

SPECIAL REPORT NO. 19

RECOMMENDED HOUSING POLICIES AND PROGRAMS

For Decatur, Illinois



A Report Prepared For The Decatur City Council
By The Department Of Community Development
City Of Decatur

Municipal Center

Decatur, Illinois 62523

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PREFACE

That a real need exists for greater quantities of sound adequate housing than is currently available for many Decatur families is generally recognized.

The private housing industry is not and can not (without public help and cooperation) provide for the housing needs of most lower income families. The housing industry cannot provide these families decent standard housing and make a reasonable return on its investment.

The City Council has come to the conclusion that it has a responsibility to provide, with which Decatur can follow in meeting housing needs for its lower income population.

With this objective in mind, Council asked staff to recommend a statement of policy and guidelines to meet Decatur's housing needs. The following recommendations are intended to set forth the needs and responsibilities of various agencies and groups to carry out the program and policies.

In response to the Council's expression of urgency, staff prepared the report within thirty days. Many facts essential for a comprehensive analysis simply are not available; at this time the staff has therefore estimated these "facts".

More soundly based and definitive recommendations can be made in December when Decatur's community renewal program is completed. This two-year study will detail more accurately Decatur's needs and programs. It will indicate numbers and types of housing more specifically.

Thus, as with special report thirteen, this brief special report serves the reader as a "taking off" base from which the community can prepare its own housing program.

A RECOMMENDED PROGRAM OF ACTION

Housing programs cannot be successful on a permanent and lasting basis unless underlying social and economic problems and bad neighborhood conditions are also solved.

This program, then, divides into two parts:

Part A: Housing Program.

Part B: Associated Social, Economic, and Neighborhood Development.

Note To Reader:

The City Council urges all citizens and organizations to read, review, debate, and comment on this proposed policy and the attached proposed program by November 13. At that time, a public hearing will be held by the City Council on this policy and the program.

PART A: HOUSING PROGRAM

The 6000 Substandard Housing Units
In Decatur Should Be Removed Or
Remodelled Within The Next Ten Years

Elderly Families Occupy 1800
Substandard Units.

Building 600 to 800 New Units Designed For The Elderly.-- 600 of these can be provided within five high-rise buildings on one site located in the downtown area - possibly on Cassell Hill. The rest can be provided within the scattered-site new housing construction program.

A. Of the 600 high-rise units, 240 should be low-rent units under present income definitions, set for admission to Longview.¹ These should be built by the Decatur Housing Authority (DHA) through the Housing Assistance Administration (HAA) program of the federal government. Another 240 should be for elderly families with incomes above moderate income elderly families. These should be built by non-profit sponsors under 221 (d) 3 three percent loan programs. The remaining 220 units would be in one building for regular-income elderly families.

1. Of the 240 low-rent units, the present application on file with the federal government for 120 units should be built within the first high-rise building starting next spring.
2. The Decatur Improvement Association (DIA) or other non-profit organization should file immediately for the 240 units to start in the 1970 construction season in two more high-rise structures.
3. DHA should file for the second group of 120 low-income elderly units for construction during the 1971 construction season.
4. The remaining 120 high-rise units could be built by private developers, perhaps using FHA or conventional financing. Land costs per unit could help subsidize land costs for the subsidized low and moderate income units also on this tract.

1

"Low-income" defined in this report includes families whose income falls below maximum admission income to public housing (\$5,000 for a family of four). "Moderate-income" is set by 1968 Housing Act programs at 135% of public housing income (or \$6,750 for a family of four). "Regular-income" is any family income above the limits defined for moderate-income families.

B. The 200 remaining units built on a scattered-site basis would be built and sold by nonprofit sponsors.

1. For moderate-income elderly families, about 100 new units would be built located on two types of sites: either four or more units as a rental project (and built under Section 236 of the 1968 Housing Act) or single family units or duplexes (depending on zoning and market factors) for direct resale to low or moderate income elderly purchasers with mortgage payments subsidized under Section 235 of the 1968 Housing Act.

