> HUD awards grants for comprehensive planning for community development. The planning may include matters such as land development patterns, facility needs such as water and sewer, housing, transportation, recreation and community facilities, the development of human resources, and the development and protection of natural resources. Regional, metropolitan, and nonmetropolitan planning agencies, State agencies, counties, and cities are among the applicants eligible for a Section 701 grant.<sup>4/</sup> The amount of the HUD grant is usually two-thirds of the cost of the planning project, but in some cases it may be for three-fourths of the cost.<sup>5/</sup> Grants are awarded for a 1-year period.<sup>6/</sup>

---

<sup>3/</sup> 40 U.S.C. §461 (1964), as amended (Supp. V, 1965-1969).

<sup>4/</sup> 40 U.S.C. §461(a)(1964), as amended (Supp. V, 1965-69).

<sup>5/</sup> 40 U.S.C. §461 (b) (1964), as amended (Supp. V, 1965-1969).

<sup>6/</sup> OEO Catalog, supra n. 2, at 444.

Baltimore City and County. In 1968, Baltimore County applied for a 701 grant of \$33,000 to help finance the writing of a water and sewer master plan. (The provision of adequate water and sewer facilities is essential for adequate residential development of the county.)<sup>7/</sup> The Housing and Urban Development Act of 1968 had amended § 701 to require that each application for a planning grant contain a "housing element"-- primarily an appraisal of current housing problems and a program to deal with them. One of the problems which must be dealt with by the housing element is low-income and minority needs.<sup>8/</sup> Upon learning of this amendment, the county withdrew its application.<sup>9/</sup>

---

<sup>7/</sup> Interview with George E. Gavreliş, Director, Baltimore County Office of Planning and Zoning, July 30, 1970.

<sup>8/</sup> U.S. Department of Housing and Urban Development, Comprehensive Planning Assistance Handbook 1, Guidelines Leading To A Grant, Bull. No. MD 6041.1, ch. 1 at 6 and App. 2-A at 12-13 (1969).

<sup>9/</sup> Baltimore Sun, November 1968.

The Regional Planning Council (RPC),<sup>10/</sup> the regional planning organization for the Baltimore metropolitan area, received \$510,000 in fiscal 1969. The State planning agency received \$492,116,<sup>11/</sup> some of which it channeled into Baltimore City. The county has not received \$701 funds.

## 2. Workable Program for Community Planning

Until recently, a community was required to have an official plan-- a "workable program"-- committing public and private funds to deal with its housing and urban renewal problems, in order to be eligible for a number of HUD assistance programs. The Housing and Urban Development Act of 1969 reduced the number of programs with such a workable program

---

<sup>10/</sup> The Regional Planning Council's membership consists of three representatives from the city of Baltimore, three representatives from each of the counties of Anne Arundel, Baltimore, Carroll, Harford, and Howard, the director of the State department of planning, the chairman-director of the State roads commission, the chairman of the Metropolitan Transit Authority, the chairman of the Maryland Port Authority and four representatives to be appointed by the Governor, one from the State senate, one from the house of delegates and two citizens of Maryland. The Regional Planning Council's responsibility is to propose a comprehensive plan for the development of the regional planning area based upon studies of land use, transportation, public utilities, and natural resources and take into account relevant social and economic factors. Since the council itself is only an advisory body, this is only a suggested development plan which may be adopted or rejected by any unit of government within the regional planning area. Other functions of the council are (1) to conduct research for planning in an area, (2) to advise local government within the area and (3) to provide an annual report as to the activities of the council. Md. Ann. Code, Art. 78D, §§ 4, 16, (1969 Replacement Vol. 7 and Cum. Supp).

<sup>11/</sup> Office of Economic Opportunity, Federal Outlays in Maryland, 11 (Fiscal Year 1969).

prerequisite. <sup>12/</sup> A workable program must be certified by HUD. Although no Federal financial assistance is available for the drafting of a program, HUD will give technical information and advice. <sup>13/</sup>

Four elements are required in a workable program: planning and programming, housing and relocation, citizen participation, and code enforcement. For each of these, the workable program must list goals, programs, and a schedule for accomplishment of goals.

Certification of a workable program, as well as all subsequent recertifications, are made for a 2-year period. <sup>14/</sup>

---

<sup>12/</sup> Section 217, Housing and Urban Development Act of 1969, 42 U.S.C. §§1451(c), 1410(e), 1421b(f) (1964), as amended (Supp. V, 1965-1969.) Prior to passage of this act, a workable program was required for §221(d) (3) MR and BMIR [12 U.S.C. §17151(d) (3) (1964), as amended (Supp. V, 1965-1969)], (see pp. 10-12, infra) for low rent public housing programs, and urban renewal programs. Presently, a workable program is required only for urban renewal programs.

<sup>13/</sup> OEO Catalog, supra n. 2, at 453.

<sup>14/</sup> Id.

Baltimore City and County. Baltimore City's workable program was recertified on June 3, 1970 for another 2- year period.<sup>15/</sup>

Baltimore County had a workable program which it allowed to lapse in April 1965. The county subsequently has not submitted a workable program to HUD for approval.

B. SUBSIDIZED RENTAL HOUSING

1. Public Housing

The public housing program, created by the Housing Act of 1937,<sup>16/</sup> has been the major form of federally subsidized rental housing for low-income persons.

The initiative for developing a public housing program rests with local governmental bodies. Public housing assistance is given to local housing authorities established by such governmental bodies. A State-enabling law empowering the locality to establish a local housing authority (LHA)<sup>17/</sup> is necessary.

<sup>15/</sup> Baltimore Sun, July 21, 1970 .

<sup>16/</sup> 42 U.S.C. § §1401-35 (1964) , as amended (Supp. V, 1965-1969).

<sup>17/</sup> 42 U.S.C. §1402(11) (1964), as amended (Supp. V, 1965-1969). In 1967, all states except Utah and Wyoming had such a law. Ledbetter, Public Housing - A Social Experiment Seeks Acceptance, 32 Law & Contemp. Prob. 490, 494 n. 27 (1967)/.

Approval of the local governing body is necessary for all public housing programs proposed to HUD by the LHA.<sup>18/</sup>

Until recently, the governing body had to have a certified workable program in order to be eligible for public housing assistance.<sup>19/</sup>

HUD public housing assistance takes three main forms: (1) The LHA may receive a preliminary loan for the planning of public housing;<sup>20/</sup> (2) the LHA may receive loans for the construction or acquisition of housing;<sup>21/</sup> (3) the LHA may receive annual contributions (i) to cover the debt service on local bonds sold to finance the construction or acquisition of assistance housing or (ii) to assure maintenance of low rentals.<sup>22/</sup> The maximum period of such payments is 40 years.<sup>23/</sup>

There are four methods by which an LHA may acquire public housing:

18/ 42 U.S.C. §1415(7) (1964), as amended (Supp. V, 1965-1969).

19/ §217 of the Housing and Urban Development Act of 1969, deleted the workable program requirement of all public housing programs. (See footnote 12, supra).

20/ 42 U.S.C. §1409 (1964), as amended (Supp. V, 1965-1969).

21/ 42 U.S.C. §1409 (1964), as amended (Supp. V, 1965-1969).

22/ 42 U.S.C. §1410(a) (1964), as amended (Supp. V, 1965-1969).

23/ 42 U.S.C. §1410(c) (1964), as amended (Supp. V, 1965-1969).

(a) Construction by the LHA. This is known as conventional public housing.

(b) Purchase by the LHA of privately constructed housing, built under contract for the LHA. This is known as turnkey public housing.<sup>24/</sup>

(c) Purchase and rehabilitation of existing housing by the LHA, which then rents these units to public housing tenants.<sup>25/</sup>

(d) Leasing of existing units by the LHA. The LHA then rents these units to public housing tenants at public housing rental rates.<sup>26/</sup>

All types of public housing can be sold by the LHA to public housing tenants under a variety of homeownership programs established by the Housing Act of 1937, as amended.<sup>27/</sup>

<sup>24/</sup> See 24 CFR § 1520.6 (1970).

<sup>25/</sup> 42 U.S.C. § 1410(c) (1964), as amended (Supp. V, 1965-1969).

<sup>26/</sup> Sections 10 (c) and 23 of the Housing Act of 1937, 42 U.S.C. §§ 1410(c) and 1421(b) (1964, as amended (Supp. V, 1965-1969).

<sup>27/</sup> See 42 U.S.C. §§ 1415(9), 1421 b, (g), (1964) as amended (Supp. V, 1965-1969).

The median income of tenants in public housing in 1967 was \$2,800.<sup>28/</sup>

Baltimore City

The department of housing and community development (DHCD) is the local housing authority for the city of Baltimore. As of the end of fiscal year 1969, 20 public housing projects were occupied, housing 38,895 persons in 10,280 units.<sup>29/</sup> The city also had a leased housing program comprised of 145 homes, and was utilizing 77 rehabilitated houses as low-income public housing.<sup>30/</sup>

Baltimore County.

There is no public housing in Baltimore County. The county does not have a workable program, nor does it have a local housing authority (LHA).

The question of the need for low-income housing in Baltimore County is a controversial issue which has received much attention and publicity. The Community Action Agency and the League of Women Voters in the county have criticized the county for its lack of low-income housing.<sup>31/</sup> According to newspaper accounts, the County Executive, Dale Anderson, has publicly announced his opposition to subsidized low-income housing<sup>32/</sup> in the county. In 1964, a county urban renewal bond issue was put to a referendum vote on the November ballot. It was defeated by approximately

---

<sup>28/</sup> C. Schultze, Setting National Priorities - The 1971 Budget 87 (1970).  
/Hereinafter cited as Schultze/.

<sup>29/</sup> Dept. of Housing and Community Development, City of Baltimore, Annual Report 14 (1969). /Hereinafter cited as HCD Annual Report/.

<sup>30/</sup> Id.

<sup>31/</sup> Evening Sun, Oct. 3, 1968.

<sup>32/</sup> Evening Sun, Sept. 24, 1968; Evening Sun, Oct. 3, 1968.

94,000 votes.<sup>33/</sup> This defeat has been interpreted by many as a reflection of opposition to low-income housing.

2. Other Rental Housing Programs for Low-and Moderate-Income Families

a. Section 221(d)(3) Market Interest Rate (MR)

The §221(d)(3) program, created by the Housing Act of 1961 is one of the many mortgage insurance programs administered by the Federal Housing Administration (FHA).<sup>34/</sup> It is intended to provide rental housing for persons of low-and moderate-income. This program is being phased out by §236 (see below at pp. 12-14).

The program insures mortgages for the construction or rehabilitation of multifamily dwellings; and it is open to public agencies, nonprofit sponsors, and limited dividend corporations. Until recently, the housing had to be located in a community with a workable program.<sup>35/</sup> Most existing rent supplement units (see below at pp. 1155-1157) have been built under 221(d) (3) MR.<sup>36/</sup> A statutory limit is placed by HUD on construction costs and on the amount of the insured mortgage.

33/ The Jeffersonian, Sept. 7, 1967.

34/ §221(d) (3) National Housing Act, 12 U.S.C. §17151(d) (3); (1964), as amended (Supp. V, 1965-1969).

35/ Pub. L. No. 91-152, §217(a)(2). See n. 12 supra.

36/ OEO Catalog supra n. 2, at 427.

In fiscal 1969, the total market rate mortgages on new units insured under the § 221(d)(3) MR program nationally was \$286,722,700.<sup>37/</sup>

Baltimore City

No new mortgage insurance was issued for Baltimore City in fiscal 1969, although in the past the city has financed the construction of a great many multifamily housing units through the § 221(d)(3) MR program.

Baltimore County

There is no § 221(d)(3) MR housing in Baltimore County. Until the requirement recently was removed, the lack of a workable program made the county ineligible for § 221(d)(3) MR assistance.

b. Section 221(d)(3) BMIR

The below market interest rate (BMIR) program of § 221(d)(3) is essentially like the market rate program except that under BMIR the housing sponsor obtains a 3 percent FHA-insured mortgage for housing construction or rehabilitation. A HUD subsidy is given to the mortgagee, who then receives a market return on his loan. As with the market rate § 221(d)(3) program, construction costs and the size of the mortgage are limited by HUD. In addition, there are income limitations for tenants in § 221(d)(3) BMIR projects. BMIR housing is intended for low-and moderate-income persons whose income is above the limits for public housing. A family whose income increases above the HUD-imposed ceiling while living in BMIR housing is not permitted to remain in the project.<sup>38/</sup>

In fiscal 1969, \$569,579,600 of new mortgages were insured nationally under this program.<sup>39/</sup>

---

<sup>37/</sup> Id. at 428.

<sup>38/</sup> 12 U.S.C. § 1715 1 (d)(3) (1964), as amended (Supp. V, 1965-1969).

<sup>39/</sup> OEO Catalog, supra n. 2, at 427.

Baltimore City

Three projects in the city received BMIR mortgage insurance totaling \$3,342,200 in fiscal 1969. In the first half of fiscal 1970, one mortgage was insured for \$965,000. <sup>40/</sup>

Baltimore County

There has been no BMIR activity in the county, which was not eligible for the BMIR program until the recent abolition of the workable program requirement.

c. Section 221(d)(4)

This program is designed to provide rental housing for low-and moderate-income persons. <sup>41/</sup> It is a market rate program with priority given to people displaced by governmental action. The most significant difference between it and the § 221(d)(3) MR program is that profit-making corporations are eligible sponsors. There are no income limits for eligibility. There has never been a workable program requirement for § 221(d)(4).

A separate breakdown of national activity and activity in Baltimore City and County under § 221(d)(4) was not available. <sup>42/</sup>

d. Section 236

This program, established by the Housing and Urban Development Act of 1968, is the most recent of HUD's programs designed to provide low and moderate income rental housing. <sup>43/</sup> It is expected to phase out the § 221(d)(3) MR and BMIR programs, for which funds are no longer being appropriated.

---

<sup>40/</sup> Memorandum from Wayne F. Daugherty, HUD, to David Hunter, Staff Attorney, USCCR, June 16, 1970. [Hereinafter cited as Daugherty memo].

<sup>41/</sup> 12 U.S.C. § 1715 1 (d)(4) (1964), as amended (Supp. V, 1965-1969).

<sup>42/</sup> OEO Catalog, supra n. 2 ;

<sup>43/</sup> 12 U.S.C. § 1715 z-1 (1964), as amended (Supp. V, 1965-1969).

Under § 236, a limited profit, nonprofit, or cooperative sponsor can receive an FHA-insured mortgage, with a maximum of 40 years maturity, at an interest rate as low as 1 percent. A commercial mortgagee makes a market rate loan insured by FHA to the sponsor. FHA makes interest reduction payments to the mortgagee once the project is occupied, for the term of the mortgage. The mortgage is for the construction or rehabilitation of rental or cooperative housing and has a ceiling set by FHA.

A tenant of § 236 housing is required to pay either a basic rental (computed on the basis of operating the project and paying principal and interest on a 1 percent mortgage), or 25 percent of his income, whichever is greater. The rental charged for a unit cannot exceed the fair market rental.<sup>44/</sup> HUD's interest reduction payments are comprised of the difference between the fair market rental and the rental which each tenant must pay.

Comparison of Section 236 and 221(d)(3) BMIR. Both programs have income eligibility limits. However, if a tenant's income increases above the eligibility level,<sup>44a/</sup> he may still remain in a § 236 project, paying the fair market rental. At the same time, since § 236 provides a 1 percent mortgage, as compared to a 3 percent mortgage for § 221(d)(3) BMIR, the HUD subsidy for § 236 projects is naturally greater and § 236 is intended to benefit families with a lower income than § 221(d)(3) BMIR.<sup>45/</sup> Another difference between these programs is that under § 236 HUD pays interest subsidies over the life of the project, whereas § 221(d)(3) requires HUD to pay the full amount of the subsidy to the sponsor upon completion of the project.

