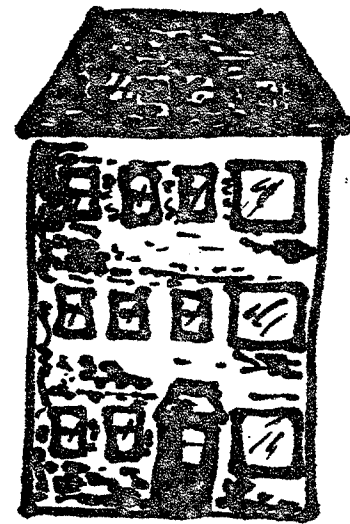
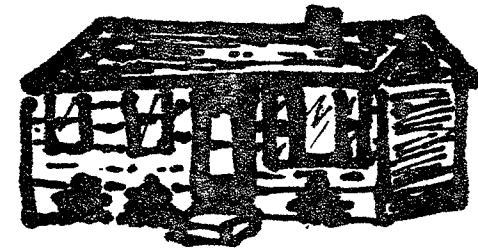
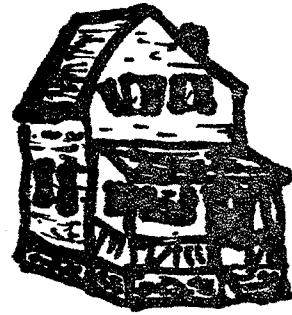


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# HOUSING '70



IN CHAMPAIGN COUNTY



LEAGUE OF WOMEN VOTERS, 1971  
COVER BY - GALE RICK

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\*Most of the papers in this publication were prepared for "A Kaleidoscope of Housing: Champaign County," a housing conference held at the University Place Christian Church, sponsored by the Champaign County League of Women Voters, October 30, 1970, to present a picture of the housing situation at the beginning of the 70's.

Additional papers have been prepared to round out the information, including interviews with scheduled speakers who could not appear at the conference.

## THE LEAGUE OF WOMEN VOTERS AND HOUSING

Housing has been one of the main concerns of the Champaign County League of Women Voters since interest groups were formed shortly after the organization of this League in 1922. The Welfare Committee of the League found early in its studies that many of the social ills of the community derived from poor housing conditions. In the 1940's and 50's the League's Shack Study and other follow-up studies led to active cooperation with city officials in drafting an ordinance setting standards for rental housing. That ordinance was adopted in 1953 both by the city council of Champaign and of Urbana. The League supported and worked for county zoning in an effort to bring substandard houses throughout the county under similar control. That effort was not successful.

In March 1958, a housing committee of the League presented evidence of structures which were substandard but not under the minimum housing ordinance control, and pointed out the need for an urban renewal program and for additional public housing to relieve the housing shortage for low income families. In 1959, candidates for City Council in Champaign supported an urban renewal program as part of their platforms. The League cooperated with the city government of Champaign, at this time, in the planning and preparatory work for Urban Renewal Phase I. During this period, League members were called upon to help devise existing housing and building codes and write new ones. These efforts resulted in the development and adoption of a housing code for both rental and owner-occupied dwellings.

Housing Committee members have concerned themselves with Public Housing problems, worked for neighborhood participation in for their neighborhoods, served on Champaign's Citizens Advisory Committee for Urban Renewal, pressed for Urbana housing improvement, and supported open occupancy ordinances in both cities. In the fall of 1965 both Champaign and Urbana passed strong Fair Housing ordinances.

By 1970, Champaign's Urban Renewal, Phase I was completed and the City of Champaign applied to the Department of Housing and Urban development for planning funds for an extension of the completed re-development in the area south of Bradley Avenue and north of Tremont Street. At this point the Housing Committee of this League was re-activated in order to assess the effect of Phase I of the Urban Renewal project and to study the plans for Champaign's Urban renewal plans for Phase II.

THE PERSPECTIVE OF A BUREAUCRAT

Extracts from a speech before the Housing Conference  
by Edward M. Levin, Jr.\*  
Acting Assistant Regional Administrator for  
Metropolitan Planning and Development  
U.S. Department of Housing and Urban Development  
Region V, Chicago, Illinois

The best way of trying to understand what my department of HUD does is to start with what all Federal assistance should be doing and then move from that into what we are doing. I think it's fair to say that Federal assistance programs can be divided into two types. One would be resource reallocation. That is simply a matter of using the more efficient Federal tax structure to collect resources and distributing money elsewhere, distributing it to the less efficient state and local governments. When I say less efficient, I mean not less efficient programmatically, but less efficient in tax collecting than the Federal government or perhaps in distributing the funds.

That's a very important purpose but it shouldn't be confused with the other reason for Federal assistance, which is to pursue certain national interests. Certain interests that Congress has decided are so important and would receive such insufficient attention in the absence of the federal government, that the federal government belongs in that business.

Now I want to explain a little bit what I mean. First of all I think it's pretty easy to catalogue what I mean by national interests. I certainly mean such important matters as equal housing opportunity, civil rights and equal employment opportunity, effective land use planning, environmental interests, providing adequate housing for low and moderate income individuals and families, effective citizen participation, sound local codes and so forth. These are what I consider to be national interests, but I want to make it very clear that when I use the term I mean more than just good government. I mean the federal government has an interest in persuading other units of government to do that which they would not otherwise do. That's what makes the providing of federal assistance, I think, central.

This question of what is a national interest varies of course from place to place. I think it is fair to say that generally civil rights and equal opportunity in the City of Detroit today are not a matter of great national interest because state and local institutions are as concerned as is the federal government with that issue. However, civil

\*Complete transcription on file in League of Women Voters file.

rights and equal opportunity issues may very much be a matter of national interest in other communities.

Open space, adequate land for open space may not be a national interest in Lake County, Illinois because state and local institutions are as concerned as is the federal government in providing adequate open space and recreational considerations but adequate open space may be very much a matter of national interest in other communities.

It is also a function of time. I would ask you to contrast planning assistance--comprehensive planning assistance when it was first a matter of federal program, say in the early 50's, with today. At the time the predecessor to HUD got into planning, planning was, in many parts of the country, a dirty word. It was associated with the five-year plan of the Soviet Union. It was just something that Socialists, maybe Communists, did. However, today I think it's fair to say that planning is legitimate, respectable, and so what started out as a national interest program in many ways has shifted over into a resource allocation program. But if there are sufficient resources, other units of government will engage in comprehensive planning.

I'm suggesting that if you take into consideration local differences, you could pretty well catalogue HUD programs and other federal programs by this split between national interest and resource allocation. Now let me give a clear example of that: sewer and water grants and loan assistance through HUD. I think you all know that adequate sewage systems and water systems are the first priority of just about every community so I think that this is pretty clearly a matter of resource reallocation. At the same time adequate citizen involvement, citizen participation is rarely a first priority concern in state and local government, so that will almost invariably be a matter of national interest: to further that involvement in governmental programs. I suggest that this distinction that I just stated is inherent or implicit but is almost never explicit in all of the federal assistance programs with which you may be familiar.

To meet these grand purposes Congress enacts for my department, a thousand pages of legislation, in great detail. You can all get a copy from the government printing office or perhaps from your congressman, called the committee print, the basic laws on Housing and Urban Development.

Congress funds other agencies as well and we find in HUD that we are very much in the sewer business and so is the Federal Water Quality Administration and whether a certain line is a HUD line to be funded 50% by HUD or an FWQA line to be funded 30% by them is sometimes an issue which is hard for a non-bureaucrat to understand.

HUD is in the parks business and so is the Bureau of Outdoor Recreation of the Department of the Interior. Another unclear jurisdiction is a regional park that BOR gets into and a not-quite-so-regional park that HUD assists. At least in this case the percentage of assistance is the same. So sometimes it is a little difficult.

HUD, of course, is in the water business and so is FHA but you're more familiar with that other FHA, as I am. It was a big shock for me to find that FHA in the water business is the Farm and Home Administration. I always thought it was the other FHA.

Every year Congress appropriates large sums of dollars for various federal programs and very carefully appropriates something less than the total demand. I say carefully, because it would sometimes appear that the basis for appropriating funds is pretty much what we did do last year plus a little bit and if you anticipate this I think you can see in most of our federal programs how the appropriations grow but not quite in pace with the developing demand. This shortage of funds in every one of our programs puts the federal bureaucracy smack into the priority business because if you have more demand than you have dollars how do you allocate? Do you allocate them first come-first served? Sometimes programs are administered that way but that doesn't seem to most of us to be the intelligent way of doing it.

I have found that the selection process, the great agonizing decisions on who gets the funds and who doesn't was a much more thoughtful and intelligent process than I had been led to believe from the outside. The funding process is basically one of rating projects according to various national goals, national interests of the nature I described, as they are understood by the policy makers from time to time. They may shift but they are pretty consistent. If, for example, you think providing adequate low and moderate income housing is important, you can understand that a sewer and water project which assists an area that is providing such housing should rank higher than a project that isn't. Yet with all these proper considerations, it is an imperfect process.

What I'd like to do in the next ten minutes is to show you a little bit of what I think anyone who wants to work with our bureaucracies has to know, just has to know, and I point out to you that I stand before you as one of three million federal civilian employees. Honest. Three million. So I'm sure you will be dealing with this much more often than you may think.

The general executive branch of the government includes the cabinet offices. You should also be familiar with their constituencies. Bear in mind, for instance, that by and large the Department of Health, Education, and Welfare works through the states. There are some exceptions: social security work directly with the individual. But basically HEW is state oriented.

HUD basically is local-government oriented. By and large that's the way our assistance goes. The Department of Labor often goes directly to business with its assistance programs and OEO generally goes directly to community action programs, often non-governmental programs. Now you have to understand this matter of constituency for it makes it a lot easier to know where the action is, where the lever is, with the federal bureaucracy.

In HUD (this is going to sound like a primer to most of you, and yet you have to understand it) we have a Secretary, an Undersecretary, and a number of Assistant Secretaries. You should have an idea of what they do; they are programmatically oriented. You have an Assistant Secretary for Renewal Assistance and Housing Management, an Assistant Secretary for Metropolitan Planning and Development, an Assistant Secretary for Equal Opportunity, an Assistant Secretary for Housing Production, a General Counsel, and An Assistant Secretary for Administration.

You should understand this because you will find that this line, this programmatic line becomes extremely important to you when you're dealing with the total community at the local level. Because you will find, obviously, that the public housing production issue which comes under one Assistant Secretary has to be intelligently related to an urban renewal issue which comes under another Assistant Secretary and perhaps to comprehensive planning which comes under a workable program which comes under a third Assistant Secretary, and of course equal opportunity which comes under a fourth.

In this central office structure HUD has 14 thousand employees, 4 thousand of them in the central office. This structure is repeated on a much smaller scale at a regional office.

We now have 10 regional offices in the country. Your regional office, my regional office, is in the City of Chicago for six states: Illinois, Indiana, Ohio, Michigan, Wisconsin, and Minnesota, which under a belated but most intelligent move is now the headquarters for these six states for HEW and for OEO, and for the Manpower Administration of the Department of Labor. This, by the way, is the first time in the history of the country that the regional boundaries of these various federal bureaucracies are coterminous. That makes it a lot easier to coordinate, not just HUD programs, but of course to coordinate hospital construction, school construction, and school aid with housing aid, with OEO aid, with manpower programs and Department of Transportation programs and the like.

Your regional office last year had 650 employees. It now has 470. That is not dramatic paring of the bureaucracy at the regional level, it is the recognition of the creation of something called area offices, brand new to HUD.

We talk about our reorganization and Secretary Romney quickly points out it is an organization, because HUD has never previously been organized. In this new organization, there are forty area offices, generally for states about one per state around the country. So far, in this region we have only one area office in Detroit, for the state of Michigan. The plan calls for an area office for each of the other five states in the region. The good idea there is to decentralize, to bring closer to the people, the programs with which the people are dealing. Here again is an attempt to bring together the various parts of HUD in some intelligent community-oriented way instead of the traditional program oriented approach. Part of this decentralization is also to decentralize authority.

So first you must know the structure. You're not going to get anywhere with HUD or any other agency if you don't know how we are structured. You have to know that there is a regional administrator and a bunch of assistant regional administrators, and under them various program directors. That, of course, means knowing names. You should know the name of the federal official with whom you are dealing. It certainly helps to say Mr. Jones rather than are you the guy that handles so and so. It makes him feel better and it will ultimately make you feel better.