2. For regular income elderly families, about 100 new units designed for the elderly would be built, within scattered low-rise condominiums in small clusters of four to twenty units per site, or rental projects sponsored by non-profit groups or by the conventional market.

Rehabilitating 1000 To 1200 Existing Units Occupied By The Elderly. --

A. Of these, the worst 250-300 units could be purchased, rehabilitated and resold to low and moderate income elderly under Section 235 (j) of the 1968 Housing Act by non-profit sponsors. Of these, 150 to 200 might be sold to low and moderate income elderly families now renting who could own their own homes. Section 235 (j) subsidizes monthly mortgage payments so the low or moderate income family pays no more than twenty percent of its monthly income for these payments.

B. For the remaining 600-800 low or moderate income elderly families, Section 312 three percent loans and Section 115 grants be made to home owners to rehabilitate existing housing. Low-income elderly families may be eligible for Section 115 grants (up to \$3000)--and possible with additional Section 312 loans--to rehabilitate their homes to minimum housing code standards. About 150 of these units may be scattered over the city outside urban renewal projects areas, but would be eligible for loans and grants under new provisions in the 1968 Housing Act. This program would be carried out by the Department of Community Development (DCD).

C. For regular income elderly families, about 150-200 families could be rehabilitated by Section 312 loans within urban renewal or code enforcement areas. For regular income elderly families outside project areas, conventional or FHA loans would be needed to rehabilitate their homes to minimum housing code standards. This program would be carried out by the City of Decatur, DCD, within its renewal program.

Non-elderly Families Occupy About
4200 Substandard Units

About 900-1450 New Units Should Be Built For Non-elderly Families
Now Living In Substandard Housing. --

- A. For low-income families, 400-700 new units should be built.
1. The DHA should build 200-400 new units throughout Decatur as single family residential, duplexes, or in three and four unit structures (in the proper zone). These should be rented to low-income families with rents subsidized by HAA as public housing. The two, three and four unit structures can be sold to one of the occupants under Section 221 (d)2, with the mortgage insured by FHA. At the time of sale, DHA agrees to rent for the length of the mortgage, the other units in the structure from the new mortgagor at market-rate rentals and subsidize rents of tenants by HAA subsidies under the Section 23 leased housing program. The new owner must agree to maintain the property and receives instruction from the Debt Counseling and Home Management Program described on page 21 in this report.
 2. Also, twenty units should be available at all times for immediate occupancy (under Section 23 leased housing program) to families needing emergency or temporary housing. The DHA Executive Director and his assistant should have blanket authority to allow immediate emergency occupancy by such families without prior approval by the DHA commissioners. Occupancy by such families could be reviewed at the next regular DHA meeting. Eligible for such occupancy would be any family suddenly made homeless by eviction, destruction of his home, government displacement, or other action.
 3. Non-profit sponsors could build 200-300 new units specifically for resale as single family units or as a condominium within multiple-unit housing. This would be under Section 235 (j) of the 1968 Housing Act.
- B. For moderate income families, a nonprofit sponsor should build 450-650 new units under Section 221 (d)3, three percent mortgages. (Note: this is being replaced with Section 236 of the 1968 Housing Act).
1. Of these, 200-300 should be built within multiple-unit buildings at a later date after occupancy of Greenwood Manor is completed and a new market established. These should be built by a nonprofit sponsor under Section 221 (d)3 (Being replaced with Section 236 of the 1968 Housing Act--with one percent mortgage interest payments).