---

<sup>44/</sup> 12 U.S.C. § 1715 z-1 (1964), as amended (Supp. V, 1965-1969).

<sup>44a/</sup> For a family of four, the eligibility ceiling in Baltimore City and County is an annual income of \$6,210. FHA Baltimore Insuring Office, Circular Letter No. 70-4 (July 14, 1970).

<sup>45/</sup> Dept. of Housing and Urban Development, Rental Housing for Lower Income Families (Section 236), A HUD Handbook, Bull.No. FHA 4442.1 at 1 (1968).

In fiscal 1969, there was little activity nationally under § 236, because the program was recently instituted. No rental assistance payments were made, although mortgages totalling \$17,901,200 for new units and \$879,800 for existing units were insured. 1,213 new units and 72 existing units were covered by insured mortgages. <sup>46/</sup>

Baltimore City and County. There was no Federal outlay under § 236 in Baltimore City or County in fiscal 1969. <sup>47/</sup> In fiscal 1970, however, there has been limited activity in both localities. <sup>48/</sup> (There is no workable program requirement for § 236 insurance and supplements.)

e. Rental housing for the elderly and handicapped

There are two programs intended to help provide housing for the elderly and handicapped.

Section 202 of the Housing Act of 1959 <sup>49/</sup> is a direct loan program, under which HUD makes 3 percent-50 year loans to nonprofit, cooperative, and limited profit sponsors for the development costs of housing. (It is expected that this program will be replaced by § 236. <sup>50/</sup>)

<sup>46/</sup> OEO Catalog, supra n. 2, §14.103 at 395.

<sup>47/</sup> Daugherty memo, supra n. 40.

<sup>48/</sup> HUD Locality Status Report, Maryland Region 3, May 27, 1970.

<sup>49/</sup> Pub. L. No.86-372, 73 Stat. 654, 667, 12 U.S.C. §1701 q (1964), as amended (Supp. V, 1965-1969).

<sup>50/</sup> OEO Catalog, supra n. 2, §14.102 at 394.

In addition, § 231 of the National Housing Act <sup>51/</sup> allows FHA to insure mortgages to finance the construction or rehabilitation of housing for the elderly or handicapped.

Baltimore City and County. In fiscal 1969, FHA insured mortgages covering 652 new and 76 existing units under section 231. <sup>52/</sup> Section 202 national activity in the period consisted of loans valuing \$82,014. <sup>53/</sup> There has been some construction of housing for the elderly in Baltimore City under § 202 but none in the county. <sup>54/</sup>

f. Rent supplements

Title I of the Housing and Urban Development Act of 1965 established the rent supplement program. <sup>55/</sup> Administered by FHA, this program authorized payment to owners of approved multifamily projects of the difference between fair market rental of each unit and 25 percent of the tenant's income. <sup>56/</sup>

The rent supplement program was originally intended to develop new moderate income housing in dispersed locations in cities and suburbs, helping to develop neighborhoods of mixed social and economic groups. <sup>57/</sup>

---

<sup>51/</sup> Pub. L. No. 86-372; 72 U.S.C. § 654 (1964).

<sup>52/</sup> OEO Catalog, supra n. 2, at 428.

<sup>53/</sup> Id. § 14.102 at 394.

<sup>54/</sup> Daugherty memo, supra n. 40.

<sup>55/</sup> Pub. L. No. 89-117, 12 U.S.C. § 1701s (1964).

<sup>56/</sup> HUD Catalog, supra n. 2, at 37.

<sup>57/</sup> Fielding, How Useful Are Rent Supplements In Meeting Low-Income Housing Needs, The Journal of Housing (January, 1969).

However, a statutory provision dictates that rent supplements must be used primarily in newly constructed § 221(d)(3) projects, and in approved State and local housing projects.<sup>58/</sup> Although the workable program requirement for § 221(d)(3) housing was waived for these projects constructed for rent supplement use,<sup>59/</sup> a major barrier to the use of rent supplements in the suburbs is presented by the HUD regulatory requirement that if rent supplements are to be used in a project for which a workable program is not required, the local jurisdiction must give official approval for participation in the rent supplement program.<sup>60/</sup>

The rent supplement program may be used on a very limited basis to assist tenants in § 221(d)(3) BMIR, § 231, § 202, and § 236 housing.<sup>61/</sup> By supplementing the rentals of persons who are already benefiting from a HUD subsidized program, this phase of the rent supplement program reaches persons whose income approximates that of persons eligible for public housing.<sup>62/</sup>

Under the rent supplement program, there are income eligibility limits. As in the case of § 236, and unlike public housing, tenants are not required to leave rent supplement units when their income climbs to the level where they can afford to pay the fair market rental.

---

<sup>58/</sup> 12 U.S.C. § 1701s(b) (1964), as amended (Supp. V, 1965-1969).

<sup>59/</sup> 42 U.S.C. § 1451(c), as amended (Supp. III, 1965-1967).

<sup>60/</sup> 24 C.F.R. § 5.15(c)(2) (1970).

<sup>61/</sup> 12 U.S.C. § 1701s(h) (1964), as amended (Supp. V, 1965-1969).

<sup>62/</sup> Fielding, supra n. 57, at 13.

Nationally, in fiscal 1969 tenants in 12,299 units were receiving rent supplement assistance, and FHA's obligations under the program totalled \$5,708,000.<sup>63/</sup> The median income of tenants in rent supplement units was \$2,400.<sup>64/</sup>

Baltimore City. Five projects in Baltimore City were given rent supplement assistance totalling \$106,000 in fiscal 1969. Three were § 221 (d)(3) MR projects, the others were 202 housing.<sup>65/</sup>

Baltimore County has had no projects eligible for rent supplements; thus there has been no rent supplement activity in Baltimore County.

### C. HOME OWNERSHIP PROGRAMS

#### 1. Section 235 Interest Supplements for Low-Income Families

Section 235<sup>66/</sup> provides for assistance in the purchase of new or substantially rehabilitated houses and, to a limited extent, of the existing houses without rehabilitation. The program provides for supplements to the interest payments made by the purchaser. These supplementary payments, made directly to the mortgagee, can reduce the amount of interest paid by the purchaser to as little as 1 percent. The size of the payment varies with the income of the family; a qualifying family must devote at least 20 percent of its income to the payment of principal, interest and property taxes.<sup>67/</sup> To qualify, a family's income cannot exceed

<sup>63/</sup> OEO Catalog, supra n. 2, § 14.149 at 438.

<sup>64/</sup> Schultze, supra n. 28 at 87.

<sup>65/</sup> Daugherty memo, supra n. 40.

<sup>66/</sup> § 235, National Housing Act, Pub. L. No. 90-448, 12 U.S.C. § 1715z (1964), as amended (Supp. V, 1965-1969).

<sup>67/</sup> OEO Catalog, supra n. 2, at 397.

135 percent of the income limit set for the same size family for public housing. The § 235 income limit for a family of four in Baltimore City is \$6,210. <sup>68/</sup>

In fiscal 1969, total mortgages insured under § 235 programs nationally totalled \$29,242,250 for 1,998 new units and \$43,383,740 for 3,239 existing units. The average interest reduction payment per month per unit was \$55. <sup>69/</sup> The average income of section 235 homeowners in 1969 was \$5,346. <sup>70/</sup>

The § 235 program has a potential for wide use since it is not limited to nonprofit or limited dividend sponsors and may be used in areas which do not have a "workable program". Also, § 235 purchasers may acquire homes in neighborhoods where higher-income families reside.

Baltimore City. In fiscal 1969 in Baltimore City, one home mortgage for \$11,000 was insured under § 235; in the first half of fiscal 1970, 10 mortgages averaging \$10,000 per unit, were insured. <sup>71/</sup>

Baltimore County. In fiscal 1969, five mortgages averaging \$15,000 per unit were insured; in the first half of fiscal 1970, 14 mortgages, averaging \$20,700 per unit were insured. <sup>72/</sup>

---

<sup>68/</sup> See n. 44A. supra.

<sup>69/</sup> OEO Catalog, supra n. 2, § 14.105 at 397.

<sup>70/</sup> Schultze, supra n. 28 at 88.

<sup>71/</sup> Daugherty memo, supra n. 40.

<sup>72/</sup> Id.

2. Section 237 Special Mortgage Assistance

Section 237 enables low-or moderate-income families with relatively poor credit to secure mortgage guarantees. <sup>73/</sup> Applicants who would qualify under other FHA programs of mortgage insurance but for the fact that they are marginal credit risks, may qualify for a § 237 guarantee if through the "incentive of homeownership and counseling assistance in budget debt management [they] appear to be able to achieve homeownership". <sup>74/</sup> The program applies to the purchase of new or existing homes and to the rehabilitation of existing homes.

In fiscal 1969, total mortgages insured under § 237 nationally totalled \$74,400 for six new units, and \$1,025,000 for 82 existing units. <sup>75/</sup> No information is available for Baltimore City or Baltimore County.

D. SECTION 203--HOME MORTGAGE INSURANCE

Section 203(b) of the National Housing Act <sup>76/</sup> established the well known FHA program of mortgage insurance for financing the purchase of one-to-four family housing, either new or existing.

---

<sup>73/</sup> § 237, National Housing Act, as amended; Pub. L. No. 9-448, 12 U.S.C. § 1715z-2 (1964).

<sup>74/</sup> 12 U.S.C. § 1715z(2) (a) (1964), as amended (Supp. V, 1965-1969).

<sup>75/</sup> OEO Catalog, supra n. 2, § 14.140 at 430.

<sup>76/</sup> Pub. L. No. 73-479; 12 U.S.C. 1709 (1964), as amended (Supp. V, 1965-1969).

An individual applies for an FHA insured mortgage through an approved lender. Approval of the insurance is made by FHA, following review of the applicant's credit and appraisal of the property.

The ceiling on FHA insurance as a general rule is 97 percent of the first \$15,000, 90 percent of the next \$5,000, and 80 percent of the amount over \$20,000.<sup>77/</sup> The down payment normally is the difference between FHA's maximum loan amount and the purchase price. The purchaser is responsible for items of prepaid expense.<sup>78/</sup> A major benefit of the FHA insured loan is the low down payment. The maximum period of the mortgage is 30 years (or 35 years in certain cases), and the maximum loan for a one-family dwelling is \$33,000.<sup>79/</sup> There is no minimum loan amount.

The FHA § 203(b) mortgage insurance program is widely used for the purchase of new homes. In fiscal 1969, the face value of all § 203 mortgages outstanding was \$1,360,442,585 for new homes and \$4,336,406,316 for existing homes.<sup>80/</sup>

---

<sup>77/</sup> 24 CFR § 203.18 (1970).

<sup>78/</sup> OEO Catalog, supra n. 2, § 14.117 at 409.

<sup>79/</sup> Id.

<sup>80/</sup> Id.

Baltimore City. In Baltimore City, 1,243 home mortgages were insured by FHA in fiscal 1969, for a value of \$13,006,000.

Baltimore County. In Baltimore County, 855 mortgages were insured in fiscal 1969 for a value of \$11,315,000. <sup>81/</sup>

<sup>82/</sup>  
E. URBAN RENEWAL

The purpose of urban renewal grants and loans is to help finance the elimination of blight through planning, land acquisition and clearance, rehabilitation, and new construction. <sup>83/</sup> A variety of programs, such as community renewal, code enforcement, demolition grants, rehabilitation, and relocation, are subsumed under the general term "urban renewal". <sup>84/</sup>

A certified workable program is required for eligibility for urban renewal. <sup>85/</sup> The local governing body also must have passed a resolution approving the urban renewal project. <sup>86/</sup>

Baltimore City has 20 urban renewal projects, 10 of which have been completed. <sup>87/</sup> The largest of these is Charles Center, the new downtown area of the city.

---

<sup>81/</sup> Daugherty memo, supra n. 40.

<sup>82/</sup> Title I, Housing Act of 1949, as amended, Pub. L. No. 81-171, 42 U.S.C. §§1450-1468 (1964).

<sup>83/</sup> HUD Catalog, supra n. 2, at 19.

<sup>84/</sup> OEO Catalog, supra n. 2, §§14.600-14.609 at 461-469.

<sup>85/</sup> 42 U.S.C. § 1451(e) (1964), as amended (Supp. V. 1965-1969).

<sup>86/</sup> HUD Catalog, supra n. 2, at 19.

<sup>87/</sup> HCD Annual Report, supra n. 29, at 23-25.

Baltimore County took steps to begin two urban renewal projects in 1964, one in Towson and the other in Catonsville. However, a supporting bond issue was defeated in referendum and no further attempts at urban renewal have been made.<sup>88/</sup>

F. RELOCATION

Relocation assistance and payments are given to persons and businesses displaced by HUD-assisted programs.<sup>89/</sup> Displacement offices are set up to provide information about adequate housing to those persons being displaced. In addition, an individual or family can receive \$200 (or \$500 in the case of low income persons unable to find public or rent supplement housing). Larger payments are made to businesses, nonprofit organizations, and owner-occupants of one to four family dwellings.<sup>90/</sup>

In fiscal 1969, HUD spent over \$78 million for relocation assistance.<sup>91/</sup>

Baltimore County. There has been no HUD-assisted relocation activity in Baltimore County.

Baltimore City. For the 2 -year period ending December 1969 in the city, a total of 885 families were displaced and relocated.<sup>92/</sup> Of the 220

<sup>88/</sup> Interview with John F. Bacon, June 26, 1970.

<sup>89/</sup> 42 U.S.C. §§ 1465(c), 3074(a), 3301 (1964).

<sup>90/</sup> 44 CFR § 710.16 (1970).

<sup>91/</sup> OEO Catalog, supra n. 2, § 14.608 at 467-68.

<sup>92/</sup> Baltimore, Maryland "Application for Workable Program Certification or Recertification", (April 15, 1970) at 57.

businesses displaced by HUD-assisted programs, 143 were relocated.<sup>93/</sup>

The Department of Housing and Community Development administers the relocation program for the city.

To acquire approval for any HUD-assisted program in which people might be displaced, the locality must show that there is an adequate housing supply for those displaced within its boundaries. Once this approval is obtained, the locality is free to assist such persons to relocate in a neighboring jurisdiction by providing information about available housing there.

#### G. REHABILITATION

There are a variety of rehabilitation programs sponsored by HUD. The public housing and § 221(d)(3) programs, which include rehabilitation, are discussed supra. Section 221(h) of the National Housing Act<sup>94/</sup> is a mortgage insurance and subsidy program for the purchase and rehabilitation of dilapidated dwellings. Nonprofit sponsors initially receive insurance on a market interest rate mortgage; the interest rate is reduced to 3 percent after rehabilitation is completed. The units in the project are then released for sale under HUD assistance programs to low income families.<sup>95/</sup>

---

<sup>93/</sup> Id.

<sup>94/</sup> Pub. L. No. 89-754; 12 U.S.C. §1715 1 (h)(1964), as amended (Supp. V, 1965-1969)

<sup>95/</sup> Other rehabilitation programs include § 203(h) and 220(h) of the National Housing Act (Pub. L. No. 73-479, 12 U.S.C. §§ 1709, 1715K (1964)), which provide assistance for major home improvements or rehabilitation. Both provide FHA-insured loans. Section 203(h) loans are for one-to-four family homes within or outside an urban renewal area; §220(h) loans are for one-to-eleven family dwellings in urban renewal areas. Section 106(a) of the Housing and Urban Development Act of 1965 also provides grants and loans to homeowners for rehabilitation in code enforcement and urban renewal areas.

Baltimore County has had no rehabilitation projects.