Another thing you have to know and these are just at random here, you don't ask any federal official to do something he's not supposed to do. You don't ask him to rock the boat. Find out what the regulations are. If you're told that something is in the law, check it in the law. If you're told it's in a regulation, read the regulation. They aren't that hard to understand, and you do have trouble understanding them or you don't think they make sense, keep asking. If the individual with who you're talking doesn't have the answer for you, ask his boss. But don't take the first federal official you contact who might have nothing to do with the program, who might himself be brand new to HUD, and say tell me what to do and we'll do it. Find out what the regulations really require, get an explanation for them. If the explanation doesn't make sense, press. Because the regulations are supposed to serve the purposes of the program. And with your help we can make them do that.

Learn where it is a matter of regulation and a matter of discretion because many of our ratings, these criteria I've been talking about, are a mixture, of course, of objective criteria and some administrative discretion. It's inevitable. When you find out what the discretion is, find out who has it, so you don't spin your wheels dealing with the wrong person. Of course, if it is a matter of time, it may be hard to get to that person who has the ultimate discretion.

So, those are just a few hints that might make life easier for you in working with us. Another one, of course, is to take full advantage, particularly here in the twin cities, of your local

resources. You have, of course, in the University of Illinois in the Architecture School and the law school, and I see both are represented here today, the University-related groups like the Bureau of Urban and Regional Planning Research, you have outstanding local resources that are equal to or greater than those available anywhere else in the country, and that should help you very much.

You should, of course, attempt to identify your own issues. As you identify them, (as perhaps you need a not-for-profit corporation to do something) then you should work with those resources to develop it as best you can.

When you are working with us or local government, or state government, one final thing that I would admonish you: if it looks like it doesn't make any sense at all, don't jump to the conclusion that there is a conspiracy to deny you help that you know you deserve. Often times the results, the unfortunate results, are exactly the same as if there were a conspiracy, but there isn't any. It's nothing quite as simple as that. There's no group that sits in a closet somewhere and makes the decision. It's just a succession of individuals doing the best job they can, but if you avoid wasting time looking for a conspiracy that isn't there, you can better use your resources to achieve the results that you wish.

And, of course, finally, just persevere.

## MT. OLIVE MANOR INC.

A paper presented by James L. Williams  
Department of Environmental Development  
City of Champaign  
Mr. Williams is a sponsor of Mount Olive Manor  
and temporary manager of the apartments

We first set up a meeting with Harley Miller, of the Springfield FHA Regional Office, to come to Champaign and talk about the 221 d3 program to interested groups. Out of this was formed an Inter-Faith Housing group made up of 15 churches in the locality, who contributed monies in the amount of \$25,000. This was to be used as seed money. They became somewhat sophisticated and academic, and then engaged Urban America as consultants. They were inquisitive, but not really motivated. They made pseudo-pretensions of wanting to build but started trying to solve the end results rather than follow the basic steps that lead to a successful conclusion.

We arranged with FHA and our Citizens Advisory Committee to have an all day Workshop on 221 d3 at the Ramada Inn, inviting several neighborhood cities to attend. The Workshop was well attended with all of the technical staff from the Springfield Office present. However, the material presented was a bit too technical for those in attendance, especially those who were only mildly interested in housing.

We in the Urban Renewal Department had the land available with no takers. Out of pure frustration, having attended scores of meetings with the Inter-Faith group and the CAC, I decided to try my hand. I set up meetings with all the Black Organizations in the community, several of which Dave Gensemer and I both attended, trying to motivate them in the housing arena. I finally went to my own church (Mt. Olive Baptist Church). They were only mildly and politely interested, but the pastor, Rev. James C. Offutt, was enthused and so he agreed to give it a try. We then contacted Creative Buildings, Inc. who had expressed an interest in building the project.

First we went to the Legal Aid Services Board and explained the venture to them, after they found that it was to be a non-profit venture their board agreed that they could act as our legal counsel. We then approached the FHA under a Builder-Sponsor agreement (similar to turnkey) and they weren't receptive as they had never previously processed one. We later started a traditional 221 d3 Sponsor-Builder project. We went to all of the FHA Approved Mortgagors locally and couldn't find the finance. By chance, Salk Ward and Salk of Chicago had sent a representative to the community on some other matters. We contacted him and he told us that they had the money and was willing to get involved, as they had financed a number of 221 d3 projects in the Chicago area.

We raised the monies for FHA fees by borrowing \$1500 from the church and \$1500 from the Inter-Faith group, of which we paid back at the time of Initial Closing. We borrowed \$10,500 from a local bank the day before the Initial Closing and it was returned the following day out of the mortgage proceeds.

The make up of the board at the time of incorporation consisted of seven (7) elected members from the church body with the pastor and chairman of the Trustee Board and Deacon Board, permanent members. Since incorporation, the board has been expanded to 11 members.

The project cost \$1,024,600.00. It is financed by a 3% loan sold to GNIA for 40 years. The monthly payments are \$3,667.91 for principal and interest \$50 per month for tax escrow \$540 per month for Hazard Insurance escrow and \$366.42 for Replacement fund a total of \$4,532.91 per month.

Most of the problems at Mt. Olive Manor are problems that are inherent in the community. There has been widespread vandalism, breaking of windows, doors, coin machines and etc. I offer no solutions to curtailing these acts but we are trying a few things that are seemingly working. I am personally involved in the Mt. Olive project as the Manager-Trainee. FIA requires that the first year of a non-profit housing project be managed by a professional firm and Creative Buildings, Inc. are the managers of record for this first year. I am trying to involve the Board in the management as much as possible so after this first year they will be knowledgeable enough about the management that they may be able to select a manager or participate more fully in the management and operation of the apartments.

I would suggest to any other groups attempting this type of projects:

- (1). To be sure and select a board of committed people who can devote the necessary time in organizing and counseling the prospective tenants.
- (2). Investigate thoroughly those prospective tenants including making visitations to their present homes and discussing their living habits with present landlords.
- (3). Organize the Board Committees so their duties don't overlap.
- (4). Be firm in the areas of rent collection and tenant regulations.
- (5). Follow FHA guidelines as to tenant occupancy to the letter.

The plight of American cities in providing safe and sanitary housing for their inhabitants hardly needs documenting and so my participation in the Mt. Olive Manor Apartments has been a very enriching experience, particularly to have seen it grow from an idea to a reality.

## BRADLEY APARTMENTS

This paper was presented by Mrs. Ralph T. Fisher, Jr.  
A member of the Sponsoring Concerned Citizens  
Interfaith Non-Profit Housing Corporation

The foundations are in and the walls are going up on Bradley Apartments. This is a 98-unit housing complex in the Urban Renewal area just east of the Illinois Central property. It has been planned by the Concerned Citizens and Interfaith Non-Profit Housing Corporation. Completion date is set for February 1971 for the first apartment and October 1971 for the entire project.

Bob Gillespie (of Gillespie Apartments), who has been very active in both of the sponsoring organizations, resigned from Interfaith Apartments Corporation and the Concerned Citizens Committee in order to take on the job of manager of the new project. His intention is to train an indigenous person who will assume his duties at the end of a 3-year period of commitment.

There will be 24 1-bedroom, 24 2-bedroom, 34 3-bedroom, and 16 4-bedroom units. The smaller ones will be apartments; the 3 and 4-bedroom units will be 2-story townhouses. Facilities will include heating, airconditioning, carpeting, garbage disposal units, a public laundry, a tot lot, and a community center. There will be landscaping and planting for screening along a cyclone fence separating the project from the IC property. There will be a site manager and probably a site social worker. Adjacent to the property on the east is the new Bradley Day Care Center and to the south Wesley Park.

This will be a two million dollar project. Financing is assured by HUD, under section 236 of the Housing Act of 1968. The CC and IF Nonprofit Corporation, with money from Interfaith member churches, has spent so far roughly \$7,500. Lippman and Associates, the developers, are providing \$20,000 for the training of indigenous personnel for construction jobs. (They are also hiring minority subcontractors).

The maximum rents will be as follows: 1-bedroom apartment \$115.50, 2-bedroom apartment \$135.50, 3-bedroom townhouse \$160.00, 4-bedroom townhouse \$187.00. These rents are for moderate income families. However, 40% of the dwellings will have rent supplement, which means the tenant will pay 1/4 of his income or 30% of the rent (about the same rent as in public housing).

How did this all start?

About five years ago Don Moyer of the Champaign Human Relations Commission urged the involvement of churches in the housing field. He was aware that government funds were available to not-for-profit corporations. A steering committee was formed, public meetings were held, and many local churches were approached. The going was slow.



Finally in April 1967 the Interfaith Apartments Corporation was established with 12 churches participating, 2 of them churches in the Black Community. Each group had two delegates to the Board of Directors. Each pledged (what it was able) to a fund which was to be used for seed money and for special services once the project was completed. Goals of the group were:

1. To meet housing need where it was greatest - low income families, large families, and families rejected by the Public Housing Authority for reasons other than size.
2. To foster interracial housing; to seek a site outside the Urban Renewal area in order not to perpetuate the all-black housing pattern.
3. To provide for open spaces and as low density as possible.
4. To provide services that a private or public builder would not be likely to consider, such as social services, day care center, and tenant participation in the management.

A feasibility study was made. An active site committee scoured Champaign and later, with the approval of the County Board of Supervisors, out-of-city sites; a suitable site was found but was rejected by FHA for ambiguous reasons. The snags were numerous and frustrating:

1. Ambiguous changing FHA regulations.
2. Different rulings by regional and state offices of the FHA.
3. Difficulties working with Urban America, our first facilitator and consultant.

By Spring 1969 it became apparent that FHA probably would never approve a site outside the Urban Renewal area as long as land remained unused in the Project I area. We had the choice of throwing in the towel and returning pledges to the member churches, sitting tight waiting for a chance of new legislation, or taking a new direction.

In the meantime the Concerned Citizens' Committee was playing an active role in supplementing and criticizing public housing. They formed the North End Progressive Housing Corporation about two years ago. They got control of 25 lots in the North End for single family dwellings under the 235 section of the Housing Act, and they began to plan for 236 housing.

It was in the summer of 1969 that the Concerned Citizens asked the assistance of Interfaith in sponsoring a housing project in the Urban Renewal area. They needed money and a tie with a group that would have continuity. The proposed merger was approved by the Board of Directors of Interfaith but returned to the member churches for

final decision. Two of the churches felt they could not go along with this new direction. However, the majority, although disappointed that Interfaith could not reach many of its original goals, felt that merger was the only course open. They felt that it was important that the impetus had come from the Black community; it was apparent that the CCC was much less concerned about location and the question of integration than about providing needed housing.

The new corporation (Concerned Citizens and Interfaith Non-profit Housing Corporation) was formed in October 1969. A Board of Directors with 12 members from Interfaith and 12 from CCC was established. An Executive Committee with 3 from each group was set up to handle day-to-day business. When the project is completed, 12 representatives chosen by the tenants will join the Board of Directors. The Executive Committee will change to 2 representatives from each of the groups - Interfaith, CCC, and Tenants.

We invite you to look at the model on display and to visit the construction site.

THE COMMUNITY ADVOCACY DEPOT

Prepared by  
C. R. Jurgemeyer a member of  
The Community Advocacy Depot

This conference is billed as a "Kaleidoscope on Housing..." The title indicates a presentation or exchange of scattered information on the spectrum of housing. The list of speakers indicates who is thought to have knowledge or information on housing. The speakers are from government, business, education, and social groups...all are part of organizations. Except in the context of an organization, poor people do not qualify as having information on housing...

What is the effect of information? What is the effect of having information? He, who has information, has an opportunity to affect a situation positively. He may define a problem so that a solution is perceptible. He may use information to design affective courses of action. Or he may be complacent...safe and warm in his knowledge, pleasantly aware of situations and events without needing to affect them. Pacified by knowledge or stimulated by opportunity, the person that has information has a choice of action. The person without information may not be aware of a choice, much less have bases for decision.

What is the effect of being studied? A person may have his problems defined for him. A problem area may be clarified so that he may proceed to change his situation. An alternative course may be illuminated. Or the study may reinforce his inertia, his resistance to change. The study may illuminate the problem in a way that does not offer hope for improvement. The study may reinforce opinions but not stimulate change. Studying a situation changes that situation... be it for change or resistance for change. Groups should keep this perhaps foremost in mind when interjected themselves into social situations.