2. The remaining 150 to 250 units could be built on scattered sites as single family houses, duplexes, or three and four unit buildings (within the proper zone) under one percent subsidized mortgages under Section 235 (j) of the 1968 Housing Act. These would be built by nonprofit sponsors and sold to occupants or to one of the tenants. The new owner (in two-three-four unit buildings) would continue to pay the one percent subsidy and agree to keep rents low to other moderate-income tenants. If necessary, the new owner is eligible to receive debt counseling and home management advice through the program discussed on page 21 in this report. Nonprofit sponsors would need a basic revolving fund of \$50,000 to complete this phase of the program (150 to 250 units) in ten years.

C. About 50 to 100 additional units would be needed for regular income families moving from substandard housing that is demolished or sold under one of the programs above. These would be built by conventional private builders.

Existing Housing Would Provide 430 Units To Low And Moderate Income Families. --

A. The existing Longview Place should be remodelled within the proposed master site plan (discussed in Special Report Thirteen). This would provide 312 units of low-rent public housing for DHA.

B. The Greenwood Manor Cooperative, when completed, will provide 108 units for moderate income families. This is being managed and built by non-profit sponsors and resold to occupants as condominium housing.

About 2650 To 3400 Existing Units Need To Be Rehabilitated For Non-elderly Low-income Families. --

A. For low-income families, 2000 to 2600 rehabilitated units are needed.

1. About 1300 to 1700 units could be rehabilitated under Section 115 grants (up to \$3000 in rehabilitation costs) and combined if needed, with Section 312 three percent loans. All but about 200 of these most likely will be within one of the renewal or Section 117 code enforcement project areas discussed on page 13 of this report. The other 200 would be scattered over the city outside project areas. This program would be carried out by the City of Decatur, Department of Community Development.

2. About 700 to 900 would be purchased, rehabilitated and resold to moderate income families under Section 221 (h) by nonprofit sponsors. The nonprofit sponsors would need a revolving funds of \$200,000 to carry out this phase of the program (purchase, rehabilitate, and resell 800 units in ten years).

B. For moderate income home owners, an existing 300 to 400 units can be rehabilitated by Section 312 loans and 115 grants (up to \$3000 for lower-income families). Of these, 200-350 would be located in renewal or code enforcement project areas. The other 50-100 units would be located outside project areas. This program would be carried out by the City of Decatur, Department of Community Development.

C. Similarly, Section 312 loans would be available to regular income home owners within renewal and code enforcement areas to rehabilitate 350-400 units. This program would be carried out by the Department of Community Development.

Agencies Carrying Out The Subsidized Program Include

DHA, DCD, And Nonprofit Sponsors

Decatur Housing Authority

The Decatur Housing Authority (DHA) should build 460-660 units, lease twenty units for emergency housing, and remodel the present Longview Place site. Of the 460-660 units, 240 would be low-income elderly high-rise within two buildings, and 200-400 new units for low-income families for possible resale with rental units being leased under Section 23 leased housing. The present Longview Place would be remodelled to contain 312 units under the Longview master site plan.

City Of Decatur, Department Of Community Development

The Department of Community Development (DCD) would assist home-owners in obtaining Section 312 loans and 115 grants for rehabilitating 2700 to 3550 housing units. All but 400 to 500 of these would be within renewal or code enforcement project areas described on page 13

A central relocation officer should be added to the City's staff when the housing program is under way. This person would handle relocation of all families within Decatur's housing program and relocation of all families displaced by any governmental action. Much of the salary of this person can be paid by federal grants.

Nonprofit Sponsors

Nonprofit sponsors would provide 1940 to 2490 remodelled or new housing units for low and moderate income families. Of these, 240 would be for moderate income elderly within two high-rise structures; 350 to 450 would be new units or scattered-site housing for possible resale under Section 235 or 236; 200-300 would be new multiple units for resale as condominiums to low-income families on ten to twenty sites; 200-300 would be built under 221 (d) 3 on three percent mortgages for moderate income families; and 700-900 would be built under Section 221 (h) on scattered sites. Greenwood Manor will supply another 108 condominium units for moderate income families in the fall of 1968.