Baltimore City has used rehabilitation in several of its urban renewal projects. <sup>96/</sup> It is also attempting to use rehabilitation for public housing, in its Vacant House Program, under which it will rehabilitate vacant dwellings for use as public housing. <sup>97/</sup>

H. FHA COUNSELING SERVICE

In order to bring the benefits of Federal assistance programs (particularly those which are complex or unfamiliar) to the persons to be served by them, it is important to take steps to make the programs known and to give detailed guidance and assistance in their use.

In 1967, FHA instituted a test program in selected insuring offices (including the Baltimore Office) to give counseling service to low income persons to find suitable housing for rent or sale within their means. The types of services contemplated include FHA assistance in making appointments for families to inspect homes or apartments, providing the names of real estate brokers, and providing assistance to the family if it encounters any difficulty in inspecting the housing or making a contract for the sale or rental of property. It is specifically provided that the housing counselor in the FHA office is to make available all listings which he has and make referrals to all locations on a nondiscriminatory basis. <sup>97a/</sup>

The FHA Insuring Office in Baltimore operates a counseling service, but has received no appropriations for this function. The Office has

---

<sup>96/</sup> HCD Annual Report, supra n. 29, at 24-25

<sup>97/</sup> Interview with Mark Joseph, Assistant Commissioner, DHCD (July 28, 1970).

<sup>97a/</sup> Letter from P. N. Brownstein, Assistant Secretary-Commissioner, Federal Housing Administration to Thomas Gallager, Director, Federal Housing Administration, July 20, 1967.

attempted to maintain the service by rotating staff members into the position of Housing Counselor. However, according to the Director of the Baltimore Insuring Office, Civil Service regulations limit the length of time a staff person can act in this function to 4 months, and, as a result, the FHA Office has not been able to place a properly trained person in the position. The Office advertised the service in the newspaper, but found itself unable to deal adequately with the demand for housing advice. 97b/

---

97b/ Interview with Allen T. Clapp, Director, FHA Insuring Office, Baltimore, Md., July 30, 1970.

I. WATER AND SEWER AND OPEN SPACE PROGRAMS

Of the various HUD programs not previously discussed, these two non-housing programs are of special significance to a developing suburban area.

1. Water and Sewer<sup>98/</sup>

This program awards grants to finance community water and sewer facilities. The maximum grant in most cases is 50 percent of the land and construction costs.<sup>99/</sup> There has never been a workable program requirement. Since November 1968, Baltimore County has had three water and sewer grants approved, totalling about \$2 million.<sup>100/</sup> These three grants are applicable to numerous sites around the county, most of which are in the eastern area.

Under new guidelines now in effect, in approving water and sewer grants HUD will take into consideration the amount of low-and moderate-income housing in the area, and give priority to applicants with this type of housing.<sup>101/</sup>

2. Open Space<sup>102/</sup>

Open space grants are used to assist communities to maintain land as open space. The grants cover a maximum of 50 percent of the cost of acquiring the land and of some development expenses. There is no workable program requirement. In fiscal 1969, HUD obligations for this program nationally were \$49,424,000.<sup>103/</sup>

---

<sup>98/</sup> § 702 of the Housing and Urban Development Act of 1965, Pub. L. No. 89-117, 42 U.S.C. § 3101 (1964), as amended (Supp. V, 1965-1969).

<sup>99/</sup> OEO Catalog supra n. 2, §14.200 at 441.

<sup>100/</sup> HUD Status Report, supra n. 48.

<sup>101/</sup> HUD Circular MPD 6220.2 (1970).

<sup>102/</sup> § 702 Housing Act of 1961, Pub. L. No. 87-70 42 U.S.C. § 1500a (1964) as amended (Supp. V, 1965-1969).

<sup>103/</sup> OEO Catalog, supra n. 2, §14.209 at 449.

The funding criteria used by HUD for open space grants <sup>104/</sup>give priority to the encouragement of orderly urban development; and to the provision of needed open space to low-income neighborhoods. <sup>105/</sup>

Baltimore County has received numerous open space grants most of which are for small recreational zones located next to schools. Recently, a large eastern area park application was delayed for some time by HUD, due to concern that it would not adequately serve low-income persons; the application was tentatively approved, conditional upon the submission of a plan to assure adequate low-income access to the area. Funds will not be appropriated until this condition is satisfied. <sup>106/</sup> As of May 1970, there were seven active open space projects in Baltimore County. The total amount of HUD grants to these projects was expected to be approximately <sup>107/</sup>\$587,000.

## II. HUD ORGANIZATION AND RESPONSIBILITIES

### A. GENERAL

The appended chart, (Attachment A), shows the present organization of HUD at the national level. Within the Washington Office, there are five Assistant Secretaries with program responsibilities: 1) the Assistant Secretary for Renewal and Housing Assistance directs urban renewal and public housing programs. His responsibilities include administration of relocation programs and certification of workable programs; 2) the Assistant Secretary for Metropolitan Development is in charge of a variety of programs, among which are water and sewer grants, open space grants, and planning grants;

---

<sup>104/</sup> HUD Letter No. OS-17, Apr. 8, 1968.

<sup>105/</sup> Id. at 5.

<sup>106/</sup> Telephone interview with Lynn Henson, Staff Planner, HUD Regional Office, July 29, 1970.

<sup>107/</sup> HUD Status Report, supra n. 48.

3) Assistant Secretary for Model Cities and Government Relations administers the Model Cities program; 4) the Assistant Secretary for Equal Opportunity is responsible for the enforcement of Executive Orders 11063, 11246, 11375 as well as Title VI of the Civil Rights Act of 1964 as it applies to HUD programs and Title VIII of the Civil Rights Act of 1968.<sup>108/</sup> He is responsible for administering these equal opportunity requirements with respect to all HUD programs; 5) the Assistant Secretary for Mortgage Credit and Federal Housing Commissioner directs the FHA, advises the Secretary on programs involving the private mortgage market, and coordinates FHA activities with the operations of the Government National Mortgage Association.<sup>109/</sup>

At present, the programs administered by these five offices are administered through the seven Regional HUD Offices. (FHA programs are administered primarily through its 54 insuring and service offices.)<sup>110/</sup> HUD programs in Baltimore are administered from the Region II Office, located in Philadelphia. The FHA Insuring Office in Baltimore is responsible for FHA activities in the Baltimore Standard Metropolitan Statistical Area (SMSA).

The organization of the Philadelphia Regional Office roughly parallels that of HUD in Washington. The Office is directed by a Regional Administrator, Mr. Warren Phelan. There are nine Assistant Regional Administrators (ARA) with program responsibilities under Mr. Phelan. The Offices of Housing Assistance and Renewal Assistance administer public housing and urban renewal

---

<sup>108/</sup> See section III A below.

<sup>109/</sup> U.S. Government Organization Manual 359-372 (1970).

<sup>110/</sup> *Id.*

programs, respectively. The Planning Coordination and Services Office is in charge of all planning activities, relocation, economic and market analysis, and workable program certification. The Metropolitan Development Office administers programs not within the ambit of urban renewal or public housing, such as water and sewer, community facilities, and open space. <sup>111/</sup> The Regional Equal Opportunity Office which has the same responsibilities as the EO Office in Washington, is discussed in greater detail below.

The FHA Insuring Office in Baltimore is directed by Allen T. Clapp. The office administers all FHA-insured loan programs, both single- and multifamily. It handles all stages of program administration, from approval of applications to foreclosure of mortgages.

Under a pending reorganization plan, most HUD functions will be decentralized, as are FHA ones at present. The regional offices will be assigned supervisory and monitoring functions, and the bulk of the work will be done in area offices. Each area office will be headed by a Director. It is anticipated that in many cases the present Directors of FHA Offices will be given this responsibility. Some decentralization will take effect in September 1970; it appears uncertain when the reorganization will be completed. In Region II, there will be area offices in Pittsburgh, Baltimore, Philadelphia, and perhaps other cities. <sup>112/</sup>

Under the reorganization, the Planning Coordination and Services Office will be abolished, and its functions distributed to other divisions.

---

111/ Interviews with HUD Region II officials, June 9, 1970.

112/ Interview with Wagner Jackson, Assistant Regional Administrator for Equal Opportunity, Region II, May 13, 1970. [Hereinafter cited as Jackson Interview].

B. EQUAL OPPORTUNITY

The appended charts, (Attachments B and C) show the present organization of the Washington and Regional Equal Opportunity Offices. The Assistant Secretary for Equal Opportunity is Samuel J. Simmons. The Assistant Regional Administrator for Equal Opportunity in Region II is Wagner Jackson.

As with other HUD functions, most equal opportunity work is done in the regional offices. There are three principal divisions in the Equal Opportunity Office: Contract Compliance, Assisted Programs, and Title VIII.

The Contract Compliance Division has three professionals. Its function is the enforcement of Executive Orders 11246 and 11375, <sup>113/</sup> nondiscrimination by Federal contractors.

The Assisted Programs Division is responsible for the review of HUD programs covered by Executive Order 11063 and Title VI of the 1964 Civil Rights Act and Title VIII of the Civil Rights Act of 1968. <sup>114/</sup> It has the duty of assuring that these programs are administered in a nondiscriminatory manner by the responsible HUD office or the local government or housing authority in question. There are eight professionals and one secretary assigned to this division. One professional is responsible for all programs in one of the States within the Region. Mrs. Martha Smudski currently is the Assisted Programs Officer for Maryland. <sup>115/</sup>

The Title VIII Division, with six professionals including the Director, Edward Daly, investigates and conciliates fair housing complaints filed

---

<sup>113/</sup> Id. 3 CFR 1964-65 Comp., p. 339; 3 CFR 1967 Comp., p. 320.

<sup>114/</sup> See section III A below.

<sup>115/</sup> Jackson interview, supra n. 112.

under Title VIII of the Civil Rights Act of 1968. The complaint function of HUD is presently handled exclusively at the regional level, except that Washington must give approval to conciliation agreements. The five staff persons, who investigate and conciliate complaints, are assigned on a geographic basis within the region. <sup>116/</sup>

### III. EQUAL OPPORTUNITY

#### A. LEGAL AUTHORITY

The Equal Opportunity Office is the office designated to carry out HUD's civil rights responsibilities. These responsibilities include implementation of Executive Order 11063 (equal opportunity in housing), Title VI of the Civil Rights Act of 1964, and Title VIII of the Civil Rights Act of 1968.

Executive Order 11063 <sup>117/</sup> requires all Federal departments and agencies to take all action necessary to prevent discrimination because of race, color, creed, or national origin in the sale or rental of residential properties owned by the Federal Government or provided with Federal assistance. <sup>118/</sup> This order covers housing owned by the Federal Government as well as housing financed through FHA mortgage insurance programs, federally assisted low-rent public housing, and housing provided in federally assisted urban renewal programs. Since a great deal of housing is financed without HUD guarantees or assistance, the limitations of this order are substantial.

<sup>116/</sup> Interview with Edward Daly, Title VIII office, HUD Regional Office in Philadelphia, June 9, 1970. /Hereinafter cited as Daly Interview.

<sup>117/</sup> Exec. Order No. 11063, supra n. 1.

<sup>118/</sup> Exec. Order No. 11063, supra n. 1, § 101.

Title VI of the Civil Rights Act of 1964<sup>119/</sup> requires Federal agencies to assure nondiscrimination in the enjoyment of the benefits of federally assisted programs. While Title VI does not apply to programs receiving Federal financial assistance in the form of contracts of insurance or guarantee,<sup>120/</sup> it does apply to most of the programs administered by HUD such as urban renewal, model cities, low-rent public housing, senior citizens housing, public facility loans, and planning grants.<sup>121/</sup>

Title VIII of the Civil Rights Act of 1968<sup>122/</sup> prohibits discrimination in the sale or rental of housing. In its first phase, which extended to the end of 1968, it was identical in coverage to Section 101 of Executive Order 11063, covering housing provided under Federal aid agreements entered into after November 20, 1962.<sup>123/</sup> In its second phase, ending December 31, 1969, the act extended coverage also to private, nonfederally assisted housing, except single family housing and buildings containing no more than four housing units, one of which is occupied by the owner.<sup>124/</sup> The third phase, effective January 1, 1970, extends coverage to all single family housing sold or rented with the use of a real estate broker.<sup>125/</sup>

---

<sup>119/</sup> Title VI of the Civil Rights Act of 1964, supra n. 1.

<sup>120/</sup> Title VI of the Civil Rights Act of 1964, § 602; 42 U.S.C. § 2000d-1 (1964).

<sup>121/</sup> 24 CFR Subtitle A. pt.1, app. A at 23, 24 (1970).

<sup>122/</sup> Title VIII of the Civil Rights Act of 1968, supra n. 1.

<sup>123/</sup> 42 U.S.C. § 3603(a)(1) (Supp. V, 1965-1969).

<sup>124/</sup> 42 U.S.C. § 3603(b) (Supp. V, 1965-1969).

<sup>125/</sup> Id.

Title VIII does more than prohibit discrimination in the sale or rental of housing.<sup>126/</sup> Another most significant provision of the act. Section 808(e)(5) provides "The Secretary of Housing and Urban Development shall administer the programs and activities relating to housing and urban development in a manner affirmatively to further the policy of this title."<sup>127/</sup> Title VIII thus requires a positive HUD effort to achieve an open housing market, and to insure equal access to the benefits of all HUD programs.

**B. STRUCTURE AND FUNCTIONING OF THE PHILADELPHIA EQUAL OPPORTUNITY OFFICE**

The Equal Opportunity Office in Philadelphia has three basic components, discussed above. The Assisted Programs Division is responsible for reviewing all urban renewal, public housing, water and sewer, and open space applications to determine whether equal opportunity requirements are being met. The Assisted Programs Division does not review applications for FHA programs such as § 235 or rent supplement assistance.<sup>128/</sup>

In Philadelphia, the Assisted Programs Division also makes no routine review of Section 701 Planning Grant applications. Practice varies in this respect from region to region.<sup>129/</sup>

After an application from the Baltimore area has been forwarded to the Equal Opportunity Section, it is assigned to the Maryland representative in the Assisted Programs Division. A report of the representative's review

---

<sup>126/</sup> 42 U.S.C. § 3604 (Supp. V, 1965-1969).

<sup>127/</sup> 42 U.S.C. § 3608(d)(5) (Supp. V, 1965-1969).

<sup>128/</sup> Jackson interview, supra n. 112.

<sup>129/</sup> Id.

is made to the Assistant Regional Administrator (ARA) for Equal Opportunity. The ARA for Equal Opportunity then makes a recommendation to the Regional Administrator. The ARA for Equal Opportunity does not have authority to veto any application, although he can delay project applications when more information is necessary.<sup>130/</sup> There is no regular procedure by which the ARA for Equal Opportunity is informed as to whether his recommendation has been confirmed or overridden by the Regional Administrator.<sup>131/</sup>

C. CRITERIA USED TO REVIEW HUD PROGRAMS

As stated previously, the Assisted Programs Division has the responsibility of reviewing applications for assistance and on the basis of certain specific criteria determining whether Title VI and Executive Order 11063, are being complied with.

One of the basic elements of this review is a review of site selection, to determine whether the site will be tentatively approved. Site selection, especially with respect to housing of low-income families, is of crucial importance in determining whether racial and economic isolation of low-income families will be perpetuated. The review is limited to the jurisdiction making the application. Thus, in the review of an application from Baltimore City for low-income housing for example, consideration is not given to possible preferable sites in Baltimore County.<sup>132/</sup>

---

<sup>130/</sup> Interview with Martha Smudski, Maryland representative, Office of Assisted Programs, June 9, 1970. [Hereinafter cited as Smudski Interview].

<sup>131/</sup> Id.