People need information. People need information in order to change...or to maintain status quo, for the factors affecting status quo are changing. Information or knowledge is needed as a base for making decisions, for problem-solving.

Poor people are not in the mainstream of information flow and use. They are not acquainted with interpreting and using information.

CAD seeks information. CAD seeks information on situations and events that will affect poor people and those through which poor people may affect themselves. CAD suggests interpretations and implications of situations and events. CAD advises poor people

on the implications of their courses of action. CAD designs alternative courses of action to encourage a choice of direction and experience at decision-making. In sum, the CAD aids poor people's learning how to become a viable part of society.

CAD evolved during the first Urban Renewal Program in Champaign. The project area residents faced a situation of forced change. They did not know how to react. They did not understand urban renewal or any course of action available to them. Citizens approached the University of Illinois and other groups for assistance. Citizens asked the University of Illinois, as the major societal institution in Champaign County and a center of learning, to accept a social responsibility in the plight of the poor people. The university responded by advising community residents through a technical assistance group.

As an outcome of the Urban Renewal Program and the technical assistance, non-profit community groups sponsored all the development projects. Those community continued their interest and activity in urban and housing affairs. Also, CAD became established as a technical assistance and advocacy service. It became a clearinghouse for information for poor people about urban and housing problems. CAD became the manifestation of the poor people's need and desire for information to improve their situation.

CAD now operates at two scales: the urban scale and the home scale. At the urban scale, CAD helps the people of the Project Illini and Urbana areas to prepare for participation in urban renewal. Urban studies in the Clock St, Spaulding Park, and Rantoul areas will help poor people define problems and participatory solutions. CAD also proposes a Neighborhood Facilities for education and the constructive direction of energies to improve the life situation for poor people. This facility will not be a sink for siphoning off excess energy of militants.

At the home scale, CAD encourages people to own homes through participation in an FHA SECTION 235 home-ownership program. In conjunction, an FHA SECTION 237 credit-counselling program exists. The program is for people who do not qualify for the FHA SECTION 235 interest-subsidy program because of irregular income or poor credit. The program provides counselling for management of income and debt service so that the family can afford to purchase a home through FHA SECTION 235. The Concerned Citizens' Committee, Family Services of Champaign County, Legal Services of Champaign County, and the Urban League of Champaign County sponsor the credit-counselling program. CAD and the Jane Addams Graduate School of Social Work man the program. A comparative study of consumer goods and services will be available to poor people through CAD and this program.

CAD encourages home improvement, but no funds are available. Lenders make more money in areas other than home improvement. CAD, therefore, advises people how to improve their homes with what ever money they have available. CAD also involves itself in Public Housing. CAD aids tenants in their desire for improvement and

participation in their living situation. Along with this CAD develops thoughts on the design of the future Public Housing slated for Champaign and Urbana.

In sum, CAD is a technical assistance and advocacy service. It is a physical clearinghouse for information for poor people about urban and housing problems. CAD works with the three items needed to help poor people...organization, the scale of problems is such that people, especially poor people, cannot afford to attempt solutions on individual bases...information, poor people need access to and the skills of using information as a basis for directing their energies of self-improvement...participation, established organizations and do-gooders must accept the premise that poor people's problems are not solved unless the people themselves participated in the solution.

## MODULAR UNITS IN LOCAL CONSTRUCTION

A presentation at the League of Women Voters Housing Conference  
By Mr. Jack E. Daugherty: Vice President of Creative Buildings, Inc.

Good Morning - It is a pleasure to be invited to explain the Creative Buildings, Inc. of Urbana, Illinois, story of Modular Housing.

Let me tell you who we are, and what we do. It is as simple as A B C D.

- A) Architecture - Roy D. Murphy & Associates
- B) Building Components - Totally Manufactured Housing Modules, Creative Buildings, Inc.
- C) Construction - National MCI Construction Co. Site construction work as programmed by Roy D. Murphy & Associates with placement and completion of the CBI housing units.
- D) Development of land, projects and management of multi-family complexes - Community Development.

As you can see this makes us a 'Total Service Organization', vertically integrated in all fields of construction with specialists in each area. We know and understand the full range of programs, development and problems.

Fifteen years ago Mr. Murphy started in "Modular Construction" using components, wall panels, partitions and window units for churches, educational buildings, and some commercial structures, all fabricated in the CBI plant. They were all in the 2'-4'-8' range of width and height because lumber and plywood, and gypsum products, were being marketed in 2' increments. It was this approach to get full value of material with minimum waste with maximum design features that made this possible.

Starting some five years ago, we entered the multi-family building field, using modular components with conventional site completion. As the program progressed, it was found that site carpenter labor and the mechanical trade labor costs and qualities were not controllable; and that a new approach had to be taken.

Approximately two and a half years ago it was decided that we would enter into the "Totally Manufactured Modular Dwelling Unit" industry. By doing 95% of the carpentry, plumbing, electrical and heating work in the plant, plus 100% of the dry wall and painting under factory controlled conditions, quality and a better priced living unit was possible.

- 1) With proper design and engineering of all buildings, they could be produced on a production line faster and better.
- 2) With mass purchasing direct from manufacturers, costs of material were controllable.
- 3) Properly trained and supervised production workers could do a better job for less total cost.
- 4) No lost time in construction due to inclement weather with perhaps a slight delay at the site, yet production of the units could continue.
- 5) With proper design and use of conventional building materials, the end product would have a conventional appearance rather than the often recognized "industrialized housing look." We have proven this can be done.
- 6) With a staff of technicians, we have better design, better engineering, better use of new products and techniques, and are in a position to contain costs.
- 7) We also offer great job opportunities for persons wishing to work, learn a building trade, work for advancement, and enjoy a better income.

Our operation has always been a union shop. We will continue to be union operated with support from the building trade unions.

We predict that within five years 75% of all housing will be built using "Totally Manufactured Modular Units." We, at Creative Buildings, Inc., and its affiliate divisions are pioneers in this field. We are far ahead of most and are one of very few that is a full service building operation.

Our current contract backlog is for 700 multi-family dwelling units under the various Federal Housing programs. We have total engineering approval and acceptance from the Federal agencies and have received great encouragement to move ahead.

## A BUILDING CATASTROPHY

A paper prepared by Mr. Henry Spies  
 Chairman of the Urban Renewal Citizens Advisory Committee  
 City of Champaign and editor for Small Homes Council  
 Building Research Council-University of Illinois

The interest of the Small Homes Council-Building Research Council in low-cost housing has, of course, existed since the founding of the organization in 1944. The current effort in this area was stimulated by three things: First, the shortage of relocation housing for people displaced by Champaign's Urban Renewal Project I; Second by a request from the Farmers Home Administration for some designs for low-cost housing for use in rural areas; and Third, work with the East Saint Louis Model City Agency and their submission of designs developed by people from the model city area.

I think that the four plans submitted by residents of East Saint Louis as part of their Model Cities Program might be worth looking at. First, this three-bedroom house with 550 square feet. Three bedrooms at 574 square feet, 20 1/2 x 28 feet. A four-bedroom house 632 square feet, and a five-bedroom house with 750 square feet. Now I am sure that you realize that these house plans do not meet anyone's standard for adequate housing. The point I wish to make is, however, that the residents of East Saint Louis consider them to be adequate for their housing, to be much better than what they were living in now, and to be affordable.

I would seriously question the sociological problems caused by building houses that are quite this minimum, but it does raise the point that "minimum" housing standards are developed not by people who live in minimum houses but by upper middle class whites. As an example, the Committee on the Hygiene of Housing states as a minimum requirement that every room have direct sunlight through its windows. I am not quite sure what they plan to do with the north side of apartment buildings, but obviously this is not a minimum standard for anyone.

The Council developed four plans for low-cost housing, which met the Federal Housing Administration Minimum Property Standards for Low-Cost Housing, and were constructed in a manner and using materials that would guarantee the structural quality of the house, and that would provide comfortable living conditions in terms of heating systems, etc., as well as economical operation and maintenance costs. Two of these houses were built in Champaign-Urbana with cooperation of Clarence Thompson of Thompson Lumber Company and John Barr of Barr and Squires Real Estate, myself, and my boss, Rudy Jones, Director of the Small Homes Council.

The first of these was 24 x 36, 864-square-foot, three-bedroom house. This is the plan and this is what the house looked like during and after structure construction. The exterior was stained

rough-sawn Phillipine mahogany plywood. Battens were added on 16" centers for appearance. The house was built on a slab, with heating ducts in the slab, and outlets under windows, not an overhead system. It had wood windows with combination storms and screens, was as well insulated as in any house in town, but had minimal amounts of kitchen cabinet work and did not have doors on the closets. The construction cost of this house was \$10,250.

A second house, four-bedrooms and 960 square feet, was also constructed to this plan and it looked much like this. Both of these houses were built in Northwood subdivision.

A third plan, a four-bedroom house 1,120 square feet was designed for possible use within the Urban Renewal Area. None of these have been built yet, because we can't find anyone who is interested in buying one. Our fourth plan was for a 28-foot-square 2-story, 4 or 5 bedroom house, with 1,568 square feet. The construction estimate on this house, which also has not been built, was \$15,750.

One of the questions which often is raised with housing of this type is, "What are you doing to the neighborhood?" I wish to submit the following slides, which show the Northwood subdivision, and I think the houses which we built there are entirely compatible with the neighborhood. The subdivision, which is about 7 years old, looks like this.

Now let us talk about that great bugaboo in housing - price. Low-cost construction is not the entire answer. Let me illustrate. With our first house, we had a construction cost of \$10,250. This we add \$2,000 for a lot, making it \$12,250. Assuming this is to be built by a profit-making builder, we add the builder's and the developer's profit, which is very conservatively estimated at 10% of the value of the house and lot. This is \$1,225, making a total of \$13,475. Next is the 6% fee of the realtor, raising our price to \$14,426. The next item on our ever-expanding list is the discount for the mortgage. Because mortgage money is not particularly plentiful at the moment, lenders are charging a 7% discount; in other words you borrow \$1.00 and get .93. This is in addition to their normal interest rate. This adds \$1,077, bringing us to \$15,503. The person making the loan also charges a 1% origination fee for processing the paper work, another \$157. Closing costs, which include the survey of the property, legal fees, taxes, and recording the deed add \$140. Pre-paid expenses, which usually means the first year's premium on the fire insurance, adds another \$50. This gives a grand total for this house of \$15,850 sales price.

Under the Federal Housing Administration 235 program, financing is available to the low-income buyer with a minimum down payment of only \$200. Assuming that the buyer borrows the rest of the money at 7 1/2% on a 30-year mortgage and he is to keep the house for 30 years

and pay the house off, he would have expanded a total of \$39,598.40 for this house that cost us \$10,250 to build. Now of course if he gets an interest rate supplement, his total cost will be reduced, but the total cost to everyone, including the Federal government, will amount to that figure. This means that the construction cost of the house was 25.8% of the total cost of the house over the 30 year period. Financing was 63.1%. This includes interest, discount, organizations costs, and any other charges attributed directly to financing. The difference between these and 100% goes for the lot, realtor, legal fees, etc.

Now about the catastrophe portion of my title. Mrs. White took me very seriously when I mentioned that for a title, and perhaps she was correct. The catastrophe was that once we had our two demonstration houses built, they could not be sold. Not one qualified black family looked at either of these two houses despite newspaper advertising extending over more than a month, and contacts with the Urban League, Family Services, Housing Authority, etc. At the moment, these houses are being upgraded (as we hoped could be done by the low-income owners over a period of time) with the idea of selling them to higher income people, or being prepared for rental to the local housing authority, I am not sure which. The 235 housing program which, as you probably know, involves an interest rate subsidy, is not being utilized by the low-income residents of Champaign-Urbana. 235 commitments, which were highly sought after and everyone thought would be a real solution to the problem of housing truly low income people, are going begging.

We were told that our houses were unacceptable because they didn't have closet doors. Yes, we could have added closet doors, which would have added about another \$600 in sales price. However, this would have priced them out of the reach of some people that we thought could be reached now. The same is true of kitchen cabinets. We could have added more. One of the most consistent comments was that we did not have a garage or central air-conditioning. It has only been within the past year that garages and air-conditioning have been permitted as part of the package for 235. I assure you that the demand for central air-conditioning is going to get a limited hearing within our organization, since at the time we started on this project not one full-time member of our staff had central air-conditioning in his own house. Apparently the low-income people of Champaign have indeed developed champagne tastes. Our efforts have not been confined sole to Champaign-Urbana, and as a result of a program which we gave in cooperation with the Lumber and Building Material Dealers of Illinois and Indiana, the Farmers Home Administration office for the state of Indiana indicates that their applications for low-cost housing has increased by a factor of 5 since this program was given. This is also given in the state of Ohio, but I do not have figures for Ohio and Illinois.