Nonprofit sponsors would need about \$500,000 in seed money within a revolving fund to purchase and rehabilitate or build units, for resale to low and moderate income families. This seed money, if not immediately available from State and federal sources, might be obtained from a consortium of local financial institutions on a ten-year loan. Loan interest could be repaid by being capitalized in new mortgages. Unpaid portions of such interest in official programs might possibly be covered by the City of Decatur; this would not obligate the City to cover loan default. As an alternative, national organizations offer seed money, technical aid and management advice to local non-profit groups to carry out housing programs. Seed money here is capitalized with final endorsement of mortgages by FHA.

PART B: PROGRAM FOR
ASSOCIATED SOCIAL, ECONOMIC, AND NEIGHBORHOOD DEVELOPMENT

The City of Decatur Should Provide The Central Management
And Coordination Function Equal To The Responsibility
Of the City Council For Maintaining The Quality
Of Housing, Neighborhood Environments, And
Social Conditions in The Community

The City Council should be the
Central agent responsible for the
Community's housing conditions

The City Council is the logical community agent for setting the community's housing policies. It should have the responsibility and authority for seeing that these policies are carried out. HUD usually recognizes in almost all of its programs, the unit of general government as the body through which all housing policies and programs are coordinated. In Decatur's case, this is the City Council.

A. Executive coordination and management of policies of the City Council should be carried out by the City Manager through the Director of the Department of Community Development, and the head of that department's Neighborhood Services Division--The Manager and Planning Department staff should work with DHA, DMCOC, and other agencies in carrying out this program.

B. The Citizens Advisory Committee should be the committee of citizens to review, evaluate and report to the Council on the effectiveness of the program. This review would take place in two ways:

1. Through the CAC's annual review of the workable program. The workable program, by law, must be accepted by Council (by resolution or motion) with each annual submission. Prior to this approval, this program would be reviewed with recommendations made by the CAC to the Council on how the community's housing program might procede in the coming year and evaluate progress made in the past year. The City Plan Commission would review annually conformance of these recommendations to Decatur's comprehensive community plan.

2. Through CAC detailed review of each specific housing and neighborhood improvement program proposal made by any group. The CAC would recommend appropriate action to the Council on each proposal.

The City of Decatur Should Carry Out Two Types
Of Programs: specific "physical development"
projects; and neighborhood improvement
programs

Specific "physical development" projects
should be started in the entire inner
part of the city by next spring.

The city's Title I projects (Torrence Park and Oklahoma) should
be converted to a new program under the 1968 Housing Act-- The
section 501 Neighborhood Development Program (NDP).--Under the
Section 501 NDP, the City of Decatur would begin immediate planning
and project execution in these two areas. Projects could be
completed within five years, rather than the seven to eight years
required for Title I projects, and code enforcement activities
can be carried out within three years, if desired.

Combined Code Enforcement, Spot Demolition and Title I programs--

All the advantages and simplicity of the Section 117 code enforce-
ment program are combined with Title I program elements under the
new 501 program. Code enforcement and spot demolition activities
can begin immediately with considerably less paperwork and delay;
projects can be completed quickly (in almost half the time of
present title I projects). Private developers have none of the
traditional title I restrictions hampering timing and financing
of their own developments. Land purchase can proceed in clearing
up area deficiencies where private enterprise has no plans or
cannot complete the job without public subsidies for new low
income housing or repurchase of land for development.

New Program Works With Private Developers -- The Section
501 program encourages the natural profit incentives

of private developers within renewal projects area more than could title I. The 501 program can schedule necessary future public facilities construction exactly when needed to coordinate with private development construction plans within the project area. Existing private home owners and major property owners wishing to develop or improve their properties can do so without the timing and financial constraints tied to title I projects--or they have the option-at any time-if they wish, to use favorable federal financing within the title I or Section 117 programs. Under the 501 program project residents and property owners are guaranteed public improvements proposed in the project plan since costs of public improvements not installed during the fiscal year must be deposited in cash in escrow until completed.