<sup>132/</sup> Id.

There is a very general site selection provision in HUD's Title VI regulations. <sup>133/</sup> However, the Regional Offices have not received more specific written guidelines on site selection from the Washington Office. Furthermore, there are no instructions for equal opportunity site selection criteria in programs, such as those administered by FHA, which are covered by Executive Order 11063 or Title VIII, but not by Title VI.

HUD's recognition of the effect of site selection upon racial discrimination in Federal programs is reflected in its policy for approving the location of public housing. To avoid racial concentration and to provide a greater choice of housing to those eligible for public housing, HUD uses a "balancing site" method in its site selection determination. If an application for public housing contains a potential site which is located in a predominantly minority area, an additional site must be proposed (a <sup>134/</sup> "balancing site") which is outside the area of minority concentration.

A major equal opportunity aspect of HUD programs is assurance of participation by minority group persons. For some programs, such as open space, the location of the assisted project determines who will benefit from it. For others, such as FHA insured loans and subsidies, and public housing, site selection review is insufficient to determine who actually will live in the housing in question. Applicants for HUD programs sign nondiscrimination undertakings, but the Equal Opportunity Office in Region II does not have any reviewing role to assure integrated use of HUD assisted projects. EO does not have written guidelines for tenant selection or assignment in public and other federally subsidized low income housing.

---

<sup>133/</sup> 24 CFR § 1.4(b)(2)(i) (1970).

<sup>134/</sup> Smudski Interview, *supra* n. 130.

The methods pursued by HUD to assure compliance with fair housing requirements vary according to the type of program involved.<sup>135/</sup> In some programs, such as those providing loans for installation of water and sewer facilities, EO review and compliance functions are undertaken in the initial stages of the processing of the application. The location of the facilities and the people being served are the factors determining whether equal opportunity is being provided. In a case such as this, the Assisted Programs Division requires the applicant to submit a map of the locality indicating population distribution by race in order to determine whether there is any discrimination against minority groups as a result of the site selection and whether there will be adequate minority participation in the benefits of the assistance applied for.

D. TITLE VIII

Title VIII of the Civil Rights Act of 1968 gives HUD the authority to receive, investigate and conciliate complaints.<sup>136/</sup> These complaints are received either by the central office or the HUD Regional Office, and directed to the Housing Opportunity Division (Title VIII office), which is under the supervision of the Assistant Regional Administrator for Equal Opportunity.<sup>137/</sup> The Title VIII office investigates the complaint and, if warranted, conciliates it, using specific conciliation procedures outlined in the Title VIII Field Operation Handbook.<sup>138/</sup> If the effort at conciliation is successful, and a

<sup>135/</sup> See HUD from 41903 (9-69), Attachment D.

<sup>136/</sup> 42 U.S.C. §3610(a) (Supp. V, 1965-1969).

<sup>137/</sup> Daly interview, supra n. 116.

<sup>138/</sup> Dep't of Housing and Urban Development, Title VIII Field Operations Handbook, Bull. No. B1/33 (Nov. 1969).

settlement is reached which is satisfactory to HUD, the complainant, and the respondent, a contract is drawn up which must be signed by the complainant, respondent, and the Secretary of HUD or his representative (usually the Assistant Secretary for Equal Opportunity). <sup>139/</sup> If the effort at conciliation is unsuccessful, <sup>140/</sup> then the Title VIII office forwards the complaint to the HUD General Counsel's Office in Washington for further consideration. The General Counsel makes the decision whether a particular complaint should be referred to the Attorney General for action. The Attorney General is empowered to bring suit if he decides that litigation is warranted. <sup>141/</sup> HUD has no authority to issue cease and desist orders or to institute litigation against respondents who have violated Title VIII. <sup>142/</sup>

Where a State or local fair housing law exists and its provisions are substantially the same as those of Title VIII, HUD must refer complaints

---

<sup>139/</sup> Daly Interview, supra n. 116.

<sup>140/</sup> Neither the Civil Rights Act of 1968 nor the Title VIII Field Operations Handbook provides a maximum time period for the conciliation process. The Title VIII officer makes the decision as to when the effort at conciliation has failed and when to forward the complaint to the General Counsel's Office in Washington.

<sup>141/</sup> 42 U.S.C. § 3613 (Supp. V, 1965-1969).

<sup>142/</sup> 42 U.S.C. § 3610(a) (Supp. V, 1965-1969).

which originate in that jurisdiction to that State or local agency responsible for enforcing that law.<sup>143/</sup> If the State or local agency commences action within 30 days, HUD will suspend further action. However, if no action is taken within 30 days, HUD may proceed on its own. Since Maryland does not have a fair housing law, no such referral is made on complaints from Maryland.

In addition, Title VIII empowers the complainant to bring a private action in Federal district court against the respondent if within 30 days after the complaint is filed, or within 30 days after the complaint has been referred to the State or local agency, the respondent has not voluntarily complied with the requirements of Title VIII.<sup>144/</sup>

The Housing Opportunity Division in the HUD Region II Office concerns itself exclusively with the handling of complaints. The investigators work on a geographic basis, each one handling a particular area of the assigned region. The conciliation agreements may attempt to achieve three basic types of relief: housing for the complainant, monetary compensation, and affirmative action by the respondent to prevent future violations. The conciliation agreement, signed by the complainant, the respondent, and a HUD official binds all parties; it also applies to all the respondent's facilities, not merely those specified in the complaint.<sup>145/</sup>

Most of the complaints received by HUD from the Baltimore area have come from Baltimore County and involve alleged discrimination through refusal

---

<sup>143/</sup> 42 U.S.C. § 3610(c) (Supp. V, 1965-1969).

<sup>144/</sup> 42 U.S.C. § 3610(d) (Supp. V, 1965-1969).

<sup>145/</sup> Daly Interview, *supra* n. 116.

to rent an apartment. Of the 17 complaints filed in the Baltimore area, four conciliation agreements have been reached. Since July 1969, all complaints from Baltimore have been dismissed for lack of merit after an investigation was conducted. <sup>146/</sup>

Once the conciliation agreement has been signed, there is no prescribed procedure for followup to determine whether the respondent has taken the required affirmative action. Lack of staff is stated to be the primary reason for this. <sup>147/</sup> If the complaint also involves a violation of Title VI, such as alleged discrimination in tenant selection, or assignment to low-income housing, the Title VIII office investigates the complaint and then forwards it to the Assisted Programs Division. <sup>148/</sup>

---

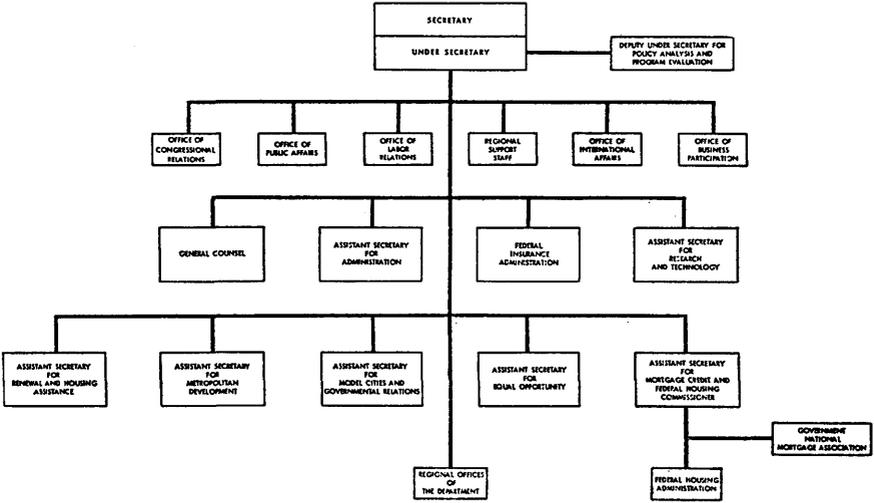
146/ Id.

147/ Id.

148/ Id.

## ATTACHMENT A

## DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT



# ASSISTANT SECRETARY FOR EQUAL OPPORTUNITY

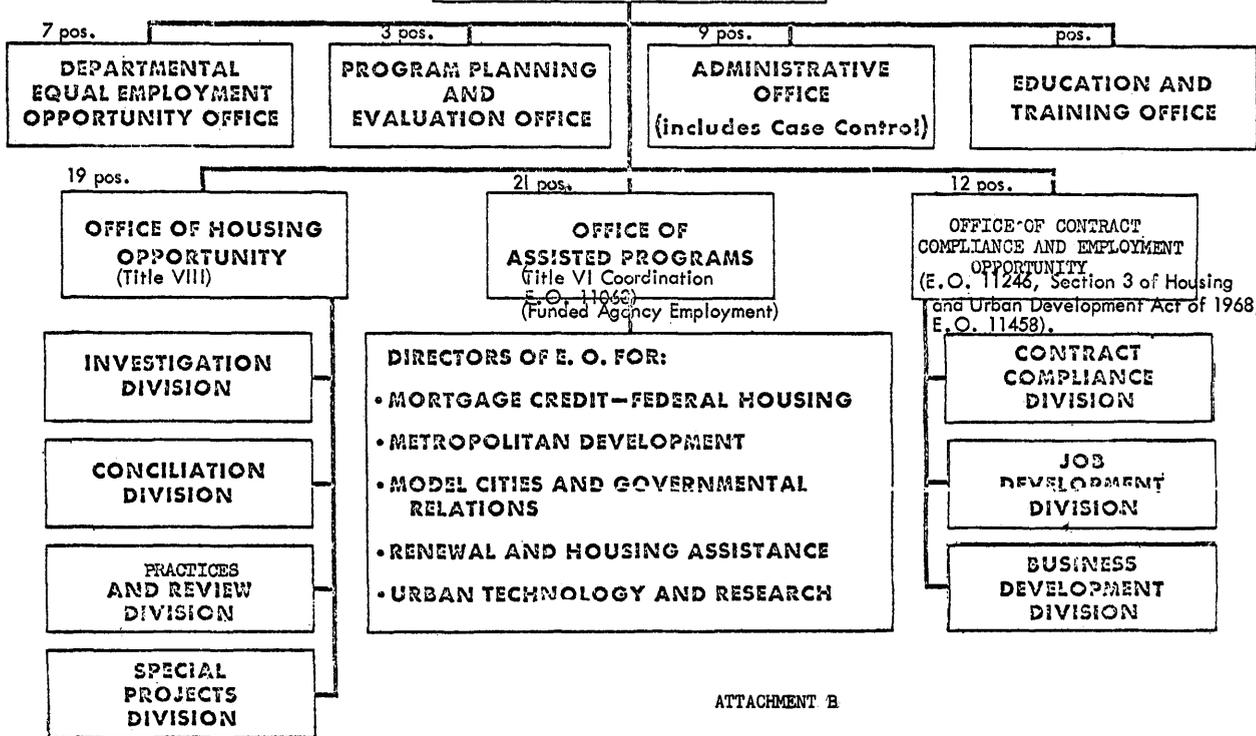
10 positions

**ASSISTANT SECRETARY**

---

**DEPUTY ASSISTANT SECRETARY**

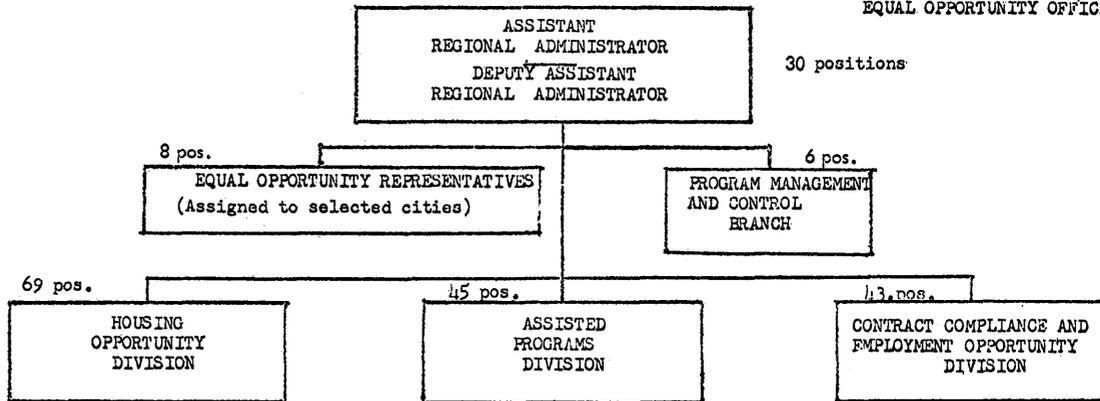
88 positions authorized as  
of 6/30/69, for Central Office



ATTACHMENT B

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

REGIONAL OFFICE  
EQUAL OPPORTUNITY OFFICE



Total of 201 positions for six regional offices authorized as of 6/30/69.

Functional responsibility mirrors that of similar elements as shown on the central office organizational chart.

August 1969

ATTACHMENT C

## ATTACHMENT D

Form Approved  
Budget Bureau No. 63-R1115

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

INSTRUCTIONS FOR COMPLIANCE WITH TITLE VI  
OF THE CIVIL RIGHTS ACT OF 1964

Title VI of the Civil Rights Act of 1964 states:

"No person in the United States shall, on the ground of race, color or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance."

Section 1.4 (2) of the regulations of the Department of Housing and Urban Development issued pursuant to Title VI requires that:

"A recipient, in determining the location or types of housing, accommodations, facilities, services, financial aid, or other benefits which will be provided under any such program or activity, or the class of persons to whom, or the situations in which, such housing, accommodations, facilities, services, financial aid, or other benefits will be provided under any such program or activity, may not, directly or through contractual or other arrangements, utilize criteria or methods of administration which have the effect of subjecting persons to discrimination because of their race, color, or national origin, or have the effect of defeating or substantially impairing accomplishment of the objectives of the program or activity as respect persons of a particular race, color, or national origin."

The phrase "minority group," as used herein, refers to Negroes; Spanish-Americans (Puerto Ricans, Mexican- and Latin-Americans); Orientals; American Indians; and other groups commonly identified by race, color, or national origin.

As evidence of compliance with the above:

## A. Public Facility Loans, Public Works Planning Advances and Water and Sewer Facilities Grant Programs.

- (1) Submit a map showing the total geographical area which the applicant is authorized to service; mark areas of concentration of minority group population and give total number of inhabitants therein and percentage of minority group inhabitants (indicate source of such statistics. Such information is available from the Census data of the United States Census Bureau).
- (2) On same map, mark boundaries of project.
- (3) If any portion of the minority group population in the geographical area which Applicant is legally authorized to serve is not serviced by this project, please explain. Include in explanation:
  - (a) whether the minority group population not serviced by the project already receives service. If so, define the extent of these existing services including the extent of lateral line hookup to the water and sewer service; or
  - (b) whether minority group population not serviced by the project is scheduled for future service and, if so, the approximate time such services are planned and the time relation of such construction in comparison to other areas scheduled for future construction; or
  - (c) in the event no service is planned for the areas in question, furnish statement of reasons why.

## B. Open Space

- (1) Give percentage of minority group population in area under applicant's jurisdiction.
- (2) On map showing existing open space under applicant's jurisdiction, mark areas of concentration of minority group population and give total number of inhabitants therein and percentage of minority group inhabitants (indicate source of such statistics).

- (3) Describe the extent of applicant's existing open space land (as shown on map) which serves the minority population. If any of this land is outside of the areas of minority population concentration, discuss its accessibility to residents of these areas, and the extent of use by minority groups.
- (4) For any such areas not served by existing facilities, explain plans for provision of service to these areas, including approximate schedule for provision of such service. If service to such areas is not planned, explain why.