The features of these houses were selected with the aid of many years of experience in working with low-income people on housing problems, including a number of conferences held within the north end of Champaign, Albeit, they were held three or four years ago. It seems, however, that if you take people at their word about what they want and about their need for housing, the result can be nothing but a catastrophe, particularly financial, for the developer.

## AS PUBLIC AID SEES THE HOUSING PROBLEM

\*Summary of a recorded talk by Mr. Vernon Fitch  
Director for Champaign County  
State of Illinois Department of Public Aid

Mr. Fitch spoke on social services that can and should be offered in connection with low cost housing. He said that the biggest lack in new improvement housing, from a large project to a one-lot urban renewal, is education of the new tenant, that is, continuous education. This is particularly true in apartment complexes, he said, for unless tenants are taught how to maintain clean and habitable living quarters, "we end up with marvelous things like Chicago's high rise slums".

Without education of the new tenant or owner, he said, the new housing is likely to be reduced in a short time to the same condition as the old. A continuous education process is necessary, not "a one-shot seminar". A program of education must be "a part of planning for any kind of low income housing that is being done to alleviate housing problems which are already in existence".

Another question that had been presented to Mr. Fitch had to do with legal aid. He said that "this community has a pretty good legal service agency, which is busy day in and day out", but that it needs to be expanded in order to handle what it has to do.

In the first place, he said, anyone needs legal counsel in purchasing a home. Tenants in low cost rental housing also often need legal protection and help. Landlords often take advantage of tenants.

A legal counsellor may be able to enforce compliance in bringing a dwelling up to code standards. There is a state law that says that if a public aid recipient is in a rented home which does not meet local ordinances the public aid department can withhold the rent to force the landlord to fix up the place. The law further provides that action taken to withhold rent under the above provision is its own defense against eviction and against some other forms of harassment.

Nevertheless, an attorney is usually necessary to protect the rights of even a determined client in such actions and in this respect the legal services agency has been most helpful. Sometimes the landlord decides to demolish a property rather than to fix it up. This may not be a bad idea economically but it may leave a family with no place to live. "The number of tar paper chicken coops available to be rented in Champaign," said Mr. Fitch, "has decreased in recent years but some are still there and are still being rented."

\*Complete tape transcriptions on file in LWV office.

The question was asked as to what types of housing are available to public aid clients in this locality. He replied that theoretically all types of housing are available but in practice availability depends on race and on income in addition to public assistance. The maximum rent payment allowed by State law is \$97 per month. If the client is employed he can apply "exempted earnings" to rental payments in excess of the statutory limit. In Champaign-Urbana adequate housing for many families cannot be rented for \$97 per month or less.

Finally, Mr. Fitch emphasized the importance of open housing and the relation of open housing to the need for special services in low income housing areas: "I think", he said, "that the first social service that should be offered is real--I don't mean statue, I don't mean lip service--I mean real open housing. With real open housing you reduce low income neighborhoods to the practical minimum, and you eliminate the necessity of super-special services for the poverty neighborhood because the services tend to gravitate out. Now if we can't have that it becomes incumbent upon us to get services into the low income neighborhood which are in easy reach, for the very simple reason that the person who is in need of low-income housing is also probably in need of some sort of low-income transportation. If he is restricted to his neighborhood, his services, social and practical, like grocery stores and drug stores, need to be within a reasonable distance. He needs health services there, within blocks, not miles. He needs stores and services or he needs transportation. I'll leave this last statement as a thought for later: he needs transportation."

## AS THE UNIVERSITY OF ILLINOIS HOUSING DEPARTMENT SEES ITS PROBLEM

\*Exerpts from a speech by  
Mr. Sammy Rebecca, Director of the Housing Division  
University of Illinois, October 30, 1970, for  
The Champaign County League of Women Voters

I think it has always been the intent of the University to stay out of the housing business. In 1939, the Board of Trustees started out by saying, "We will create a housing office that will list and assist students in finding housing in the community."

Despite this intent, the university is now in a 17 million dollar, 800 employee, 54 million dollar debt operation. But even so the community cannot now meet the demands as they are and have been for some time. Now, this was not the community's fault - I'm not saying that this was all Champaign-Urbana's fault. When we really started building as a University, it was exactly the time when all Universities got into the business of building and that was after the second world war. We put up many, many dormitories, we built some married student apartments, and today we are looking at those dormitories and wishing they were somewhere else, that someone else would have built them because now as times do change, we have different needs, than the residence halls provided, or do provide now, for our students. The problem is acute enough that a year ago the University invested in a market research by the Chicago Real Estate Research Corporation to find out what effect the University was having on community housing.

If you recall, about that time John Lee Johnson, representing a segment of the community, appeared before the Board of Trustees and asked this very question. He accused the University of creating part of the problem of housing shortage and high rents in this community. Well--the results of the survey said, yes, the University has for a fact helped in creating housing shortage and high rents in the community. One of the main factors, of course, was the lowering of the age limit at which students are eligible to live in other than approved housing, that is, University residence halls or approved private housing that we have throughout the community.

As you know, as of mid-1970, building has slumped. On the other hand, the students have a desire to get out and live in different life styles rather than living en masse in large group situations with very restrictive regulations that bind them, repress them to a point where it does affect their feelings towards this style of living. Right now there are probably 1,000 students living in apartments in this community who are under the age of 21, and, according to University regulations, are not eligible to do so. This adds to

\*Complete tape transcriptions on file in LWV office

the problems of not only the low income families in this community, but also of our own University married students and young faculty coming into the community.

I believe that the University will build some housing in the very near future - that the University will try in some way to cooperate with the community to build some housing for the total community.

Second, I am sure that we are going all out to make our residence halls and our University housing accommodations more livable for our students. We can help keep the students in the University housing that we do have, and make it attractive enough, meet their needs well enough, that we will be competitive in keeping these single undergraduates in our University owned and operated housing.

The University hopes to ease some of the problems. If we get into the building end that will ease some of them. Some kind of balance is needed and I think there has been a very definite attempt on the part of the University to do this in the past--to try to keep some kind of balance in the market. Again, if we don't have to build, if the community can provide the kind of housing that's needed for our students and staff, this is fine with us. But again, where we can help the total picture we would be very glad to enter and cooperate to do this.

CREDIT BUREAU OF CHAMPAIGN COUNTY, INC.

Information compiled from an interview With  
Mr. Floyd Bauman and material supplied by him  
Interviewed by Mrs. Richard Moses and Mrs. Robert White

One of the most consumer-maligned services in Champaign-Urbana is the Credit Bureau of Champaign County, Inc., managed by Mr. Floyd Bauman. Consumers seem to blame the Credit Bureau for everything from cutting off their credit to bringing suit against them for non-payment of debts. Let's set the record straight by first stating what the Credit Bureau does not do.

1. The Credit Bureau does not have anything to do with bringing suit against defaulters.
2. The Credit Bureau makes no decisions or arbitrary judgements about giving or denying credit to a consumer.
3. The Credit Bureau does not deal in heresay; it reports nothing that is not verified.
4. The Credit Bureau is not responsible for, nor able to, collect bills for subscribers.
5. The Credit Bureau does not give out information to "just anyone". It is available only to those business firms who prove to the bureau that they have a legitimate need for the information, and to the individual consumer upon request. You can inspect your file.

Consumer credit--through the Credit Bureau is a three-party system. It involves:

1. The consumer--the person who borrows money or who buys merchandise or service on credit;
2. The credit granter--the business which lends money or sells goods or service to the consumer;
3. The credit bureau--the organization which maintains a comprehensive record of the consumer's paying habits and makes sure this record is readily available when and where the consumer needs it.

The reason the credit bureau is such an important part of this triangle is that credit granters cannot afford to sell their goods and services on credit or to extend loans unless they have some assurance that the consumers will keep their part of the bargain by paying as agreed.



This means the credit granter must be assured that the consumer has sufficient income and a good record of paying his bills.

Obviously, not all consumers and all credit granters can be personally acquainted with one another. It is equally obvious that the cost would be enormous if each credit granter had to gather the necessary information on each consumer desiring to purchase goods and services on credit. This would require the prospective credit granter to check with many other credit granters for their credit experience with the applicant. The credit granter might also need to check with the applicant's employer to verify employment. Such a practice would not only make the cost of granting credit prohibitive but would also cause the consumer a great deal of delay and inconvenience.

The Consumer File--The Consumer's file includes:

Proper identification of the consumer including full name, address and spouse's name;  
Present employment information;  
Personal history including the consumer's former address, former employer, spouse's employer, number of dependents, etc.

Credit history, indicating in what manner a consumer has paid his bills in the past and public record information covering lawsuits, judgments and litigation that may have some bearing on a person's ability to pay his bills.

The Credit Bureau systematically records bankruptcies, suits and judgments, tax liens, legal separations, divorces, newspaper clippings, and records of arrest, indictment or conviction of crimes, chattel mortgages or conditional sales contracts.

In reporting such information a credit bureau shall show full details including the date of the item, and whether the disposition or adjudication is shown in the bureau file. In revising a report, the bureau shall make reasonable effort to learn and report disposition of each such item.

The bureau systematically records non-responsibility notices, records of accounts placed for collection, and voluntary notices received from credit granters.

The filing of property deeds and mortgages shall be at the option of the credit bureau.

The Consumer's Right to Know:

The credit bureau provides trained personnel to interview and counsel with consumers during normal business office hours.

The consumer shall furnish full identification and shall sign a statement granting immunity from legal action both to the credit bureau and to its sources of information. The bureau shall then upon request disclose the content and the sources of information in its master file to such consumer.

The bureau shall make any necessary reinvestigation and perform any necessary updating of records (including public records) at no cost to the consumer for the interview or for the reinvestigation. However, in the case of a consumer who has not been refused credit, if a reinvestigation of certain items is required, a modest fee (not exceeding the cost of a revised report) may be charged.

The Credit Granter:

Credit information is available only to those business firms who prove to the bureau that they have a legitimate business need for the information.

These businesses must meet the high standards of bureau membership and contract to protect the confidential nature of the information entrusted to them. They also obligate themselves to furnish information to the bureau for the use of other members.

Thus, it is possible for a credit granter to call the credit bureau and to learn very quickly the detailed paying experience of an applicant with others who have extended credit to that person in the past.

The credit granter, of course, is the only member of the three-party credit system who can decide whether a consumer is to be granted credit. He does so by taking a credit application, calling the bureau and judging the factual information reported against his own set of standards for granting credit. Thus, a consumer may be granted credit by one store and denied credit by another.

The Credit Bureau:

Policies of the Credit Bureau were initiated by Associated Credit Bureaus, Inc., Houston, Texas, the trade association for 2100 independent member credit bureaus, and which have been followed by most credit bureaus for years.

The credit bureau does not make either a recommendation or a decision to grant credit to the consumer. That decision is left to the credit granter.

Credit bureaus, however, have taken steps to assure the consumer, wherever he lives, that his credit record is maintained in a uniform

way and that the information contained in it is recorded in a "Common Language"--objective terminology that cannot be misunderstood.

One advantage of the universal use of this "Common Language" is that consumers are assured that when they move, their credit record can be transferred quickly to their new city.

#### File Retention Procedures:

Whenever it is ascertained that a specified item in the Bureau file is to be reported no longer, such item is to be deleted as soon as practical.

The Credit Bureau reports bankruptcies of all types for not longer than 14 years from the date of adjudication of the most recent bankruptcy.

The Credit Bureau shall delete as soon as practical any item of derogatory information when the source of information can no longer verify the item from its records.

The credit bureau shall report adverse data for no longer than 7 years at which time the file is updated and reviewed.

Through these services the Credit Bureau serves the community and makes it possible for consumers and credit granters to deal with one another in an atmosphere of mutual trust and good will.

#### Note by Interviewers:

The above paragraph is the ideal situation. Currently this is not true on the part of the public. Further work should be done to accomplish this by the Bureau. Lack of trust seems to be predominant.

#### Our areas of concern:

Should the citizen be notified when an entry of derogatory nature is entered on his record with suggestion of how the record may be cleared?