Every Parcel Not Tied Down To Title I Provisions--Section 501 project plans do not tie down every parcel of property to a specific type of redevelopment requiring purchase by the City as in Title I. Instead, project plans are greatly simplified, stress code enforcement, and spot demolition, while pointing out potential spot clearance area.

Specific Project Activities Made Annually Within Generalized Project Master Plan--Each year (tied in with the City's fiscal year) specific project activities proposed for the next twelve months--both planning and execution--are approved after appropriate public hearings. This allows project area residents and property owners great flexibility and freedom to develop within their own plans and gives them the option of being tied in with federal renewal procedures. At the same time, federal officials are required to approve

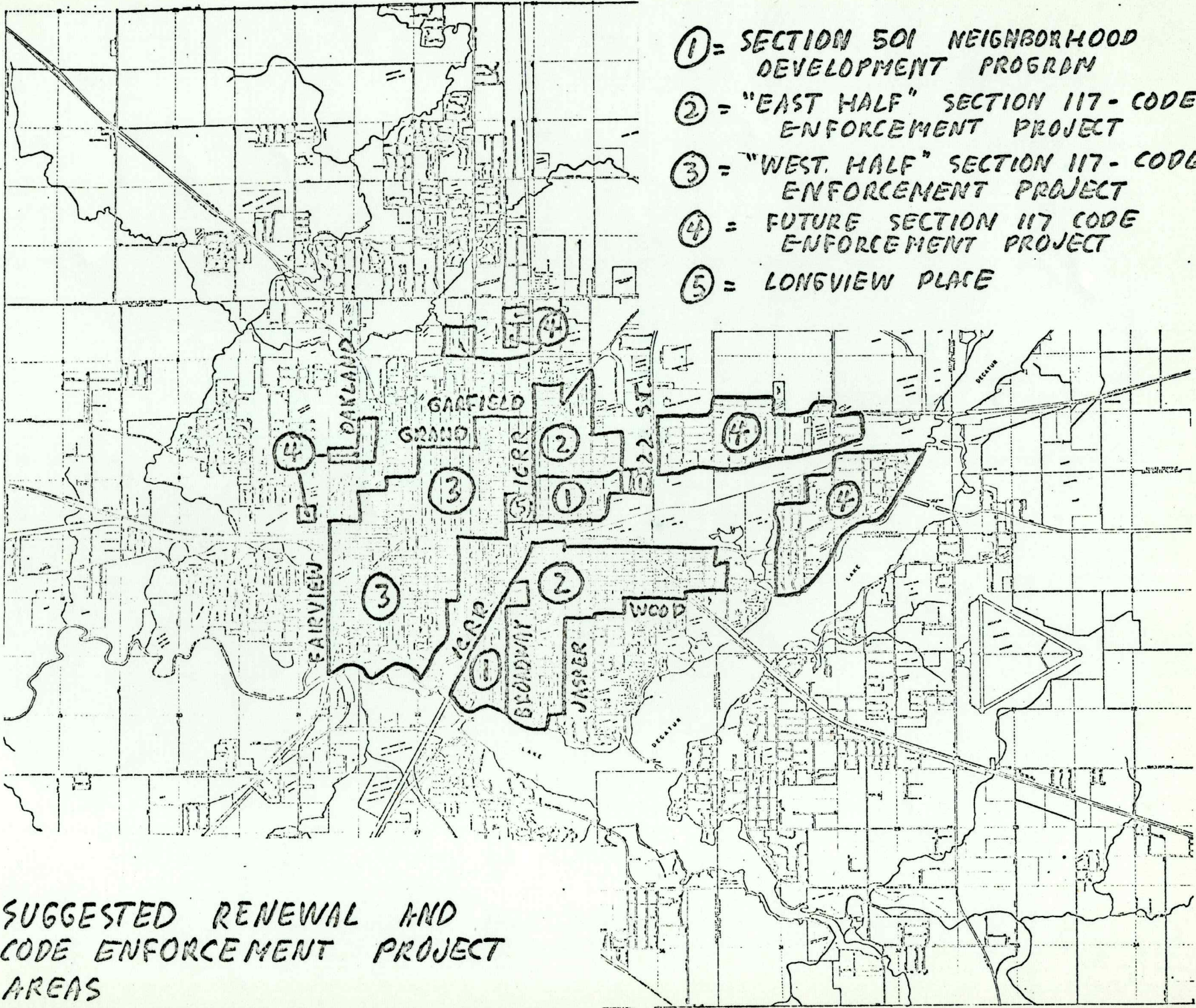
project activities annually before the beginning of the fiscal year, May 1, (Note: This assumes local officials submit their programs ninety days in advance, which would be February 1).