**C. Advance Acquisition of Land**

- (1) Provide a map showing existing facilities under the jurisdiction of the applicant of the same type which will be situated on land applied for in the application. Provide figures or, if figures do not exist, estimates by percent to show use of such existing facilities by racial groups, if the facilities are schools, hospitals, clinics, libraries, parks, or the like.
- (2) On the same map, mark areas of concentration of minority group population, indicate the total number of inhabitants therein, and the percentage of minority group inhabitants.
- (3) If areas of minority group population are not served by existing facilities of the type to be situated on the land to be purchased, explain plans for provision of service to these areas. If such service is not planned, explain why.

If the above information has been submitted within a year of the date of this application it need not be duplicated.

## Exhibit No. 17


**department of housing and community development**

COMMISSIONER Robert C. Embry, Jr.

MAYOR Thomas J. D'Alesandro, III

AUG 3 1970

Mr. David Hunter  
 U. S. Commission on  
 Civil Rights  
 Washington, D. C. 20425

Dear Mr. Hunter:

Enclosed is the last published report that we discussed in my telephone conversation of this date. As you can see, it is not truly a quarterly publication at this time. Mr. Paul Callan, Director of Research of this Department, informs me that FHA has not made this information available to his Division since August 1969. Prior to that time his staff received this information on an as requested basis from our local FHA office. Our current understanding is that we can have answers supplied by FHA upon submittal of such questions upon written request.

You may find it advisable to speak directly to Mr. Callan who can be reached at 727-3400 - Extension 120.

Sincerely,

  
 WARREN W. WEAVER  
 Director

Enclosure



Baltimore, Maryland

FHA INSURED PROGRAMS

Completed Projects

Name & Location of Project or part of city if no commitment yet (to be completed upon issuance of commitment)	Developer or Sponsor Principal, address & telephone no.	*	Planning and Development Phases (dates)						Number DU's by BR Size & Rent						Utilities In Row					
			Pre-application	Application	Commitment	Begin construction	% completion	Completion	No. Eff.	No. 1BR	No. 2BR	No. 3BR	No. 4BR	No. 5BR	Ttl. DU's	All	Heat	Elec-tric	Gas	Water
			(Actual Date)	(Actual Date)	(Est./Actual Date)				\$	\$	\$	\$	\$	\$		(check whatever apply)				
Forest Heights Clifton Ave. off Forest Park Ave. Baltimore, Md.	Relocation Housing Corp. Melvin T. Pugatch 301 N. Charles St. 539 - 0757	BMIR	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
		NC	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
		LD	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
Cherrydale Cherry Hill & Giles Rds. Baltimore, Md.	Howard Johnson 1229 W. Mt. Royal Ave. 727 - 4586	BMIR	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
		NC	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
		LD	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
Bruce Manor Lots 1-4-7-8 Madison-Park URA Baltimore, Md.	Bruce Manor, Inc. Fred Goodman 523 - 2341	BMIR	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
		NC	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
		LD	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
Frederick Heights Apts. 4112 - 4126 Potter St. Baltimore, Md.	Peter G. Angelos 10 N. Calvert St. 727 - 0830	BMIR	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
		NC	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
		LD	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
Patapsco Park Apts. 700 - 714 Reedbird St. Baltimore, Md.	Maurice Freedlander 712 Court Square Bldg. Baltimore, Md.	MIR	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
		NC	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
		LD	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
Warwick Arms Apts. 2400 - 2500 Winchester St. Baltimore, Md.	Voelkel and Riehl	BMIR	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
		NC	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
		LD	/	/	/	4/68	/	4/69	/	\$91	\$107	/	/	/	/	/	/	/	/	/
Warwick Arms Sec. II 2408 - 2410 Winchester St. Baltimore, Md.	Voelkel and Riehl	BMIR	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
		NC	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
		LD	/	/	/	10/68	/	6/69	/	/	\$82	\$86	\$91	/	/	/	/	/	/	/

\*Abbreviations used:

BMIR - Below Market Interest Rate - 221 (d) (3)      MIR - Market Interest Rate - 221 (d) (3)  
 NC - New Construction      R - Rehabilitation  
 LD - Limited Dividend Corporation      LDP - Limited Dividend Partnership      NP - Non-Profit



MODERATE INCOME HOUSING PROJECTS

Baltimore, Maryland

221 (d) (3) Below Market Interest Rate Program

Name & Location of Project or part of city if no com- mitment yet	Developer or Sponsor Principal, address & telephone no.	*	Planning and Development Phases (dates)						Number DU's by BR Size & Rent						Utilities in Rent							
			Pre- appli- cation	Appli- cation	Commit- ment	Begin con- struct.	% Com- ple-	Com- ple-	No. No. No. No. No. No.	No. 2BR	No. 3BR	No. 4BR	No. 5BR	Ttl. DU's	All	Heat	Elec- tric	Gas	Hi. Cor.			
			(Actual Date)	(Actual Date)	(Actual Date)	(Est./Actual Date)	(Est./Actual Date)	(Est./Actual Date)	\$	\$	\$	\$	\$	\$	(check whatever applic)							
Edmondson Gardens Edmondson & Fulton Ave. Baltimore, Md.	Harlem Park Apts., Inc. Gilbert Bassin	NC LD	/	/	/	3/69	49%	12/69	-	-	26	6	-	-	-	-	32	X				
Woodington Apartments Athol Ave. & Frederick Rd. Baltimore, Md.	Armes-Ennis 2224 N. Charles St. Baltimore, Md.	NC LD	/	/	/	3/69	16%	9/70	-	-	50	118	30	-	-	-	198	X				
Arbuta Arms Apartments 2400 Bl. Marbourne Ave. Baltimore, Md.	Carl & Ed Julio 3024 Spaulding Ave. Baltimore, Md.	NC LD	/	/	/	9/68	90%	7/70	-	74	115	-	-	-	-	-	189	X				
Stuart Hill Apartments 2566-72-74 Hollins Street Baltimore, Md.	Beatrice & Benjamin Brottman 1517 Park Ave.	NC R LD	6/69	/	/	/	/	/	-	4	24	-	-	-	-	-	28	X				
Shipley Hill Apartments Franklintown Rd. & McHenry St. Baltimore, Md.	Greater Baltimore Housing Devel. Corp. 1 Charles Center	NC NP	/	/	/	7/69	/	/	-	6	10	6	-	-	-	-	22	X				
Eutaw Gardens Lots 13 & 14 Madison Park North URA Baltimore, Md.	AME Church Prince Hall Masons 1301 - 07 Eutaw Place Baltimore, Md. 21217	NC NP	/	/	/	9/69	/	/	14	100	100	40	14	-	-	-	268	X				
Druid Lake Apartments 735-745-747-757-827-845- 901 Druid Park Lake Dr. Baltimore, Md.	Urban Develop. Co. & Assoc. 1228 - 30 W. North Ave. Baltimore, Md. 21217	R LD	9/69	/	/	/	/	/	-	63	59	2	36	-	-	-	160	X				
										\$82	\$99	\$117	\$134	\$152	-	-						
										\$95	\$115	\$130	\$145	-	-	-						

\*Abbreviations used:

NC - New Construction

R - Rehabilitation

LD - Limited Divident Corporation

LDP - Limited Divident Partnership

NP - Non-Prof't

MODERATE INCOME HOUSING PROJECTS

Baltimore, Maryland

221 (d) (3) Below Market Interest Rate Program

Name & Location of Project or part of city if no com- mitment yet	Developer or Sponsor Principal, address & telephone no.	*	Planning and Development Phases (dates)					Number DU's by DR Size & Rent						Utilities In Rent				
			Pre- appli- cation	Appli- cation	Comit- ment	Begin con- struct	% Com- ple- tion	No. No.	No.	No.	No.	No.	Ttl.	All	Heat	Elec- tric	Gas	Ad- Cor
			(Actual Date)	(Actual Date)	(Est./Actual Date)	(Est./Actual Date)	(Est./Actual Date)	\$	\$	\$	\$	\$	DU's	(check whatever appli-)				
Beechfield Apartments 101-109-201-205 Beech- field Ave. Baltimore, Md.		R	/	/	9/69	/	/	/	/	/	/	/	/	128				
		LDP	/	/	/	/	/	/	/	/	/	/	/					
Madesco Manor Lots 2-6-7 Madison-Park North URA Baltimore, Md.	MDS Development Co.	NC	/	/	9/69	/	/	/	/	/	/	/	/	56				
		LD	/	/	/	/	/	/	/	/	/	/	/					
			/	/	/	/	/	/	/	/	/	/	/					
			/	/	/	/	/	/	/	/	/	/	/					
			/	/	/	/	/	/	/	/	/	/	/					
			/	/	/	/	/	/	/	/	/	/	/					
			/	/	/	/	/	/	/	/	/	/	/					
			/	/	/	/	/	/	/	/	/	/	/					

\*Abbreviations used:

- NC - New Construction
- LD - Limited Divident Corporation
- R - Rehabilitation
- LDP - Limited Divident Partnership
- NP - Non-Profit

782

MODERATE INCOME HOUSING PROJECTS

Baltimore, Maryland

Rent Supplement Program - 221 (d) (3) - Market Interest Rate

Name & Location of Project or part of city if no com- mitment	Developer or Sponsor Principal, address & telephone no.	*	Planning and Development Phases (dates)					Number DU's by BR Size & Rent					Utilities In Rent							
			Pre- appli- cation	Appli- cation	Commit- ment	Begin con- struct	% Com- ple- tion	Com- ple- Eff.	No. No. \$	No. 1BR \$	No. 2BR \$	No. 3BR \$	No. 4BR \$	No. 5BR \$	Ttl. DU's	All	Heat	Elec- tric	Gas	Air Cond.
(to be completed upon issuance of commitment)			(Actual Date)			(Est./Actual Date)							(check whatever applies)							
Woodland Apartments 3507 - 3509 Woodland Ave. Baltimore, Md.	Carl & Ed Julio 3024 Spaulding Ave. Baltimore, Md. 21215 666 - 0040	NC	/	/	/	/	91%	9/69	-	8	16	-	-	-	24	X				
		LD	/	/	/	3/69	/	/	-	\$120	\$135	-	-	-						
Woodland Apts. II 3503 - 3505 Woodland Ave. Baltimore, Md.	Carl & Ed Julio 3024 Spaulding Ave. Baltimore, Md. 21215 666 - 0040	NC	/	/	/	/	76%	9/69	-	5	18	-	-	-	23	X				
		LDP	/	/	/	3/69	/	/	-	\$125	\$140	-	-	-						
Beaufort Crest Apts. 3324 Woodland Ave. Baltimore, Md.	Carl & Ed Julio 3024 Spaulding Ave. Baltimore, Md. 21215 666 - 0040	NC	/	/	/	/	61%	10/69	-	-	40	-	-	-	40	X				
		LD	/	/	/	12/68	/	/	-	-	\$135	-	-	-						
Garrison Apartments 4716 Garrison Boulevard Baltimore, Md.	Carl & Ed Julio 3024 Spaulding Ave. Baltimore, Md. 21215 666 - 0040	NC	/	/	/	/	9%	12/69	-	-	5	-	-	-	5	X				
		LDP	/	/	/	7/69	/	/	-	-	\$140	-	-	-						
Highland Park Village Park Drive & Louise Ave. Baltimore, Md.	Henry J. Knott Rental Office Highland Park Village Belmont-5-8321	NC	/	/	/	/	72%	8/70	-	-	241	-	-	-	241	(	N	O	N	E)
		LDP	/	/	/	4/69	/	/	-	-	\$85	-	-	-						
Willow Crest Apartments 4708 Old York Road 512-514-516 Willow Ave. Baltimore, Md.		NC	7/69	/	/	/	/	/	/	/	/	/	/	/	47					
		LDP	/	/	/	/	/	/	/	/	/	/	/	/						
Fall Fall Apartments 4410 Fall Fall Road 4309-4311 Pimlico Road Baltimore, Md.		NC	/	/	/	/	/	9/69	/	/	/	/	/	/	46					
		LDP	/	/	/	/	/	/	/	/	/	/	/	/						

\*Abbreviations used:

NC - New Construction  
LD - Limited Divident Corporation

R - Rehabilitation  
LDP - Limited Divident Partnership

NP - Non-Profit

783

MODERATE INCOME HOUSING PROJECTS

Baltimore, Maryland

Rent Supplement Program - 221 (d) (3) - Market Interest Rate

Name & Location of Project or part of city if no commitment yet (to be completed upon issuance of commitment)	Developer or Sponsor Principal, address & telephone no.	*	Planning and Development Phases (dates)				Number of Units					Ttl. DU's	Utilities in Project					
			Pre-application	Application	Commitment	Begin construction	% Completion	Com- ple- tion	No. 1BR	No. 2BR	No. 3BR		No. 4BR	No. 5BR	All	Heat	Elec- tric	Gas
			(Actual Date)			(Est./Actual Date)		\$	\$	\$	\$	\$		(check whatever apply)				
Lorely Apartments 4800 Lorely Avenue Baltimore, Md.		NC	7/69	/	/	/	/	/	/	/	/	/	/	78				
		LDP																
Pimlico 4300 Pimlico Road Baltimore, Md.		NC	8/69	/	/	/	/	/	/	/	/	/	/	13				
		LDP																
			/	/	/	/	/	/	/	/	/	/	/					
			/	/	/	/	/	/	/	/	/	/	/					
			/	/	/	/	/	/	/	/	/	/	/					
			/	/	/	/	/	/	/	/	/	/	/					
			/	/	/	/	/	/	/	/	/	/	/					

\*Abbreviations used:

- NC - New Construction
- LD - Limited Divident Corporation
- R - Rehabilitation
- LDP - Limited Divident Partnership
- NP - Non-Profit

MODERATE INCOME HOUSING PROJECTS

Baltimore, Maryland

Section 236 Program

Name & Location of Project or part of city if no commitment yet	Developer or Sponsor Principal, address & telephone no.	*	Planning and Development Phases (dates)					Number DU's by BR Size & Rent					Utilities In. Rep. Cont.						
			Pre-application	Application	Commitment	Begin construction	% Completion	No. Eff.	No. LBR	No. 2BR	No. 3BR	No. 4BR	No. 5BR	Ttl. DU's	All	Heat	Electric	Gas	Water
(to be completed upon issuance of commitment)			(Actual Date)		(Est./Actual Date)			\$	\$	\$	\$	\$		(check whatever applies)					
Korrell Park Harmon, Whistler & Parksley St.		NC	1/69	/	/	/	/	/	/	/	/	/	276						
		LDP																	
St. Stephens Court 2400 North Avenue		NC		9/69	/	/	/	/	/	/	/	/	81						
		LD																	
Madison Square Eden, Eager & Caroline Sts.		NC			9/69	/	/	/	/	/	/	/	63						
		NP																	
Chippendale Helena Ave. & Virginia Ave.		NC	3/69	/	/	/	/	/	/	/	/	/	86						
		LD																	
Woodington Gardens Frederick & Woodington Baltimore, Md.		NC	4/69	/	/	/	/	/	/	/	/	/	84						
		LDP																	
Lot #12 Madison Park-North URA		NC	8/69	/	/	/	/	/	/	/	/	/	200						
		LD																	

Abbreviations used:

LD - Low Density

R - Rehabilitation

785

*Exhibit No. 18*

THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT  
 WASHINGTON, D. C. 20410

NOV 14 1967

Honorable John A. Mannah  
 Chairman  
 United States Commission  
 on Civil Rights  
 Washington, D. C. 20425

Dear Mr. Chairman:

I am replying further to your letter of October 2, 1967, in which you requested my comments concerning the memorandum of July 21, 1967, prepared by Mr. Howard A. Glickstein, the General Counsel of the Commission.