Should a bankruptcy abdication of responsibility allow a new record of credit to be established?

Should a divorced woman be denied credit if her record is otherwise clear?

Should there be a defined time of filing of derogatory credit information? Presently merchandisers are much more reluctant to file than, say, medical collection agencies who file after 30 days in most cases.

If such information is put on a nation-wide computer system, as has been suggested, how could an individual ever start over, or fight a computer to clear his record, especially if a false entry should be made without his knowledge?

## URBANA HOUSING

Presented by Mr. Charles Zipprodt  
Mayor of the City of Urbana

Until this year, Urbana's housing concern centered on the need for low-cost housing for the City's senior citizens. In general, the efforts to aid this housing sector have been varied and successful. The Urbana City Council adopted a resolution urging the County Housing Authority to get authorization for construction of 180 units of housing for the elderly and to apply for planning funds. Twenty units of privately-developed housing units are nearly completed and finally, a non-profit corporation for senior citizen housing was established recently.

But the housing problems and needs in Urbana are far greater than this, and the City recognizes that its past goals and emphases must be changed and broadened. Urbana's Application for Workable Program Certification states that the City has established a goal of providing standard housing for low-income and elderly residents. The City will try to approach this goal in several ways.

First, the City has adopted the State Plumbing Code, the National Electric Code, and the National Fire Prevention Code. At the present time a Council committee is considering recommending that the City Council adopt the (Building Officials' Conference of America) B.O.C.A. Code. These codes give the City the regulations which require that buildings within the community meet certain national standards.

The City is also planning to initiate a long-range systematic housing code inspection program to ensure enforcement throughout the City of the City's codes. This program would incorporate the present method of detecting code violations (by complaint) with community-wide coverage.

The City, through the Champaign County Housing Authority, is participating in the Section 23 Leased Housing Program under which approximately 50 privately-owned housing units are being leased to low-income families at rents which they can afford.

And, in order to provide new standard low-cost housing, the City Council adopted the resolution, mentioned earlier, urging the Housing Authority to get authorization for construction of 300 units of low-cost housing (180 units for senior citizens and 120 units for low-income families). The Council also approved an application for a survey and planning loan for the low-rent projects.

Finally, there are residential areas in the City which need rehabilitation or perhaps, complete redevelopment. With this

recognition, the City Council agreed last June to study possible renewal programs for Urbana. The Planning Commission met several times with the Community Advocacy Depot concerning its ideas for renewal in the City and HUD requirements and procedures. The Urbana Plan Commission recommended that the City undertake a Survey & Planning Application as the first step toward an urban renewal program. The City Council went further than their recommendation by authorizing me as Mayor "to make application for, enter into agreement and execute a survey and planning grant." (Minutes of the Urbana City Council Meeting, Monday, September 21, 1970, p.2).

I have appointed a committee of aldermen to interview consultants interested in preparing the S & P application. These discussions have begun and will continue through November. The Committee will then recommend to the Council and myself one firm which it feels the City should contract with.

At this time, the type of renewal envisioned is residential, with the emphasis on rehabilitation. Depending on later Council decisions, the plans drawn up for the project and Federal determinations, the renewal project could significantly expand the low-cost housing market and bring many existing homes up to a "standard" condition.

Urbana is just beginning to work toward its stated housing goal. The most important thing is that the City's concern for and involvement in housing are growing and changing to meet today's needs.

## CITY OF CHAMPAIGN URBAN RENEWAL PHASE 2

By Mr. Warren B. Browning  
City Manager of Champaign

I want to take this opportunity to thank the Champaign County League of Women Voters for their continuing interest in government, especially for their interest in local government, as well as their interest in housing, which I consider to be one of the major problems of this community. I wish I could report the housing problem in Champaign is solved. You and I know this is not true--although I do feel we have made solid progress since the last housing conference sponsored by the League.

I was asked to speak, today, on the subject 'Urban Renewal - Phase 2'. It would be much more fun to speak on Phase I.

As you know, Project I is, for all practical purposes, completed. About all we have left to do is argue with HUD about the final cost figures and local credits. I feel Project I has been successful. Not that we didn't make mistakes, since I am sure we have made our share. In spite of the mistakes, we have accomplished our goal, which was, simply stated, to provide better housing.

I would like to make it very clear (crystal clear, if I may borrow a term) the City Council, at this point in time, has not committed the City to a Phase II. The Council has authorized the submission to the Department of Housing and Urban Development of a survey and planning application.

This application was submitted to HUD on December 19, 1969. This project, officially designated ILL R-135, is still in the Chicago Regional Office of HUD. Just this week, we were advised they had completed their review of the application and, once a couple of minor questions are cleared up, we assume they will be ready to forward it to Washington.

Champaign's survey and planning application for Project II encompass all of that area lying between Project I and University Avenue and the Illinois Central Railroad and Wright Street. This includes approximately 165 acres, which is slightly more than twice the area included in Project I. The area contains an estimated 696 dwelling units, 603 of which are deemed to be sub-standard. The relocation problem will again be a major one, with 420 families to be displaced.

The Survey and Planning application contemplates an eighteen month planning period and estimates an expenditure of some \$640,000.

The estimated net project cost is \$16,937,900. Based on a 75-25 split, the local share would be \$4,234,475. In order for the City to provide this financing, it will be essential we receive credit for University construction under the provisions of Section 112. This is anticipated to be in the neighborhood of \$3.1 million dollars. Non-cash credits would total some \$362,000 and the cash requirement would be approximately \$719,000. This latter amount would be derived from the .75% of the 2.75% utility tax, which was used to finance the City's cash participation in Project I. We have completed our cash requirements for Project I and leave a balance in the earmarked fund of some \$117,000. Based on current revenue into the fund of some \$120,000 per year, it is reasonable to assume we will have the necessary cash by the end of the execution period which is proposed to be five years.

The feasibility of Project II hinges on two critical factors. First, it is essential we receive credit for University construction under Section 112. The regulations require that 50% of the project area lie within 1/4 mile of the nearest campus building. The proposed area does not technically qualify. There are, however, provisions for an exception. We believe the district office is ready to recommend to Washington that an exception be granted. Should it be refused, Project II, as proposed, is simply not feasible.

The second factor is one of timing and population. Cities under 50,000 population are required to provide one-fourth of the net cost of a project. Cities over 50,000 must provide one-third of the net cost. The population is based on the latest federal census figure. Thus, we qualified for 75% federal participation in Project I since our 1960 census figure was some 49,500. Obviously, our 1970 federal census will be in excess of 50,000. Once the figure becomes official, which will probably be in December, we will be required to furnish one-third of the net cost. This, in effect, will increase our cash requirement from \$719,000 to \$1,320,000, an increase of \$601,000. To provide this amount would require additional taxes.

This, in summary, is where we stand with regard to a second Urban Renewal Project. There has been no commitment by the City Council to proceed with such a project. Before the Council can intelligently consider the matter, we must know what we are talking about in terms of dollars. Our cost can only be estimated after we are advised as to our eligibility under Section 112, and our population status.

Again, thank you for the opportunity to appear today. I hope I have clarified some of the problems facing us with regard to a second Urban Renewal Project.

## SCHOOL FOR HOUSING INSPECTORS

Report on the Workshop in the Theory and Practice of Code Enforcement and Administration. By Christopher A. Moyer, Assistant Professor of Architecture, University of Illinois.

Before telling you about the special program for the disadvantaged conducted this summer, I would like to very briefly identify the umbrella organization for this and other special programs. Four years ago, a graduate seminar conducted by Professor Walter H. Lewis of the Department of Architecture was investigating the impediments in the construction industry that were slowing our efforts to build and rebuild urban America. Identified as major impediments were outdated building ordinances and ineffective enforcement of the codes we have. Out of this need for improvement in the enforcement of codes grew an institute for practicing building officials that is designed to expose the building official to new ideas and efficient methods in the technical, administrative and management areas of code enforcement. This need is further revealed by the Douglas Commission Report (President Johnson's Commission on Urban Problems) that found that only about 15% of communities of over 5000 population have an up-to-date performance-oriented building code. In addition, many of our urban problems can be traced to the absence of municipal housing codes. As we look to the future, municipalities must not only enact, they must enforce up-to-date building codes, housing codes and other related ordinances.

It is then from this original Building Officials Institute that has grown the National Academy for Code Administration and Enforcement, the first educational unit of its kind in America. The Academy provides an expanding series of correspondence courses, special programs tailored to the needs of a community, and institutes in building codes, fire prevention, housing codes, electrical, mechanical and plumbing codes.

The need for personnel to administer and enforce building and housing codes and other related ordinances in every community is critical. The Douglas Commission further points to the inadequacies of training and the absence of proper qualifications for local building officials as a major problem. In fact, many experts have charged that if we had enforced housing and building codes adequately over the years, many of our current urban problems would be minimized. Since many of the current problems in housing code enforcement are localized in predominately black ghetto areas, it is essential that we train code enforcement personnel who are black, who are from other minority groups, or who are underemployed. The opportunity for a great majority of the underemployed, disadvantaged, or minority persons to enter a professional field at the subprofessional level has been denied traditionally because of the restrictive qualifications that have been imposed. At the inspector level, civil service

examinations require applicants to be journeyman carpenters, electricians, or plumbers. While this may be desirable, these pre-entry qualifications are too restrictive. A building official's job function is not as a designer, builder, or repairman, but as a specialized law enforcement officer who sees that those who are engaged in design, building, repairing or demolishing do so within the requirements of the law.

Recognizing these critical needs and problems, the Department of Architecture and the Small Homes Council-Building Research Council working in conjunction with the Governor's Office of Human Resources developed a program whose prime objectives were to provide the opportunity for disadvantaged and minority people to raise their level of living and to provide the needed personnel in code enforcement.

The program is divided into two phases, an institutional phase conducted on the University campus and utilizing the resources and skills of many department and colleges, and an on-the-job-training phase where the trainee works as a Code Enforcement Officer-in-Training under the guidance and supervision of municipal employees. Periodically he is given additional training by the institutional staff in his community and upon completion of the on-the-job training phase, returns to the University for a week of intensive evaluation.

The institutional portion was conducted in a facility that provided for the living, eating, classroom and recreational needs. Course content included technical information in building construction and code enforcement, but in addition, focused on the specialized needs of enforcement personnel by providing instruction in oral and written communications, Federal, state and municipal law, human relations and social action. Individual attention was given by the staff to any educational deficiencies of the trainees.

Funding in the training period at the University was under the Manpower Training and Development Act through funds made available by the Department of Health, Education and Welfare, while the on-the-job training phase is funded by the Department of Labor. Overall administration of the funding is by the Illinois State Employment Service.

The first class of trainees completed the 5 week institutional phase this August and are presently in the on-the-job training phase in 12 cities across the state. If the enthusiasm, interest, diligence and ability to contribute demonstrated by the initial 18 member class is any indication of their ultimate success in being a part of the solution to some of the urban problems, the program itself has to be counted a success. The public relations aspects-in building a communications bridge between the local governmental structure and its disadvantaged citizens will prove invaluable. This program and other like it will continue to be offered in the future as the Academy expands its service to the profession of code administration and enforcement.

Speaking of the program Governor Olgivie said, "These trainees have every right to be proud of themselves. They have done an excellent job of developing skills which will benefit not only themselves but also local and state government in Illinois."

The development of curricular, teaching and training techniques, knowledge and experience gained from this program will be useful and have carryover effects in programs in related areas affecting urban development. Knowledge gained from these courses will have relevancy to: possible future state certification and licensing of Building and Housing Code Enforcement personnel, research and testing for new materials, and a college level curriculum in code administration and enforcement.

REHABILITATION OF HOUSING:  
STRUCTURAL REHABILITATION WITH FEDERAL ASSISTANCE

Presented with slides of work in progress by Mr. William Hall  
Superintendent of the Housing Division  
Department of Environmental Development  
City of Champaign

There is much to be said for Rehabilitation of housing. Some people say it is a waste of money, some say it is the only way to upgrade neighborhoods and environment of the people involved. I personally, will have to go along with the latter.

Rehabilitation is a tool to stop decay, and blight and declining real estate values before they get completely out of hand. When this happens, a clearance program must go into effect and people lose their homes to the demolition machine.

A vital part of the total program in upgrading the City of Champaign is the rehabilitation of older buildings in our neighborhoods. Until recently, one of the major obstacles in accomplishing this goal has been the difficulty of property owners obtaining the necessary financing.