As a preface, let me say that all elements of the Department of Housing and Urban Development are firmly committed to a policy of equal opportunity in housing. And we have been vigorously following positive programs and procedures to demonstrate our commitment to this policy. Whenever possible, we have improved and strengthened these programs and procedures to increase the Departmental thrust toward the goal of equal opportunity. As the Department becomes fully staffed, both here in Washington and in the field offices, we look forward to even further improvements in this area.

Concerning the question of requiring builders and realtors to advertise equal opportunity in FHA-financed housing, this has been under consideration ever since Executive Order 11053 was issued. But until we have broad coverage under a fair housing law, there is reason to believe that such mandatory advertising would cause FHA-financed housing developments to become minority group developments since competing non-assisted builders would not be compelled to advertise similarly. And, as you may know, FHA's share of the new-house market is only about 15% of the total.

The following comments are addressed to the eight statements and recommendations that appear in the July 21 memorandum.

1. The July 21 memorandum states that the testimony before the Commission in San Francisco "suggested that FHA subordinates the Equal Opportunity Order" to other considerations, and refers to the testimony of Mr. Jack Tuggle, Deputy Director of the San Francisco insuring office. Your letter of October 2 identifies, in addition to Mr. Tuggle, Mr. Robert Pitts, HUD Regional Director in San Francisco, with testimony that FHA's commitment to equal opportunity is secondary to its interest in insuring as many mortgages in new housing construction as possible."

- 2 -

I believe the foregoing conclusions are not warranted. Mr. Pitts and Mr. Tuggle were making the point that FHA is eager to maintain its participation in the market so that there would be some production of open occupancy housing. The FHA definitely does not consider equal opportunity requirements to be subordinate or secondary to other considerations.

2. The July 21 memorandum states that "At present, nothing is required of a builder who is found to have discriminated other than offering the house or apartment to the complainant, together with a written statement to FHA that the builder understands and intends to comply with the Executive Order."

In this connection, the Assistant Secretary-Commissioner on February 7, 1967, issued his Letter No. 58 to all insuring office directors on the subject "Equal Opportunity in HUD Operations and Programs." The letter included the following:

"Discrimination Complaints and Sanctions

Effective sanctions will be imposed against those persons found in violation of Executive Order 11063 and equal opportunity regulations. For example, if it is found that an act of discrimination was committed, the violator must show that he has developed and implemented an affirmative program of equal opportunity before he is reinstated. In addition to a sale to the complainant at a price no higher than existed at the time of the discrimination, or rental to the complainant in the case of rental housing, there must be an affirmative program that will give assurance to the director that discrimination will not be practiced in the future. This affirmative program may include evidence of a number of sales or rentals to minority group members, of advertising on an open occupancy basis, of intensive instruction of their sales force on the policy of nondiscrimination, or of other appropriate actions. The essential requirement is that there be affirmative evidence of a program that will assure nondiscriminatory sale and rental practices in the future.

When there is an admission or a finding of discrimination and a subsequent reinstatement, the action will be carefully recorded so that the future activities of the violator will be closely observed.

- 3 -

There shall be strict adherence to the two-day, ten-day, and other time schedules set forth in FHA Manual Paragraph 51601 and succeeding paragraphs for the handling and resolution of discrimination complaints. The Office of the Regional Administrator, as well as the Washington central office, will maintain close surveillance over the adherence to these schedules."

The July 21 memorandum suggests that cases could be referred to the Department of Justice for litigation.

This has been done from time to time, beginning with the case of H and S Builders, Inc. The complaint was filed on September 30, 1963.

We have given our attention to the "good offices" and "litigation" provisions in Section 102 (as well as the Section 303 reference to the authority of the Attorney General) since the time Executive Order 11063 was issued in 1962. We have conferred periodically with representatives of the Department of Justice and the President's Committee, as suggested. We will again explore these matters with the Department, as well as with the President's Committee. I am sure you appreciate that there is no easy solution to the problems involved. The recent increase in civil rights capacity, both in our Department and the Department of Justice, makes the outlook brighter.

3. The July 21 memorandum states that the FHA does not collect information on racial occupancy.

The FHA recently completed a survey of all subdivisions developed under FHA programs since the issuance of Executive Order 11063 to determine racial occupancy patterns, and the results are now being analyzed. The agency's annual occupancy survey of rental housing will this year include a question on racial occupancy. In addition, the directors of all insuring offices are required to make quarterly reports on the progress of integration in their jurisdictions.

4. The July 21 memorandum states that no effort is made to involve FHA personnel in tests of the builder's compliance.

Compliance activities in HUD are organized on a department wide basis. The responsibility for field investigations lies with the Civil Rights Inspection Branch of the Inspection

Division. As the staffing of this division is brought up to projected levels, field investigations for compliance with the Department's requirements on equal opportunity in housing will be made as a matter of routine.

5. The July 21 memorandum suggests that FHA should undertake more vigorous action to assist members of minority groups in obtaining housing.

The FHA has been moving in the suggested direction. Its most recent effort is the housing counseling service. This innovation was launched in 5 insuring offices and soon expanded to 15 cities. Further expansion is contemplated. This program provides an excellent tool for assuring that all prospective buyers or renters are given equal treatment.

The problem of making information concerning equal opportunity available to minority groups is under continuous study as we search for new and more effective means of communication.

Each of our insuring offices maintains and mails to those interested lists of sales and rental housing available under the provisions of the Executive Order. In addition, a brochure for distribution primarily to members of minority groups is being prepared to make better known the availability of FHA acquired properties on an equal opportunity basis.

We also believe that our equal opportunity staff should be closely involved in our efforts to assure equal opportunity in housing. There is close cooperation with this staff in all matters in this area throughout the Department. And we are constantly working to improve this cooperative effort whenever possible. The training of the appropriate field staff in equal opportunity matters has been a continuing operation in HUD. Further training programs in this field are under development at the present time.

6. The July 21 memorandum suggests that there is a need for establishing the identity of the real parties in interest holding FHA commitments and that nondiscrimination should be required of all sales personnel, even if hired by a separate sales firm.

- 5 -

In this connection, the FHA requires all developers and builders constructing housing covered by Executive Order 11363 to certify that they will observe the equal opportunity requirements. The sales force used for marketing such housing -- regardless of whether hired directly or by a separate sales firm -- is covered by those requirements. And Section 200.345 of the FHA regulations provides that "Failure or refusal to eliminate a discriminatory practice or to give satisfactory assurances of future compliance with the requirements of this subpart shall be proper basis for applying sanctions. In the case of discrimination involving lending practices, the sanction may include the withdrawal of the lender's approval as a mortgagee. In other cases the sanctions may take the form of placing the offender's name on an ineligible list. Applications for mortgage insurance shall be rejected as ineligible if any person, firm or other entity included on the ineligible list is identified in any manner with the proposed transaction." (Underscoring added.)

7. The July 21 memorandum suggests that the lack of verbatim transcripts of hearings makes appeals of decisions difficult.

51610.1 of the FHA manual provides that, in case of an appeal, the insuring office director must "assemble, within 15 days from the date of the request, a complete file which will include the complaint, the summary of the proceedings and summary of the evidence and all exhibits and memoranda filed by either party. A complete list of the filed material shall be prepared, including a statement by the Director that the items contained on the list constitute all of the records in the case. As soon as the record is complete, the Director by registered or certified mail, shall notify the party seeking a review that the original record will be available for his inspection at the FHA office for a period of 10 days from the date of the notification and that promptly thereafter the record will be transmitted to the office of the FHA Commissioner. The Director will provide the party seeking the review with a copy of the list of items contained in the record, the summary of the proceedings, and summary of the testimony and copies of any evidentiary memoranda filed or submitted in the case."<sup>11</sup>

The FHA recognizes that the presence of a court reporter or tape recorder would add an element of formality to a complaint hearing but has avoided adopting such a requirement because of the deterrent effect it would have on the possibility of bringing about an elimination of the discriminatory practice through informal discussion.

We have, however, the entire complaint procedure under revision and review at the present time.

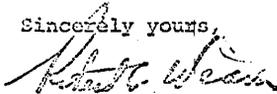
3. The July 21 memorandum suggests that brokers selling acquired properties be required to refrain from discrimination in all operations and that consideration be given to the possibility of marketing such properties without the use of brokers. (The first item numbered 8 in the memorandum is discussed under item 2, above.)

FHA currently requires contract management brokers to certify every six months that they and each of their employees fully understand and follow FHA's requirements on equal opportunity in the management and disposition of acquired properties. Just as the brokers follow our requirements on these properties, in the absence of state or local fair housing laws or ordinances the brokers consider themselves the agents of the sellers of other real estate and believe that they must respect the wishes of their principals and conduct the sales on their terms. As noted above, the Civil Rights Inspection Branch of the HUD Inspection Division, when it reaches projected staffing levels will handle broker reviews routinely.

The possibility of marketing acquired properties without the use of brokers has been considered. The conversion to such a procedure would involve substantial budget and organizational problems.

I sincerely share your interest in broadening equal opportunity in housing, and I assure you that the Department of Housing and Urban Development has a vigorous and affirmative program designed to help achieve this goal. Whenever and wherever we find that we can improve this program and carry out our Departmental mission, we shall not hesitate to do so.

Sincerely yours,



Robert C. Weaver

Exhibit No. 19

PROJECTS COMMITTED - BALTIMORE FHA OFFICE  
UP TO AUGUST 10, 1970  
BALTIMORE COUNTY

<u>NAME</u>	<u>LOCATION</u>	<u>NUMBER OF LIVING UNITS</u>
<u>SECTION 221-d-4</u>		
Rockdale Apartments	Rolling Road	231
Liberty Garden Apartments	3400 Bex Hill Road	253
Highland Village	Park Drive and Louise Avenue	<u>241</u>
	TOTAL	725
<u>SECTION 236</u>		
Fairbrook Park	Fairbrook Road and Security Blvd.	161
Fox Ridge	Fox Ridge Lane, Middleborough Road	111
Franklin Park Apartments	Windlass Road, Middle River	299
Reisterstown Townhouses	High Falcon Road, Reisterstown	<u>122</u>
		693
<u>SECTION 221-d-3</u>		
	None	TOTAL
		<u>1418</u>

PROJECTS IN PROCESS - COMMITMENT STAGE NOT REACHED

Section 221-d-4	2395	Living Units
Section 221-d-3	168	Living Units
Section 236	<u>2498</u>	Living Units

PROJECTS REJECTED - BALTIMORE FHA OFFICE  
 UP TO AUGUST 10, 1970  
 BALTIMORE COUNTY

<u>NAME</u>	<u>LOCATION</u>	<u>NO. OF UNITS</u>	<u>REASON FOR REJECT</u>
<u>SECTION 221-d-4</u>			
Tabco Towers	Joppa and Putty Hill Roads	456	Hi-Rise - Not Feasible Withdrawn by Sponsor
Park East Apartments	Flintshire Road-Kenwood	<u>82</u>	
TOTAL		538	
<u>SECTION 236</u>			
Security Towers	Security Boulevard at Colonial Drive	176	Withdrawn by Sponsor
Belmont Apartments	8300 Belair Road	201	Financial Statement Unacceptable Motel Court Design Unacceptable
Chippendale	Helena and Virginia Avenues	86	
Perry Hall Apartments	Joppa Road-Belair Avenue	396	Withdrawn by Sponsor Sponsor allowed feasibility to lapse
Queens Purchase Apartments	Hartland and Middleborough	318	
Tabco Towers	Joppa and Putty Hill Roads	<u>456</u>	High Rise cost too high
TOTAL		1643	
TOTAL		<del>1187</del> 1725	

*Exhibit No. 20*

## U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

INSTRUCTIONS FOR COMPLIANCE WITH TITLE VI  
OF THE CIVIL RIGHTS ACT OF 1964

Title VI of the Civil Rights Act of 1964 states:

"No person in the United States shall, on the ground of race, color or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance."

Section 1.4 (2) of the regulations of the Department of Housing and Urban Development issued pursuant to Title VI requires that:

"A recipient, in determining the location or types of housing, accommodations, facilities, services, financial aid, or other benefits which will be provided under any such program or activity, or the class of persons to whom, or the situations in which, such housing, accommodations, facilities, services, financial aid, or other benefits will be provided under any such program or activity, may not, directly or through contractual or other arrangements, utilize criteria or methods of administration which have the effect of subjecting persons to discrimination because of their race, color, or national origin, or have the effect of defeating or substantially impairing accomplishment of the objectives of the program or activity as respect persons of a particular race, color, or national origin."

The phrase "minority group," as used herein, refers to Negroes; Spanish-Americans (Puerto Ricans, Mexican- and Latin-Americans); Orientals; American Indians; and other groups commonly identified by race, color, or national origin:

As evidence of compliance with the above:

## A. Public Facility Loans, Public Works Planning Advances and Water and Sewer Facilities Grant Programs.

- (1) Submit a map showing the total geographical area which the applicant is authorized to service; mark areas of concentration of minority group population and give total number of inhabitants therein and percentage of minority group inhabitants (indicate source of such statistics. Such information is available from the Census data of the United States Census Bureau).
- (2) On same map, mark boundaries of project.
- (3) If any portion of the minority group population in the geographical area which Applicant is legally authorized to serve is not serviced by this project, please explain. Include in explanation:
  - (a) whether the minority group population not serviced by the project already receives service. If so, define the extent of these existing services including the extent of lateral line hookup to the water and sewer service; or
  - (b) whether minority group population not serviced by the project is scheduled for future service and, if so, the approximate time such services are planned and the time relation of such construction in comparison to other areas scheduled for future construction; or
  - (c) in the event no service is planned for the areas in question, furnish statement of reasons why.

## B. Open Space

- (1) Give percentage of minority group population in area under applicant's jurisdiction.
- (2) On map showing existing open space under applicant's jurisdiction, mark areas of concentration of minority group population and give total number of inhabitants therein and percentage of minority group inhabitants (indicate source of such statistics).

43

- (3) Describe the extent of applicant's existing open space land (as shown on map) which serves the minority population. If any of this land is outside of the areas of minority population concentration, discuss its accessibility to residents of these areas, and the extent of use by minority groups.
- (4) For any such areas not served by existing facilities, explain plans for provision of service to these areas, including approximate schedule for provision of such service. If service to such areas is not planned, explain why.

**C. Advance Acquisition of Land**

- (1) Provide a map showing existing facilities under the jurisdiction of the applicant of the same type which will be situated on land applied for in the application. Provide figures or, if figures do not exist, estimates by percent to show use of such existing facilities by racial groups, if the facilities are schools, hospitals, clinics, libraries, parks, or the like.
- (2) On the same map, mark areas of concentration of minority group population, indicate the total number of inhabitants therein, and the percentage of minority group inhabitants.
- (3) If areas of minority group population are not served by existing facilities of the type to be situated on the land to be purchased, explain plans for provision of service to these areas. If such service is not planned, explain why.

If the above information has been submitted within a year of the date of this application it need not be duplicated.

## Exhibit No. 21

LOW-RENT HOUSING  
 PRECONSTRUCTION HANDBOOK

RHA 7410.1

CHAPTER 1, SECTION 1

- (5) No site displaying undesirable physical characteristics (see paragraph 2c) which will cause increased development cost should be selected where more suitable alternative sites are available.
- (6) Attention is directed to the provisions of Section 515 in Terms and Conditions, Part II of the Annual Contributions Contract, concerning conflict of interest.
- f. Feasibility of Relocation. No site which will involve displacement will be approved unless relocation feasibility has been demonstrated. (See RHA 7412.1.)
- g. Nondiscrimination in Housing. Section 1.4(b)(2) of the regulations of the Department of Housing and Urban Development issued under Title VI of the Civil Rights Act of 1964 provides in pertinent part that:

"A recipient Local Authority, in determining the location or types of housing, accommodations, facilities, services, financial aid, or other benefits which will be provided \*\*\* may not, directly or through contractual or other arrangements, utilize criteria or methods of administration which have the effect of subjecting persons to discrimination because of their race, color, or national origin, or have the effect of defeating or substantially impairing accomplishment of the objectives of the program or activity as respect persons of a particular race, color, or national origin."