The City of Champaign, in 1967, designated 65.9 acres in what is commonly known as North-East Champaign. This area became Project I of the Urban Renewal Area--of this 65.9 acres--50% of the area was to be in what we call, a conservation area. This means to be saved "if possible" and to rehabilitate the structures within this area.

The Urban Renewal Plan set up standards and guidelines with the help of HUD and F.H.A., which are known as Rehabilitation Standards. These standards are high enough to meet the City codes, but not too high to put a hardship on the home owner. We do not ask the home owner to do things to his home that are not absolutely necessary.

These financial programs are available to help property owners within Federally designated project areas do their part in helping the City reach this goal.

These programs are part of the Housing Act passed by Congress in 1965. They are called Section 115 grants, and Section 312 rehabilitation loans, and are administered locally by the City of Champaign.

In the Project I area, there were 41 rehabilitations. Of these 41, the City bought 13; due to various reasons. Of the remaining structures, 12 qualified for 115 grants or 312 loans. This left 16 home owners that wanted to do the work themselves.

Under this program, up to \$3,500 is available as a grant, (no repayment is required), to help low income property owners repair their properties. The money must be used to correct building code violations and to bring the property up to minimum standards set for the area.

The grant is limited to the owner of a single-family home or a duplex who lives in the building. The owner is eligible if his annual income is \$3,000 or less. An owner whose annual income is above \$3,000 is eligible for a grant if his monthly housing expenses amount to at least one-fourth or 25% of his monthly income.

The actual amount of the grant is the cost of the necessary rehabilitation not exceeding \$3,500.

A Section 312 loan is a loan at 3% simple interest to help owners improve their homes. Up to \$14,500 for each unit can be borrowed to repair the property and bring it up to minimum standards for this area.

The main requirement for a Section 312 loan is that the borrower must have the ability to repay the loan.

CODE ENFORCEMENT: CITY OF CHAMPAIGN

Permits are required for all new building in the City of Champaign and for any remodeling or demolition. Upon acceptance of the permit application, work on the project may begin. Under certain circumstances a performance bond is required. City inspectors routinely inspect the work as it progresses. The inspection program is carried on by the CONSTRUCTION CODE DIVISION of the CITY OF CHAMPAIGN DEPARTMENT OF ENVIRONMENTAL DEVELOPMENT which has the responsibility to enforce compliance with the building, plumbing, electrical, heating, ventilating and air conditioning codes. Stop orders may be issued by this agency and fines for non-compliance may be levied for each day of violation.

The HOUSING DIVISION of the same department is responsible for the enforcement of the housing code, for provision of relocation services for persons dislocated as a result of governmental activity, for administration of federally assisted home improvement programs, and for liaison with the Champaign County Housing Authority.

Upon citizen complaint or under a planned inspection program, a letter is sent to property owners, explaining the purpose of an inspection team and arranging for a time for the inspection which is suitable to the owner. After the inspection, a letter of particulars is sent to the owner, listing violation, if any, what is needed for compliance, and why these requirements must be met. A reasonable time is stated in which the owner must begin his work. If, on further inspection, an effort has been made to comply with the city requirements, an extension of time may be granted. If the owner has made no effort to comply, a letter from the legal department of the city is sent to the owner, again listing the violations. If no action follows, a court order is issued, leading to condemnation.

At this stage some owners will get a demolition permit and wreck the substandard building. If this is not done, the city has the power, under court order, to demolish the structure and place a lien on the property. Between August 15, 1970, and November 15, 1970, seventeen names of owners of substandard buildings were sent to the legal department. Some of the buildings have been demolished.

Citizens displaced because of housing condemnation or other governmental action were formerly aided in relocation by the Relocation Officer for Urban Renewal. Now, since Phase I of the Urban Renewal program is completed, the city's Housing Division is responsible for relocations. The Superintendent of the department works informally with the community's social agencies and the Champaign County Housing Authority to find accommodations.

A housing rehabilitation program (Certified Area Program) was applied for by the Urban Renewal Department. The C.A.P. is now the responsibility of the Champaign Housing Division and is limited

by law to a future urban renewal project area. A five-block area has been approved by the Department of Housing and Urban Development in a section of the Phase II Project. In this section the housing is in good enough condition to justify a future designation as a "conservation" area. Only houses in condition for rehabilitation can be considered, substandard houses do not qualify, and financial aid is limited to owner-occupied properties. Loans at 3% and grants for planned code compliance are available to the residents. Aid in application procedures is available.

In Champaign's designated area, there are 61 residential buildings, about 40 of which are owner-occupied. There are at least 6 families which will qualify for grants ranging to a maximum of \$3500. Another 18 families will qualify for 3% loans payable in periods of up to 20 years. Each residence in a CAP area must be inspected by a team before application for funds, follow-up inspections must be scheduled, and finally the certified repairs must be inspected in progress and as they are finished.

LEASED HOUSING AND TURNKEY PROGRAMS IN PUBLIC HOUSING

Interview with the Executive Director of the Champaign  
County Housing Authority  
Bud Finney, December, 1970

Q. Do you have requests in for other units?

A. We have had an application in since December, 1969 for  
Champaign--1,000 units  
600 family  
400 elderly

Urbana--300 units  
120 family  
180 elderly

Approval has come through for 100 units for elderly in Urbana--  
site approved--hi-rise and preliminary loan approved.\*

We've applied for another 100 units for elderly in the county,  
and for 450 leased housing for Rantoul.

Q. Do you plan new turnkey projects?

A. There are real difficulties in this since the parcels of land  
which developers are able to buy vary so in price. Their  
proposals to us are very different.  
I would like to see it possible for the authority to purchase  
the site, then let all bidders have an equal chance to  
submit alternative plans.

Q. What is Public Housing's responsibility under turnkey?

A. The inspecting architect and checking standards of construction.

Q. Do you use many FHA repossessions for leased housing?

A. They are usually not worth it. Their condition is often poor  
and we have no power to make them fix it, or money to do  
the job ourselves.

Q. Do you feel "turn-key" is an effective approach to providing  
public housing?

A. Yes, because the developer can use sites he already owns, or  
can pick up sites as they become available.  
As soon as it is known that public housing is interested  
the price goes so high we can't touch it.  
The developer can also integrate his architect, sub-contrac-

\*Bids may be out in 30 days.

tors and workman more efficiently across all his projects,  
thereby allowing a lower bid than on on-turn-key public  
housing projects.

Q. When will the 120 units be completed?

A. The delay has been with sub-constructing problems, and tight  
money.

Q. What qualifications do you have for residents in leased housing?

A. They are the same as for our other public housing. Usually  
they are tenants who have been in our other units for a while,  
and who are anxious to move into a single residence.

Q. Under what conditions does a house or apartment qualify for the  
leased housing program?

A. I inspect it to see if it meets the minimum standards. I can  
call on the city inspectors if I need help. We're offered  
many which are in really bad shape, and would be no improve-  
ment over the renter's previous housing.

Q. Where are most of the leased housing units located?

A. They are scattered all over both towns. There is hardly a  
neighborhood which doesn't have one or two. There's not  
much bunching either. But there are none in Rantoul.

Q. What types of units do you accept into the program?

A. All types including mobile homes.

Q. Are the tenants happy in the leased units?

A. Apparently. They seem to be more popular than the regular units.

Q. How many more units might be available?

A. The need is great, and we could take more units under our  
grant, but the vacancy rate is low enough in town that it  
it hard to get them.

Q. Do the landlords seem satisfied?

A. Yes. It is a very good deal for landlords' particularly for  
those who want to be out of town, or don't want to be  
bothered. We handle all the detail, and carry the  
responsibility.



- Q. Is there a minimum number of rooms for units which qualify?
- A. It depends on the size of the family. We have tenants in leased housing ranging from couples to a family with nine children.
- Q. Do you think it would be a good idea for the city to take over public housing?
- A. Whatever the city wants; there would be no argument. It would be a very expensive proposition for the city. They would have to come up with the money to purchase the county's equity in the existing projects and the necessary maintenance and staff would be a greater drain on a smaller authority.
- Q. Are there any developments you would like to tell us about?
- A. Modernization is going on steadily in the units. It's a slow job but we're doing it as we get the money. We have tenant representatives in the units now. Some are real active and others just beginning. I've gone out and had several meetings with them, and welcome the opportunity to meet with them any time. Some come to our Board meetings.
- Public Housing Authorities across the country have been having real fiscal problems in the last four years. Maintenance costs have gone up 20 to 30% in the last four years, but Federal changes have reduced the income to the authority.

MOBILE HOME PARKS

By Max P. Ruppeck; Senior Planner  
Champaign County Regional Planning Commission

I feel that no conference dealing with the issue of housing-- particularly low-cost housing--can be complete without a discussion of mobile homes. Before I explain what is being done on the local level in the area of mobile homes, I'd like to briefly indicate the nation-wide importance of this type of housing and cite some interesting statistics.

Since 1960 a total of 16.5 million new dwelling units were built in the United States. Of these, 2.1 million (or one in eight) were mobile home units. Of the single family units built, almost one-fifth were mobile homes--and last year mobile homes accounted for over a third of all single family units built. Perhaps more significant, however, is the fact that in 1969 mobile homes comprised almost three-quarters of the low cost single family housing produced-- that is housing units costing less than \$20,000.00.

This rapid gain over the past decade is primarily the result of two major trends. The first is the general increase in size and quality of mobile homes which enlarges the market to include families with children. Average sizes of mobile home units have increased from less than 500 square feet of floor area in 1960 to about 760 square feet in 1968. The second factor is the actual drop in cost per square foot of floor area in mobile home units while conventional housings costs have been soaring. The current average cost per square foot for mobile homes is about \$9.00 per square foot as compared to about \$20.00 per square foot for conventional housing.

Due to the present state of local regulations and the general absence of planning for mobile homes thus far it is difficult to accurately assess the extent and character of mobile home development in Champaign County. However, the scale of recent mobile home development is evident locally in Urbana, for example, where 981 mobile home spaces were authorized by the Board of Appeals and City Council since 1968. Furthermore, approval for an additional 700 spaces has been applied for and is currently pending.

Due to this increased activity in mobile home development the cities of Champaign and Urbana as well as the County have requested the Regional Planning Commission to undertake a study of mobile homes throughout the county. The objective of this study is two-fold: 1) to regulate the extent and location of mobile home development in the county and 2) to adopt specific uniform development standards for mobile home parks.

At the present time we have only outlined the scope of this study. We will begin the detailed research into the subject within

the next few weeks. Our initial task will be to get some idea of the characteristics of the people living in mobile home parks, both nationally and locally. Income, family size, employment, racial makeup and educational level are some of the data items we will be interested in. At the present time we are thinking in terms of a survey questionnaire to gather this data.

The next major area of information we are interested in is the mobile home unit itself; its floor area, cost, physical qualities etc.--as well as the quality and size of the mobile home parks in which the units are placed.

Naturally, as planners, we will be interested in the trends which have been set since 1960, both nationally and locally. But more importantly we hope to clarify the problems which have arisen. These problems include the inequities in the tax situation, the lack of adequate planning, zoning, development standards and the general poor quality of local mobile home development.

After all of our background data is collected and evaluated, certain policy decisions will have to be made by the local units of government. These policy decisions will generally provide direction for the future. For example, what total scale of mobile home development is desirable in the next 10 to 20 years? Where should this growth occur--near the interstate highways or integrated in other housing areas? Should mobile home developments serve as "buffers" between other residential uses and industry? What level of quality of development do the local units of government want? We estimate that this study should be complete in the next three to four months. We also feel that this study will constitute one of the most important planning efforts we have undertaken.

## MOBILE HOUSING IN CHAMPAIGN COUNTY

By Mrs. A. O. Dengler  
A Housing Committee Member

- Do you know that more than one-third of all the one-family homes being sold in the United States today are mobile homes?
- Do you know that more than two-thirds of all of the under \$25,000 one-family homes sold in the United States today are mobile homes?
- Do you know that 95% of all one-family homes under \$15,000 sold in the United States are mobile homes?
- Do you know that more than 1000 major manufacturers are now producing mobile homes?
- Do you know that the largest private home builder in the United States is going into the mobile home market for the first time?