The housing on the site to be selected must be operated in accordance with all applicable requirements of Title VI of the Civil Rights Act of 1964 and of Executive Order 11063, and Department regulations and requirements issued pursuant thereto. The aim of a Local Authority in carrying out its responsibility for site selection should be to select from among sites which are acceptable under the other criteria of this Section those which will afford the greatest opportunity for inclusion of eligible applicants of all groups regardless of race, color, creed, or national origin, thereby affording members of minority groups an opportunity to locate outside of areas of concentration of their own minority group. Any proposal to locate housing only in areas of racial concentration will be prima facie unacceptable and will be returned to the Local Authority for further consideration and submission of either (1) alternative or additional sites in other areas so as to provide more balanced distribution of the proposed housing or (2) a clear showing, factually substantiated, that no acceptable sites are available outside the areas of racial concentration. Such submissions by Local Authorities may be made to the IAO Production Representative and Realty Officer for inclusion in their report. (See paragraph 6b below.)

The words "acceptable sites are available" in clause (2) above shall be interpreted as referring to sites which meet HUD criteria for low-

LOW-RENT HOUSING  
PRECONSTRUCTION HARDWARE

RHA 7410.1

## CHAPTER 1, SECTION 1

rent housing and which can be acquired by the local Authority for low-rent housing use by negotiation or condemnation, at prices within economically feasible cost limitations. Where a Local Authority proposes to locate housing only in areas of racial concentration, alleging that certain otherwise acceptable sites outside the areas of racial concentration are not available because of denial by city officials of necessary rezoning or other site approval, the Local Authority shall submit a statement of the specific efforts it has made to induce the appropriate officials to grant the necessary approval, the specific responses to such efforts, and all other facts pertinent to a finding of the underlying reasons for denial of the approval. The statement will be considered by HUD in determining whether the facts substantiate that the necessary rezoning or other city approval cannot be obtained and that the reasons are consistent with the nondiscrimination requirements of Title VI. Local Authorities will be expected to utilize available means for resolving any zoning or other city impediments to compliance with Title VI site selection requirements.

The advice and assistance of the Regional Office are available to Local Authorities in respect to the selection of sites under the special conditions and considerations pertaining to any particular case.

*Exhibit No. 22*

William T. Stansbury  
ARA for Federal Housing Adm.

Jan. 29, 1970

Wagner D. Jackson

Request for Removal of Sanctions under Executive  
Order 11063 by FHA Concerning Edward A. Myerberg & Co.

Attached is a letter of confirmation from Mr. Alvin J. Myerberg, representing the subject firm, dated January 20, 1970, indicating his agreement to implement, immediately, the affirmative action program as outlined in ARA (EO) letter of January 15, 1970 (see attached) in the operation of those businesses which he owns, operates or controls.

Concurrent with the immediate implementation of this program by subject firm, the Edward A. Myerberg & Co., this office recommends that current sanctions by FHA pursuant to Executive Order No. 11063 be terminated. However, please note that this agreement provides for our review of its implementation on a quarterly basis.

ARA for Equal Opportunity

Attachments

cc:

Reg. File

Allen T. Clapp, Dir. Baltimore  
Insuring Office

E:S.Simmons (L. Pearl) 5100

2E:W.Jackson \_\_\_\_\_

EO File

2E:CGraham:rbc:l-29-70 (2667)

EDWARD A. MYERBERG & CO. *Builders and Developers of Fine Suburban Communities for over 40 years*

335 N. CHARLES STREET  
BALTIMORE, MD. 21201  
V E R N O N 7-2900

January 20, 1970

Mr. Wagner D. Jackson  
Asst. Regional Administrator for Equal Opportunity  
Department of Housing and Urban Development  
Equal Opportunity Division  
Curtis Building  
6th and Walnut Streets  
Philadelphia, Pennsylvania, 10906

Dear Mr. Jackson:

This letter will serve to confirm our agreement with the points outlined in your letter of January 15, 1970, copy of which is attached hereto. We will implement this affirmative action program promptly.

We informed Mr. Graham today that we have already sent a copy of the new application to the printer, and Mr. Graham confirmed that he has received our rough draft and the policy changes mentioned in your letter.

Thank you for your prompt attention to this matter.

Sincerely yours,

EDWARD A. MYERBERG & COMPANY



By Alvin J. Myerberg

AJM/dar

Enclosure

cc: Mr. J. Carroll Graham



DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
 CURTIS BUILDING, 6TH AND WALNUT STREETS  
 PHILADELPHIA, PENNSYLVANIA 19106

REGION II

January 15, 1970

IN REPLY REFER TO:

Mr. Alvin J. Myerberg  
 c/o Edward A. Myerberg & Co.  
 335 N. Charles Street  
 Baltimore, Maryland 21201

Dear Mr. Myerberg:

Pursuant to your discussion with Mr. J. Carroll Graham of my staff on 1-13-70, this letter is to confirm the following points of an affirmative action program which you have agreed to promptly implement in the operation of your real estate business, as indicated by your letters of 12-26-69 and 1-6-70 respectively:

1. Revise your application forms so as to advise each applicant of those qualifying factors and criteria which are uniformly applied and which will constitute the basis for final acceptance or rejection of the application.
2. Advise all applicants that all apartments which you own, manage or control are available for rent on a monthly or weekly basis.
3. Revise your Policy Manual and operations to establish a uniformly applicable security deposit for all weekly and monthly rentals.
4. Advertise all properties which you own, manage or control in such manner as to inform the minority as well as the majority community of the availability of such properties; and to include in such publication or advertisement a statement denoting an open occupancy policy.
5. Post all vacancies in your central office and in all apartment buildings and rental and sales offices which you own, manage or control.
6. Display a fair housing poster in your central office and

2.

in all apartment buildings, rental and sales offices which you own, manage or control.

7. Submit, quarterly, to this office copies of applications received indicating the date, name of applicant, address, telephone number; the location and type of unit applied for; and the date and final action taken on the application. If apparent, the race of each applicant should also be noted.
8. Include a statement on your revised application form advising all applicants that the basis for rejection of any application may be discussed with your staff at your central office.
9. Revise your Policy Manual to indicate that the discussion of rejections noted in 8 above is the policy of your company.
10. Promptly effectuate those policy and operational changes noted herein so as to submit, under them, your first quarterly report to this office on or about March 1, 1970.

Your prompt concurrence in, and implementation of, this affirmative action program will be greatly appreciated.

We will also appreciate draft copies of your new advertisements, revised application forms and Policy Manual revisions. We are sending you, under separate cover, a supply of HUD Fair Housing posters for your use as indicated herein.

At all times, we will be pleased to discuss with you any problems which may arise in your implementation of this program.

Thank you again for your cooperation in this important matter.

Sincerely,



Wagner D. Jackson  
Assistant Regional Administrator  
for Equal Opportunity

March 25, 1970

Mr. Alvin J. Myerberg  
c/o Edward A. Myerberg & Company  
335 N. Charles Street  
Baltimore, Maryland 21201

Dear Mr. Myerberg:

This will acknowledge our receipt of your letter of 2-23-70 with copies of applications to lease which your office received from 1-1-70 to 2-23-70. This will also acknowledge receipt of your 3-11-70 letter with a sample copy of your revised application form.

We were not able to satisfactorily review the 104 applications noted above largely because of the inadequacies of the old application form. The revised application form will greatly facilitate our review of your next submissions.

We did note, however, that three (3) applications which were rejected bore notations which were not consonant with the new processing criteria, i.e., salary and employment verification, credit rating and character references. With your current use of the revised application form which sets forth these new uniform processing criteria, we would expect any future rejections to be solely on these bases.

Our major concerns with respect to the prompt implementation of your Affirmative Action Program are as follows:

1. You have not advised us of what action you have taken regarding Item 4, i.e., "Advertise all properties which you own, manage or control in such manner as to inform the minority as well as the majority community of the availability of such properties; and to include in such publication or advertisement a statement denoting an open occupancy policy."
2. You have not advised us of what action you have taken regarding Item 5, i.e., "Post all vacancies in your central office and in all apartment buildings and rental and sales offices which you own, manage or control."

3. You have not advised us of what action you have taken on Item 6, i.e., "Display a fair housing poster in your central office and in all apartment buildings, rental and sales offices which you own, manage or control."

Each of these is a simple action which is easily taken.

Please advise us promptly when this has been done.

We will expect your next quarterly report on or about June 1, 1970.

Thank you for your continuing cooperation in the effectuation of your Affirmative Action Program.

Sincerely,



Wagner D. Jackson  
Assistant Regional Administrator  
for Equal Opportunity

cc:

Reg. File

E:S. Simmons (L. Pearl)

2E:W. Stansbury (A. Clapp)

2E:W. Jackson

EO Case File \_\_\_\_\_

2E:WJackson:rbc:3-25-70 (2667)

DALY from 4/2  
 GRAHAM J.C. 4/13/70

EDWARD A. MYERBERG & CO. *Builders and Developers of Fine Suburban Communities for over 40 years*

335 N. CHARLES STREET  
 BALTIMORE, MD. 21201  
 VERNON 7-2900

April 1, 1970

Mr. Wagner D. Jackson  
 Asst. Regional Administrator  
 for Equal Opportunity  
 Department of Housing & Urban Development  
 Curtis Building  
 6th & Walnut Streets  
 Philadelphia, Pennsylvania 19106

Dear Mr. Jackson:

Thank you for your letter of March 25, 1970 concerning our affirmative action program. Please be advised that we have been following the program for the last two months with minor exceptions. In reference to your major concerns, please note the following.

1. We have been advertising in the Afro-American putting in the body of the ad the wording, "Fair Housing".
2. We have posted all vacancies in our central office and in our apartment buildings at various intervals.
3. We have been displaying fair housing posters in our central office, our apartment buildings, halls, sales and rental offices.

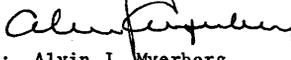
The Sun has not been published since the early part of January due to a recently settled strike. We are now instructing our advertising agent to note "fair housing" in all advertisements which will appear in the Sun papers for any properties that we have for sale or rent.

-2-

We have instructed all of our personnel concerned with rentals to strictly adhere to the policy of processing criteria for rejection or acceptance of an application as outlined in our previous correspondence.

Sincerely yours,

EDWARD A. MYERBERG & CO.

A handwritten signature in cursive script, appearing to read "Alvin J. Myerberg".

By: Alvin J. Myerberg

AM:jw

*Exhibit No. 23*

**UNITED STATES COMMISSION ON CIVIL RIGHTS**

**STAFF REPORT**

**THE CIVIL RIGHTS IMPLICATIONS OF  
SUBURBAN FREEWAY CONSTRUCTION**

## Table of Contents

	Page
I. Introduction . . . . .	808
II. The Federally Financed Highway System . . . . .	810
III. The Highway Trust Fund and the Federal Highway Administration . . . . .	812
IV. Social Policy and the Planning and Location of Interstate Highways . . . . .	815
V. Application of Civil Rights Requirements . . . . .	819
VI. Highway Construction in Baltimore County . . . . .	821

## I. Introduction

A large part of the population growth that has occurred in the United States in recent decades has been in the suburban parts of large metropolitan areas. Some of the important aspects of this growth are that the new development is of lower density -- more scattered -- than the old,<sup>1/</sup> that the new development is more dependent on private means of transportation than the old, and that black people have by and large been excluded from this new development.<sup>2/</sup>

In looking at this pattern of growth, one must keep in mind that it was not inevitable, that alternative models of growth are possible, and that it is possible to determine why one pattern emerged and not another. For example, new growth to some extent could have been channeled into new cities, either in rural areas or in the further regions of existing metropolitan area. The vast migration of population from rural areas and small towns to large metropolitan areas could have been avoided.<sup>3/</sup> Suburban growth could

1/ See J. Kain, Postwar Changes in Land Use in the American City, in Toward a National Urban Policy 74 (D. Moynihan ed. 1970).

2/ Id.; P.L. Hodge, P.M. Hauser, The Challenge of American's Metropolitan Outlook-1960 to 1985 (1968).

3/ See, e.g., Report of the President's Task Force on Rural Development, A New Life for the Country (1970); Advisory Commission on Intergovernmental Relations, Urban and Rural America: Policies for Future Growth (1968); Report of the National Goals Research Staff, Toward Balanced Growth: Quantity with Quality, ch. 2, Population Growth and Distribution (1970).

have been limited by a policy of reuse of urban land and by controlled, high density suburban development. The provision of highways, which has allowed suburbia to be automobile oriented, has had a great impact on the nature of suburban development. Use of the automobile has encouraged low density and scattered development, limiting opportunity for those not having automobile transportation and making difficult an economically viable public transportation system. <sup>4/</sup>

The primary users of the suburban highways are suburbanites. This is particularly true for suburban beltways, which ring many central cities. The principal function of these beltways is to link together points in the suburban ring. An origin and destination survey of the Boston beltway, for example, disclosed that most trips on the beltway were between points located in the suburbs. <sup>5/</sup>

Because of the important role highways play in the life of suburbia, because many suburban areas have relatively few residents who are black or of low-income, because of the heavy financial involvement of the Federal Government in the construction of suburban highways, and, finally, because of Federal laws and policies against discrimination in programs assisted by the Federal Government and in favor of residential integration, it is important to examine Federal highway policy from a civil rights point of view.

---

<sup>4/</sup> See K. Moskowitz, Living and Travel Patterns in Automobile-Oriented Cities in Readings in Urban Transportation 149-162 (G. M. Smerk ed. 1968).

<sup>5/</sup> MIT, Massachusetts Dept. of Public Works, U.S. Bureau of Public Roads, Route 128 Study ii (1959).

Such consideration in the past has been restricted to two matters --the employment of blacks in the construction of highways and the displacement and relocation of blacks living in proposed highway right-of-ways.<sup>6/</sup> While these issues are important, they should be preceded by an examination of a more basic question, which is the effect and propriety of the Federal Government's financing of suburban highway construction.

## II. The Federally Financed Highway System

The Federal-aid highway program includes Federal, primary, and secondary highway systems as well as the Interstate System.

The Federal-aid primary system "consists of an adequate system of connected main highways, selected...by each state through its State Highway Department, subject to the approval of the Secretary...."<sup>7/</sup> The mileage is limited to approximately 7 percent of the total highway mileage of the State. The Federal-aid secondary system also is selected by the State highway departments subject to approval by the Secretary.

In 1944, Federal funds were first made available on a regular basis for the construction of rural primary highways (A), rural secondary highways (B), and urban primary and secondary highways (C).<sup>8/</sup> The ABC system, as it was known, called for the matching of State funds with Federal monies on a 50 percent basis.<sup>9/</sup>

6/ But see Charles Abrams, The Role and Responsibilities of the Federal Highway System in Baltimore, A Memorandum to the Baltimore Urban Design Concept Team (1967); and George W. Grier and Norma Robinson, Final Report -- Social Impact Analysis of the Baltimore Freeway System (1968).

7/ 23 U.S.C. § 103(b) (1966).

8/ Federal-Aid Highway Act of 1944, 58 Stat. 838 now 23 U.S.C. § 104(b).

9/ 23 U.S.C. § 120(a) (1966).