### ARE YOU AWARE OF THE IMPACT MOBILE HOMES ARE HAVING IN CHAMPAIGN COUNTY?

1. Who occupies the majority of the mobile homes in Champaign County? According to Mr. Ted Christman, a member of the State Association of Mobile Housing in Illinois, fewer university students than one would anticipate live in mobile parks in this area. Most of the occupants are young families or retired citizens. In the Rantoul area, military personnel are prone to choose mobile housing. As of October 4, 1970, there were 184 mobile homes in Champaign and 400 in Urbana, and in the last year an additional 590 have been authorized, in Urbana School District, Unit 116. An estimate of 1000 of these homes are in the areas surrounding Champaign-Urbana, another estimate of 800-1000 in the Rantoul area and at least 400 or 500 in the Mahomet area.\*

2. Why is mobile home living on the increase?

Quoting Mr. Christman further, "young people today do not want to saddle themselves with 20 to 30 year loans with large interest payments. The life of the average mobile home mortgage is about seven years. Most purchasers of mobile homes use them as a permanent residence by placing them in special parks.

3. How are mobile homes being financed?

Mobile homes are financed by conventional mortgages. They may be insured under FHA if they meet the American National Standards Institute A 119.1 standard.

\*According to 1970 census there are 2,901 mobile home units in Champaign County.

4. What is meant by the A 119.1 standard?

The A 119.1 standard was developed by ANSI cooperating with the Mobile Home Mfg. Association, National Fire Protection and other interested groups. These standards cover plumbing, heating, and electrical installation. A method of identifying mobile homes that meet these standards is the self-certification emblem placed near the door of the mobile home. There is also available a list of approved manufacturers who meet the standard building codes.

5. What should be done to the mobile parks in Champaign County to keep them abreast of National trends?

First, according to HUD Secretary, George Romney, "There is a need to upgrade sites". Also there is a need to improve the image of the mobile home dweller. Utilities should be placed underground. Streets and parking pads should be paved. Policies should be established regarding maintenance. As new trailer parks are developed, they should be placed convenient to shopping centers and through streets. The neighborhood must be kept desirable by providing adequate parking, recreational facilities, mail service, street lighting, and landscaping.

At present, according to John Goodell, Urbana City Engineer, the state controls the zoning, ordinances, and building codes of mobile homes. In 1949, according to Goodell, Urbana had an ordinance regarding mobile parks. It has not been repealed.

6. What legislation needs to be enacted to assure that there is proper and reasonable taxing structure for occupants of mobile homes?

It is anticipated that the legislature will work out some type of taxing structure for mobile homes so residents will pay taxes, since the abolishment of the personal property tax. The average citizen may not be aware that mobile homes are not considered real property unless they are "resting in whole on a permanent foundation". Current comparison of mobile home taxation to that of permanent houses is inequitable and will become intolerable. There is a need for mobile home parks to maintain higher standards, thus maintaining the value of surrounding properties to keep tax bases strong.

7. What other areas need investigation?

Two additional items which citizens should consider are:

- a. Are the laws of discrimination regarding minority groups being ignored?

- \*b. Are state organizations proposing legislation regarding the necessity for a proper and reasonable tax structure?

\*The County Supervisor of Assessments, Joseph P. McNamara, announced March 17, 1971 that Mobile home areas in Champaign County will be assigned assessed valuation of \$100 to \$400 per space this year. To offset the loss of tax income from mobile homes, assessors will increase the valuation of land on which mobile homes are located. Mobile home parks or individual spaces will be put into one of four classifications and assessed at \$100, \$200, \$300, or \$400 per space. The assessment will be made against mobile homes located outside of parks as well as those in parks.

THE REAL ESTATE PICTURE

By Rita Adkisson  
A League member and a real estate broker

FINANCING NEW HOMES

Savings and loan associations are the money institutions most active in financing homes. They usually offer conventional loans for periods of 20-25 years as well as F.H.A. and V.A loans for 30 years. Banks will seldom lend money for longer than 15 years and usually only to their regular customers. In Champaign-Urbana one insurance company and two branches of out-of-state mortgage companies specialize in V.A. and F.H.A. loans. Anyone who has a good credit rating and a regular income these days can buy a house, but that house will be smaller and more expensive than one the same money would have bought several years ago. Construction costs have risen at an alarming rate in the past few years. A conventionally constructed residence on a slab will cost approximately \$13.50 per square foot to build. A 1,000 square foot house which contains only three small bedrooms, a living room, kitchen and bath costs \$13,500 to build, plus \$3,500 for a lot, plus \$1,000 for a one-car garage making a total of \$18,000.

Let's create a hypothetical family to buy this home--a young married couple named Adams, with two small children and an annual salary of \$9,000. If Mr. and Mrs. Adams have \$4,200 in savings (January, 1971) they may buy the home described above by applying for a 7 1/2% mortgage at a local savings and loan association. Buying cost\* will run between \$400 and \$600. The down payment will be 20% of \$18,000 or \$3,600. The payment will be \$116.02 per month on the \$14,400 loan, approximately \$35 per month for taxes and \$7 per month for insurance on the loan, making a total of \$148.02 per month payment on a 20 year loan.

Perhaps Mr. and Mrs. Adams don't have \$4,200 in savings. They can borrow 50% of the down payment by paying an extra 1/2% interest charge on that \$1,800, increasing the monthly payment. They still must pay \$1,800 of the down payment and the closing, or buying cost.

\*"Buyer's cost" includes a service charge by the lending agency for handling the purchase (usually 1%), possibly an appraiser's fee, abstract of title, title insurance, lawyer's fee, revenue stamps and possibly other fees in connection with the sale.

If the Adams family chooses to buy through the Federal Housing Authority (FHA) guaranteed loan program, the down payment is \$700. Again figure \$400 to \$600 buyer's cost. The FHA rate of interest is 7 1/2% plus 1/2% insurance against default, making a total real interest of 8%. (Again, these figures reflect the money market of January 1971). The payment on the balance of the loan is \$126.98, plus taxes, plus \$7 for insurance making a total monthly payment of \$168.98 for 30 years.

If Mr. Adams has ever served in the armed forces and has an honorable discharge he is entitled to buy one house with no down payment. He could finance \$18,000 for 30 years at 7 1/2% under the Veteran's Administration. Therefore his monthly payment adds up to \$125.86 principle, plus \$35 taxes, plus \$7 insurance, making a total of \$167.86. We then can make a table of costs as shown below:

THREE WAYS TO FINANCE AN \$18,000 HOUSE

	CONVENTIONAL 20 Years	FHA- 30 Years	VA- 30 Years
Down Payment	\$ 3,600	\$ 700	00
Loan Amount	\$14,400	\$17,300	\$18,000
Principle and Interest	116.02	126.98	125.86
Taxes	35.00	35.00	35.00
Insurance	7.00	7.00	7.00
Total Payment	\$158.02	\$168.98	\$167.86

\*\*\*\*\*

FINANCING OLDER HOMES

Older homes may be bought by any of the above methods plus one other important method, that is, contract for deed sales. These kinds of sales may be made by any method buyer and seller agree on. The down payment varies according to what the owner is willing to accept and the buyer to pay. The agreements are formalized in contracts signed by both parties and the deed is placed in escrow at a bank until the terms of the contract are performed. Then the deed is recorded.

The simplest and quickest way to buy a home is to assume the seller's mortgage by paying him the difference between what he owes on his home and what he feels it is worth. A man with an \$18,000 home may owe \$16,000 on it. Therefore if the buyer can pay the seller \$2,000 and assume the mortgage, he has bought himself a home and will need little more than \$150 buyer's cost to close the transaction.

BUYING UNDER FHA 235

The National Housing Act of 1968, section 235, makes possible a subsidy to low income families of all but 1% of the interest on a

market rate FHA insured loan. The buyer's portion should not exceed 20% of his monthly income. Income limits are set by the local FHA office, a typical limit could be an income of \$7,425 for a family of 4, or \$8,505 for a family of 6.

The buyer can improve and sell his property; he has all the rights and privileges of any other home owner. However, if he sells his house, the subsidy does not go with the package. The buyer is required to pay the full principle and interest payments. Section 235 only applies to new construction.

**DISCOUNT POINTS**

The longer the term of a loan and the lower the down payment, the less desirable the loan becomes. In order to make FHA insured loans more attractive, the investor (or lender), without breaking present laws that preclude charging the buyer any extra, must charge the seller a fee. This fee (discount points) when passed on to the investor, increases his yield, offsets the undesirable features of the loan, allows him room to pay the mortgage company to handle the collection of monthly payments and thereby makes the deal more attractive to him. Use of the discount point method enables the seller to dispose of his house when he might not have been able to without an FHA or VA secured loan.

**HOUSING SHORTAGE**

A survey conducted by the United States Post Office in the fall of 1970 stated that Champaign-Urbana has a housing vacancy rate of 2.6%, or half the national average.

Significantly, the enrollment in the University of Illinois has increased by 49.2% since 1960. The non-student population continues to grow and is projected to increase in the next decade at an annual rate of approximately 2 1/2% of that recorded during the last decade. If the past is any indication of the future, the housing market will continue to get tighter in Champaign-Urbana with the squeeze felt most by the lower income groups.

A survey authorized by the University of Illinois, conducted by a Chicago research company, found rental rates in Champaign-Urbana slightly above the national average that was developed by the Department of Labor for the Consumer Price Index.

The survey reported that based on a median married student income of \$6,105, a rent to income ratio of about 23% (\$17) would be appropriate. This kind of rental is found most likely in older structures divided into smaller apartments. The newer, more modern units rent substantially above that price.

There is a great need for low cost housing for non-university affiliated persons. Approximately 67-73% of households in Champaign-Urbana have incomes of less than \$10,000. The survey also found quite evident a need for housing for households earning less than \$5,000 per year.

To meet existing and future needs, approximately 850 new housing units a year must be constructed in Champaign-Urbana during the next decade. That figure includes 43 units a year necessary to make up the current deficit of 430, but does not include replacement of demolished homes.

To determine the home purchase capability, the corporation applied a factor of 2.5 to the average household income.

The results of the survey show that:

10%	of new single family dwellings should cost less than	\$ 7,500
15%	" " " " " " " " " " " "	between 8,000-13,000
20%	" " " " " " " " " " " "	" " 13,000-18,000
25%	" " " " " " " " " " " "	" " 18,000-25,000
20%	" " " " " " " " " " " "	" " 25,000-35,000
10%	" " " " " " " " " " " "	" " 35,000 and over

\*\*\*\*\*

**CONCLUSION**

Remember that our hypothetical Mr. and Mrs. Adams required an income of approximately \$9,000 to purchase an \$18,000 home. It is difficult to find an adequate new home for \$18,000. By skimping some builders are able to market a \$16,300 home.

Unless some new methods of housing construction are developed and utilized soon, it appears that even the \$10,000 a year many may be priced out of the new home market. Since Section 235 applies only to new construction it will be difficult for the man with 4 children earning \$7,000 a year to qualify to buy a home adequate for his family, even with the subsidy.

## GLOSSARY

CAC: Citizens Advisory Committee--the vehicle for participation by residents of a given community in federal housing programs.

Fair Housing Law: bans discrimination based on race, religion, color, or national origin in the sale or rental of housing covered by the law.

Leased Housing (Section 23): This is a federal assistance program enacted in 1965 to aid local housing authorities in providing quarters for low-income families in dwellings leased from private owners. The difference between what the low-income tenant can afford to pay for rent and utilities and their actual cost is made up by federal contributions.

Public Housing: Government-subsidized housing for low-income families.

Turn-key Housing: A sum of money is allocated by the federal government for construction of housing and developers submit a package proposal including the purchase of suitable sites, site plan layouts and unit designs. The housing is then turned over to the local housing authority to operate.

Urban Renewal: a federal-local program in which the federal government provides cities with a large proportion of the funds for local programs in planning and redeveloping deteriorated areas.

Workable Program: a broad comprehensive statement of local housing policy and priorities. It must include statements of actions in the areas of planning and programing, citizen participation, codes and code enforcement, housing and relocation. A workable program is a requirement for most federal housing grants.

221(d)(3): (section of National Housing Act)--housing program to increase supply of moderate rentals by providing below-market interest rates to non-profit builders. This program is being phased out by Congress and is being replaced by sections 235 and 236.

Sections 235 and 236: Under these sections of the 1968 National Housing Act the housing is financed by market-rate FHA insured loans made by conventional lenders, and HUD limits its subsidy to making interest payments equal to the difference between the market rate and 1%. Sponsors of these projects are both not-for-profit and profit motivated. Section 236 relates to rental housing. Section 235 relates to individual homeownership.