The National System of Interstate and Defense Highways (Interstate System) was created by the Highway Act of 1956, for purposes of "local and interstate commerce and national and civil defense."<sup>10/</sup> Congress authorized the expenditure of \$25 billion over a period of 18 years for the construction of 41,000 miles of Federal interstate highway. These funds were to provide 90 percent of the projected \$27 billion costs of the system.<sup>11/</sup> The authorization ceilings have been raised to the extent that Federal participation is now authorized to the sum of \$50.6 billion<sup>12/</sup> for the construction of 42,500 miles.<sup>13/</sup>

The 1956 act calls for equal attention to local as well as to interstate needs, while the Interstate System as initially proposed in 1944 was to be for intercity, long-haul purposes.<sup>14/</sup> The Interstate System currently calls for 7,500 miles of highway in urban areas by 1974.<sup>15/</sup>

---

<sup>10/</sup> 23 U.S.C. § 103(d)(1) (1966).

<sup>11/</sup> *Id.*

<sup>12/</sup> 1970 Highway Trust Fund--Fourteenth Annual Report 9.

<sup>13/</sup> 23 U.S.C. § 103(d) (3) (1966).

<sup>14/</sup> Helen Leavitt, Superhighway--Superhoax 2 (1970)

<sup>15/</sup> "Urban area" means an "area including and adjacent to a municipality or other urban place having a population of five thousand or more. . . ." 23 U.S.C. § 101(a) (1966).

### III. The Highway Trust Fund and the Federal Highway Administration

Construction of Federal-aid highways (both Interstate and ABC Systems) is financed by a special Highway Trust Fund established under the Highway Revenue Act of 1956.<sup>16/</sup> The fund is administered by the Secretary of the Treasury. He is required to make an annual report to Congress on the financial condition of the fund, the results of the operations of the fund during the preceding fiscal year, and the expected conditions and operations during each fiscal year thereafter.<sup>17/</sup>

This method of financing differs significantly from ordinary financing of other Federal projects. Monies collected in the trust fund (approximately \$5 billion in fiscal 1969) from motor fuel taxes, taxes on commercial vehicles and auto accessories may be used only for the construction of highways and the administration of the highway program.

Annual disbursements from the trust fund are made in accordance with an authorization schedule in the Highway Act of 1956, as amended.<sup>18/</sup> In contrast to normal Federal financing, therefore, highway funds are spent without annual Congressional authorizations.

The trust fund approach to financing highway construction has some initial economic attraction. It seems to impose the cost of the construction on those who will use the highways. It should be noted, however,

---

<sup>16/</sup> § 209, Highway Revenue Act of 1956. 70 Stat. 397, 23 U.S.C. § 120, note (1964).

<sup>17/</sup> Id. § 209(e)(1).

<sup>18/</sup> Federal-Aid Highway Act of 1956 § 108 (b) 70 Stat. 374, as amended.

that the trust fund financing does not make an accurate allocation of costs.<sup>19/</sup> The contribution in taxes to the trust fund by highway users bears no necessary relation to their actual use of federally financed highways. For example, most trust fund monies are spent on the Interstate System, yet most highway use is of roads other than the Interstate System.

Moreover, it is supposed that highway users pay an amount of highway taxes based on a freely chosen amount of highway use; it should be borne in mind that the predominance of highways itself has meant that in most cases alternative modes of transportation have not come into being. In addition, there appears to be a serious question whether, given the ready availability of highway funds, adequate care is taken to determine that particular proposed highways actually are needed.<sup>20/</sup>

This in turn leads to the question of choosing between expenditures for highways and for other needs. Under ordinary circumstances, allocation of public resources for a given program is fully reviewed each year, and the amount to be allocated is determined on the basis of return and of competing needs. This is not the case, however, with respect to Federal highway funds. The decision made 14 years ago that billions of dollars were to be set aside for the construction of highways has forestalled periodic review of the utility of these expenditures and of their worth relative to competing social needs.

---

<sup>19/</sup> See T. E. Kuhn, Public Enterprise Economics and Transport Problems 146-47 (1962); J. R. Meyer et al., The Economics of Competition in the Transportation Industries, ch. IV, The Cost Structure of Highway Transportation (1960). See generally, J. R. Meyer, J. F. Kain, and M. Wohl, The Urban Transportation Problem 60-74, Patterns in Highway Finance (1965) and Helen Leavitt, Superhighway-Superhoax 229-37 (1970).

<sup>20/</sup> See Helen Leavitt, Superhighway-Superhoax, Ch. 3 (1970).

The Department of Transportation is divided into different operating agencies which administer the various transportation programs. The Federal Highway Administration administers the highway programs.

The Federal Highway Administration is divided into three organizational layers: 1) The Washington Office of the FHWA; 2) the Regional Office (the Region II Office is located in Baltimore); and 3) the Bureau of Public Roads Division office.

State highway departments to which Federal highway funds are channeled are responsible for constructing the projects. They are primarily responsible for drawing up the specific plans for the interstate highways within their boundaries. However, each project must be submitted to the Department of Transportation for approval before funds are granted. <sup>21/</sup>

Highway money is allocated to the States according to a formula established by the Highway act. <sup>22/</sup> Because a State is assured of this money, and because the Federal Government will pay 90 percent of the cost of a highway that is part of the Interstate System, a State has little incentive not to build as many miles of highway as the available funds will finance. The State highway department therefore may start

---

<sup>21/</sup> 23 U.S.C. §106 (1966) ..

<sup>22/</sup> For ABC system highways the allocation is a function of the population, total land area and existing highway mileage in the State. For the Interstate System the allocation is a function of the estimated cost of completing the whole system. 23 U.S.C. § 104 (b).

with the question not whether, but where, to build. <sup>23/</sup>

Because the Trust Fund provides highway money automatically, without the need for appropriations by Congress, the Federal Highway Administration has similarly little incentive to limit the amount of highway construction that takes place. <sup>24/</sup>

#### IV. Social Policy and the Planning and Location of Interstate Highways

There is a serious question whether the social effects of highways, for example their impact on the future patterns of employment and residence in a metropolitan area, are given meaningful consideration in the planning and location of a Federal highway project. The primary concern of the 1956 Federal Aid Highway Act is the construction of an Interstate System "that shall be located as to connect by routes as direct as practicable, the principal metropolitan areas, cities, and industrial centers to serve the national defense . . . ." <sup>25/</sup> This section further directs that "the routes of the system . . . shall be selected by joint action of the State highway departments of each State and the adjoining States, subject to the approval of the Secretary. . . ." <sup>26/</sup>

---

<sup>23/</sup> See Helen Leavitt, Superhighway--Superhoax, ch. 3 (1970).

<sup>24/</sup> Id.

<sup>25/</sup> 23 U.S.C. §103(d) (1966).

<sup>26/</sup> Id.

The Federal Highway Act of 1962 provides that all Federal-aid projects in urban areas of more than 50,000 population may be approved by the Secretary only if they are based on a continuing, comprehensive transportation planning process carried on cooperatively by States and local communities. <sup>27/</sup>

The thrust of the statute is that interstate highways are to be built in accordance with data relating to traffic patterns, projected traffic statistics, and other transportation needs.

Social impact is incorporated into the planning and location process through the statutory requirement of public hearings, (or holding out the opportunity for a hearing and holding a public hearing if written requests are received). <sup>28/</sup> The hearings consider the economic, social, and environmental effects of the location of the project. Recent Department regulations further direct that the State highway department shall consider "social, economic and environmental effects, whether or not a hearing is held before submitting the plan to the Secretary". <sup>29/</sup>

"Public hearings" mean both a "corridor" public hearing and highway design public hearing. <sup>30/</sup> "Social, economic and environmental

<sup>27/</sup> 23 U.S.C. §134. (1966).

<sup>28/</sup> 23 U.S.C. §128. (1966).

<sup>29/</sup> Department of Transportation, Policy and Procedure Memorandum, 34 Fed. Reg. 728. (1969). [Commonly known as PPM 20-8]

<sup>30/</sup> Id. at para., 4a & b.

effects" mean the direct and indirect benefits or losses to the community and to highway users; they include such considerations as national defense, economic activity, employment, public health and safety, residential and neighborhood character and location, replacement housing, and displacement of families and business. <sup>31/</sup> The regulations note that the list of considerations is not intended to be exclusive.

The State highway department is directed to solicit views from persons on the project. If no hearing is held, information regarding social effects in the form of written statements is received from interested persons and groups. <sup>32/</sup>

It is unclear how much weight State highway departments give to issues raised at the hearings, or issues raised by interested parties in the decisionmaking process. It should be pointed out that social concerns are one of many factors considered and that the review of applications seems to be made principally with an eye to transportation-related issues, i.e., review by Division engineers in the Planning and Program Office and officials in the Fiscal Office. "Civil rights"

---

<sup>31/</sup> Id., at para. 4(c).

<sup>32/</sup> Id., at para. 5.

concerns in the appraisal process are limited to employment of minorities on the construction projects and adequate provision for relocation of persons displaced by the project. 33/

---

33/ Interview with August Schofer, Regional Federal Highway Administrator, July 30, 1970.

V. Application of Civil Rights Requirements

Title VI of the Civil Rights Act of 1964 directs that "No person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance."<sup>34/</sup>

Regulations recently published by the Department of Transportation offer examples of the application of Title VI to DoT projects. The apparent effect of the regulations is that a State would be in violation of Title VI if it were to locate or design a highway in such a manner as to require the relocation of any persons on the basis of race, color, or national origin; or "to locate, design, or construct a highway in such a manner as to deny reasonable access to, and use thereof, to any persons on the basis of race, color, or national origin."<sup>35/</sup> Varying interpretations of this provision are possible. The regulations offer no explanation, criteria, or guidelines to help a State determine whether a particular project will be in compliance.

---

<sup>34/</sup> 42 U.S.C. § 2000d (1964).

<sup>35/</sup> Dept. of Trans. Reg., Appendix C, 35 Fed. Reg. 10084 (1970).

The regulations set out an elaborate procedure for effecting compliance with Title VI. They provide for assurances from the State highway departments that the highway construction programs will be conducted in compliance with all requirements imposed by the regulations, and will be administered in such a manner as to guarantee that contractors receiving funds under the program will comply with the applicable regulations. <sup>36/</sup> Recipients are required to submit periodic compliance reports and to submit to periodic compliance reviews. Compliance is effected through "informal procedures," or if informal methods fail, through suspension or termination of funds. The Department of Justice may also be asked to enforce contractual undertakings pursuant to the regulations. <sup>37/</sup>

Title VIII of the Civil Rights Act of 1968, <sup>38/</sup> the fair housing title, includes a section (808(d)) which provides that "all executive departments and agencies shall administer their programs and activities relating to housing and urban development in a manner affirmatively to further purposes of the subchapter and shall cooperate with the Secretary of the Department of Housing and Urban Development to further such purposes." <sup>39/</sup> Because the Federal highway program relates to housing and urban development, the Federal Highway Administration is under an obligation to take affirmative action to administer the highway program in a way that will promote open housing. The recently

---

<sup>36/</sup> Id. §21.7 (b).

<sup>37/</sup> Id. §21.13.

<sup>38/</sup> 42 U.S.C. §§3601-3619 (Supp. V (1969)).

<sup>39/</sup> Id. §3608 (c).

announced policy of the Department of Transportation with respect to Title VIII is to require that all replacement housing which is provided for displaced persons be "fair housing--open to all persons regardless of race, color, religion, sex, or national origin." <sup>40/</sup>

VI. Highway Construction in Baltimore County

During the past few years millions of dollars of Federal highway money have been used for highway construction in Baltimore County, mostly for parts of the Interstate System. <sup>41/</sup> The amounts are shown in Table 1.

TABLE 1

Federal Highway Expenditures in Baltimore County <sup>42/</sup>

<u>Fiscal Year</u>	<u>Amount</u>
1968	\$8,662,139
1969	\$17,456,313
1970	\$12,071,442
1971(estimate)	\$13,040,524

<sup>40/</sup> Dept. of Trans. Press Release No. 4570 (February 16, 1970); See also, Dept. of Trans. Order No. 5620.1 (June 24, 1970).

<sup>41/</sup> Letter from August Schofer, Regional Federal Highway Administrator, to Peter W. Gross, Assistant General Counsel, U. S. Commission on Civil Rights, July 22, 1970.

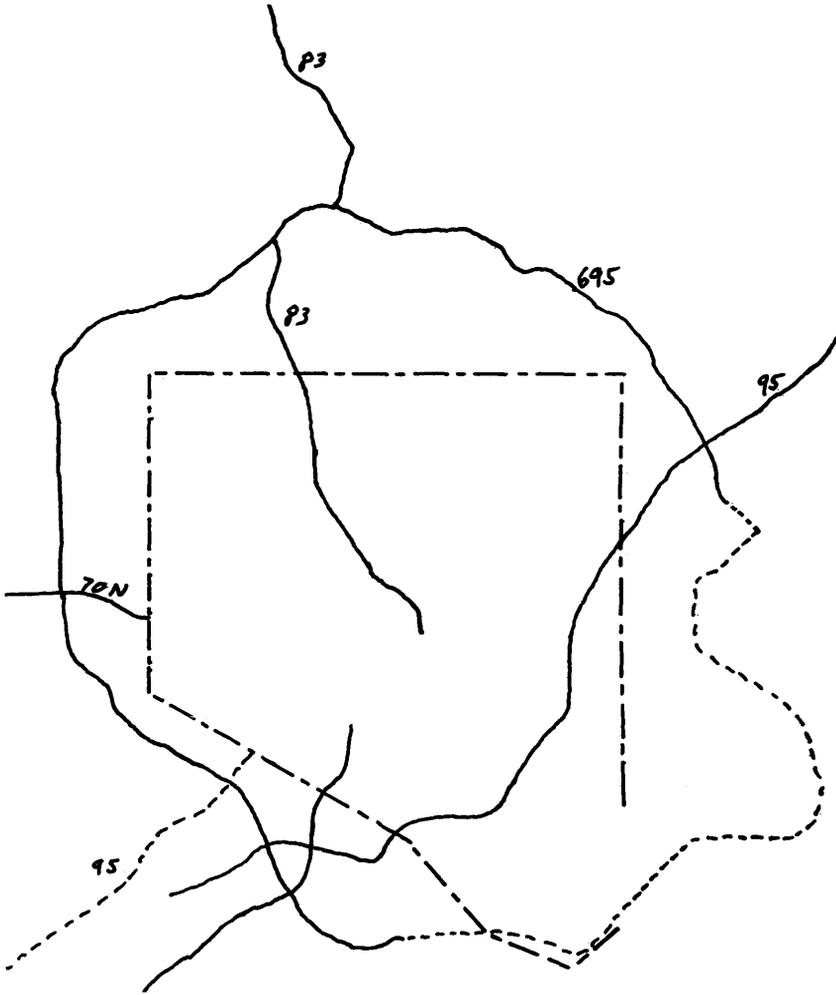
<sup>42/</sup> Id.

This money has financed I-70 N, which goes west from the beltway into Howard County, and is planned to go east from the beltway to downtown Baltimore; I-83, which goes from downtown Baltimore through Baltimore County to Pennsylvania; I-95, which goes from the city of Baltimore through the northeastern part of Baltimore County toward Philadelphia, and which is under construction in Baltimore County southeast of the city; and I-695, the Baltimore Beltway, which goes almost all the way around the city of Baltimore, mostly in Baltimore County. There are plans to complete the beltway which include a new Outer Harbor Tunnel. (This project, which will probably cost over \$50,000,000,<sup>43/</sup> will be financed almost entirely<sup>44/</sup> by the State of Maryland through revenue bonds and tolls).

---

<sup>43/</sup> Wash. Post, July 25, 1970 at B-2, Col 2.

<sup>44/</sup> Schofer interview, supra note 33.



BALTIMORE COUNTY  
MAJOR HIGHWAY SYSTEM