1971 HOUSING SURVEY  
 CHAMPAIGN-URBANA, ILLINOIS  
 LEAGUE OF WOMEN VOTERS  
 OF CHAMPAIGN COUNTY

An informal study made to send to the national office of the League as a part of the Human Resources study

1. POPULATION

\* Total population----- County----Champaign ---Urbana---Rantoul---Minority  
 163,281 -- 56,532 -- 32,800 --25,562 --- 9.1%

\* Growth rate----- 23.3%-- 14% ----- 20.2%-- 14.7%

\* Income-----Estimated percentage---1970---HUD HOUSING MARKET ANALYSIS  
 Median income after federal income tax deducted---\$8,450

Under ----\$3,000	7%	
\$3,000----- 3,999	5	
4,000----- 4,999	7	
5,000----- 5,999	9	
6,000----- 6,999	9	
7,000----- 7,999	9	
8,000----- 8,999	9	
9,000----- 9,999	7	
10,000-----12,499	15	
12,500-----14,999	10	
15,000 and above	13	

Median income by minority group \_\_\_\_\_(not available)

\* 1970 Census figures

Source of population increase:

Natural family growth

University of Illinois: faculty, student enrollment increase  
 staff and services needed to support UofI

Business and industry growth

Chanute Air Force Base is a large school and training center:  
 personnel, faculty, and services increase  
 population in Rantoul.

Family size by income

\_\_\_\_\_ (not available)

Family size by race

\_\_\_\_\_ (not available)

Projection for growth: at least double in ten years.

Connections by Railpax and two Interstate Highways.

Steady income area due to the University.

Progressive city governments.

11. HOUSING CONDITIONS

Number of Substandard dwellings: } Guess: 1500 in county  
 Codes up to date: Building and Housing codes include } 1970 figures not available  
 requirements for heat, plumbing, electricity  
 screening, etc.  
 Inspections on complaint, or on a planned, area-wide basis.

11.continued.

Public services :

Northern Illinois Water Company serves Champaign-Urbana and environs. Rantoul has a private water company.

Illinois Power Company serves the area. Service available to all. Electric codes strict. Maintenance excellent.

Garbage is collected by private arrangement, with collectors regulated. \$3 a month fee for twice a week delivery to the land fill dumps which are city controlled. Urbana also has twice a week city pick up of large items at curbside.

All Champaign-Urbana roads are paved or hard surfaced with "oil and chips".

A main thoroughfare street lighting program is underway in Champaign. New subdivisions must have yard lights. Urbana has some streets with modern lights. More work needed in this area.

Sewage system is good and improving since a bond issue, but the older parts of town have difficulty. Due to old installations, both cities have been sued by the state for polluting streams. Corrective action is being taken.

111. HOUSING SUPPLY

There was an "Analysis of the Champaign-Urbana, Illinois Housing Market as of June 1, 1970" issued December 1970 by HUD, through FHA. It includes some demographic material on Rantoul also.

Public Housing: Champaign County Housing Authority

Units--	For Elderly	Under Contract -	Elderly
497	120	120	100

Social services are available through Public Aid, Family Service (county) and Children and Family Services (state) Health Center and Champaign-Urbana Health District, Telecare (elderly) YMCA, Boy's Club, School social workers etc.

Qualifications for occupancy: residence, 1 year. Within income limits: some way of paying rent.

Recreational areas: None in unit areas but within two blocks Park District and School District sponsor playgrounds. Park District has a senior citizen program. -- More areas being developed

Are there enough units? There is a waiting list of 350 families.

How many Low income families will not be eligible for Public Housing? None.

Last public Housing was built in 1967; Leased, 1970 Land has been purchased and is under contract for new units. Leased housing is being used for some families. Individual sites are being developed for five bedroom units.

Segregation pattern may be improved with part of new units. Some will be in traditionally black neighborhood. Land costs and units cost were deciding factors for HUD.



Public Housing continued.

Is there a public housing waiting list? yes. 350 at present.  
Do all individual families living in substandard housing earning less than the maximum income allowed for public housing eligibility qualify for public housing? No. Residence requirement of one year inhibits some.

Lack of enough units hinders some.

When was the last public housing Built? Skelton Place for the elderly  
in 1967

What housing construction in the last five years? About 6,000 units.  
Long range plans are made but are not accurate for very long, as private developers bring in subdivision plans, asking for zoning changes, etc.

Are green-space and recreational areas included? We are below national standards, but Champaign and Urbana Park and Recreation Districts are acquiring and developing parks and recreational programs.

Are new housing units under construction for low and middle income families? Construction is being done under 236 & 235 programs by private and non-profit organizations. 72 units in Mt. Olive Manor, 98 units in Bradley Apartments, both in the Urban Renewal area, the first sponsored by Mt. Olive Church, The second by Concerned Citizens-Interfaith Housing Corporation. Many 235 houses are being built and sold in several areas in the Twin Cities. They are reasonably attractive.

#### IV. HOUSING PROGRAMS

Both Champaign and Urbana have Workable Programs for Community Improvement.

Other programs used in the cities:

Rental Housing for Families of Low and Moderate Income (236)

Homes for Low and Moderate Income Families (235)

Rent Supplements

Urban Renewal

Leased Public Housing

#### V. BUILDING CODES AND ZONING

Do existing zoning laws inhibit building of low cost housing?

Do " " " encourage concentration of minorities?

Zoning laws allow for planned developments where usual restrictions may be modified, but required lot sizes and high land costs generally restrict areas of low cost development.

Do building codes inhibit such housing construction by unnecessarily increasing costs? Building codes recently updated.

Are building codes rigid specification type or performance type? Specification type generally used.

Are there occupancy codes? Yes, but loosely enforced.

" " safety and health codes? Yes, Under Minimum Housing Ord.

Are any dwellings overcrowded? Yes.

Are codes and Zoning enforced? Yes, with a few exceptions.

Is enforcement discriminatory? No, but it might seem so to some, as poorer areas require more enforcement.

Some subdividers need more enforcement.

Is relocation provided for people who are evicted by code enforcement? Yes, they are aided in finding housing but funds are available only in an Urban Renewal area.

Is there housing code enforcement for migratory workers? Very few migratory workers through this area. There is no county housing code.

What is the annual budget for code enforcement? Champaign \$31,000  
Urbana, \$30,000.

Building codes and Zoning, continued

Has the budget increased since the advent of the Workable program? Yes,

VI. HOUSING ORDINANCE OR FAIR HOUSING LAW

Is there a local housing ordinance? Both Champaign and Urbana have had Minimum Housing Codes for many years (LWV instituted) Both Champaign and Urbana City Councils have passed very comprehensive Fair Housing Ordinances. Both Housing Code and And Fair Housing Ordinances are adequate. Illinois has fringe rulings and laws, but not as definite as LWV would like. Sate League is working on this. See January Illinois Voter 1971

VII. FAIR HOUSING COMMITTEE

Is there a fair housing committee in the community? Yes, Both Champaign and Urbana have Fair Housing Boards to handle housing complaints. Rantoul has a Human Relations Board and is also influenced by Chanute Air Force Base housing regulations.

Is there minority group participation? Yes.

Is there more than token participation? Yes.

Are there well known citizens in the group? Yes.

Members of the business community? Yes.

Do employers work with fair housing groups? Not directly.

Urban League, Council on Community Integration,

LWV and other private groups also work in this field.

VIII. COMMUNITY ATTITUDES

There have been very few complaints to the above boards on discrimination although there have been many suspected cases. No local case has reached a court.

Board of Realtors: Members are instructed to comply with the law.

Mortgage lenders: Willing to comply in most cases but credit ratings are the big drawback.

With the exception of the \$40,000 up housing, minority families live in all parts of the community.

Are active measures being taken to keep whites in changing neighborhoods? No.

Are there families living in segregated neighborhoods whocould afford to move to integrated neighborhoods provided there was opportunity? There are many families living in segregated neighborhoods by choice. Cost of housing is a big deterrent, a less than 1% vacancy rate in available housing, and social climate are also reasons.

IX. HOUSING---EMPLOYMENT

Are ther unskilled and low skill jobs unfilled in the community? The Stae Employment office 3/31/71 has 46 job openings for unskilled, many part time. There are 550 applicants.

Must low income workers commute? Usually not more than 5 miles.

Is public transportation available? . Some. A referendum passed in 1970 to allow better and increased bus service for the area.

Cost? 25¢ unless taxis must be used.

Are there minority groups represented by employment in the community schools? Yes, administrative as well as teaching positions. Hospitals? Yes.

Service industries? Some, but few.

Construction? Mostly by large construction companies.

Some minority contractors.

X. HOUSING---EDUCATION

What have the trends been in school desegregation? Schools in

Housing-Education continued.

both Champaign and Urbana as well as in Rantoul are all integrated, some by natural neighborhood composition and some by bussing. Urbana bussed children from an all black school and substituted children who had to be bussed anyway, from the University Housing area. Champaign made the all black school into a University-school district sponsored experimental school. Children attending this school are bussed to the school from all parts of the community. Parents register voluntarily to have their children attend.

Special attention for 1971 Housing reports.

FAIR HOUSING

Are local state and federal fair housing laws being implemented?

Yes, as well as can be expected. Some will always avoid compliance.

Are there noticable changes in the community as a result? Yes.

Many more families are moving into owner occupied in many areas. Minority owners are in 1,047 units in the county.

Do you see deficiencies in the fair housing laws or their implementation? No glaring faults.

What role has the League played in seeking progress toward fair housing? The League has been active in this field for many years. See enclosed clipping of an article by Mrs. Gerald Almy.

What successes? See above. What disappointments? Because of HUD requirements, low and medium cost housing had to be placed in an all-black neighborhood. The League worked for integration of all public housing. ~~Some minority~~ all-white units are now all-black because of threats, intimidation and rough living. ~~High rise~~ elderly units are ~~integrated~~.

What advice do you offer on the basis of your experience to date?

There is a need for resident or full time social work in the low cost housing areas.

There is a need for more uniform reporting of credit deficiencies. For instance, many stores wait 90 days, then try to collect, then finally report to credit bureau. Hospitals and doctors turn accounts over to a collection agency after 30 days after no attempt to collect. These agencies report immediately to credit bureau. Many are anxious to buy homes but are deterred by big medical bills.

On this basis, some form of medical aid is needed.

Consumer education and counselling services are needed.

HOUSING PROGRAMS

Some of the form questions in this category have been answered.

Inspections of housing in progress and before occupancy are carried out. Tenant complaints are followed up by the city inspection programs. Owner complaints in 235 have been checked and referred to FHA inspectors.

A CERTIFIED AREA Program of rehabilitation is being carried on. Demolition proceedings have been taken to court successfully, placing a lien on the property for costs.

Substandard homes are inspected, a list of particulars given to the owner with a certain time for compliance.

Fiscal condition of the local housing authority firm, but very little money left for repairs and upkeep.

Brooke amendment, prohibiting charge of more than 25% of income for public housing has only affected a

HOUSING PROGRAMS continued.

few elderly. The rent rate is lower in other cases. Each case is figured both ways to the best advantage of the renter.

Tenant councils have been formed and appear at quarterly Housing Board meetings.

Issues most concerning tenants: teen age gang problems, threats etc. League promoted use of tenant councils, attends, Housing authority meetings.

One of the biggest problems is vandalism of public and semi-public housing. Mt. Olive Manor, a 221-d3 complex across the street from public housing has suffered from this much to the sorrow of the neighborhood sponsoring church.

HOUSING GOALS

Real effort is being made to solve housing needs locally.

The League should attend all Urban Renewal meetings possible, to see that proper procedures are followed, especially since the League is listed as an interested citizen group in Workable Programs.

The League should stand ready with facts to point out housing needs.

Home Owner Upkeep classes should be sponsored or encouraged.

County minimum housing ordinance should be worked for: many low income families have moved to peripheral areas and into mobile homes: 2,901 units are in the county-- 1970 census

A NOTE ON JOBS

A representative from the Employment Office made these remarks:

Of the unskilled jobs, many are baby-sitting or housekeeper jobs that are on the outskirts: presently no bus service.

Many pay only \$1.60 an hour. A head-of-family cannot support his family on that pay.

Many are part time jobs, such as gas station attendants etc.

Many jobs are filled directly by newspaper ads etc.

Many unskilled jobs are snapped up by students or student wives keeping the pay scale low.

A large percentage of jobs are in the food industry, waitresses, bus boys, etc.