A. For Torrence Park, development should generally be as follows (May 1 to April 30 for years shown below):

1. Before May 1, 1969: the City should apply to HUD for conversion of this title I project to the Section 501 program. Survey and planning activities under way by May 1st could continue as scheduled. Conversion plans must be submitted to HUD--along with any proposed execution activities scheduled during FY 1969-1970--by February 1, 1969.
2. 1969-1970: code enforcement should begin in conservation areas; spot demolition begins; neighborhood improvement programs begin; Jasper Street widening and laying a twelve inch watermain in Jasper Street can take place; private developers can be aided, where desired; zoning changes can be made, and some land acquisition can begin.
3. 1970-1971: code enforcement and spot demolition continue; local streets can be resurfaced; underground utilities installed; private development continues, with associated land purchase; new low and moderate rent and sales housing built.
4. 1971-1972: code enforcement is completed; low and moderate rent and sales housing is built and relocation is under way; street and drainage improvements made.
5. 1972-1973: for areas cleared, redevelopment can continue; rest of land acquired and sold for redevelopment; relocation completed.
6. 1973-1979: redevelopment proceeds. Project is completed.

B. For Mueller Park (Oklahoma), development should generally be as follows:

1. Before May 1, 1969: the City should complete and approve the general project plan and submit it to the federal government along with the first year's project activities by February 1, 1969.
2. 1969-1970: code enforcement, spot demolition, social development programs and neighborhood services begin; major storm sewer repaired; land purchase for private developers proposing can be aided where desired; zoning changes can be made.
3. 1970-1971: spot demolition of worst structures is



SUGGESTED RENEWAL AND CODE ENFORCEMENT PROJECT AREAS

completed; code enforcement and social rehabilitation activities continue; new homes built on scattered vacant lots in code enforcement areas; moving of utilities poles on Broadway completed; housing for elderly under way.

4. 1971-1972: code enforcement can be completed; local streets resurfaced; underground utilities completed; new homes continue to be built on scattered vacant lots in code enforcement areas; housing for elderly under way.

5. 1972-1973: new homes built throughout area by non-profit sponsors; all public facilities completed; elderly housing is completed.

6. 1973-1974: social development activities continue; new housing and elderly housing completed; churches complete expansion. Project is completed.

7. 1974-1979: private redevelopers can be aided within their own programs, if help is desired.

Three Section 117 concentrated code enforcement projects should be used to clean up blighted housing in sound but deteriorating neighborhoods.

Two of the three Section 117 projects can cover the entire inner older part of the city; they should be under way by next spring.--- Section 117 areas must be of sufficient size and scope that code enforcement activities can be carried out in three years. Project areas are almost 100 percent residential with no clearance needed; no land is acquired; Section 115 \$3000 grants and Section 312 loans are available to eligible home owners. The federal government will pay two-thirds the cost of repairing or building new streets in the project area. The 117 project usually involves a minimum of extra cost to the City---generally for code enforcement staff and staff to help owners obtain loans and grants, and relocation staff.

The inner city can be split into two administrative areas described below:

A. The East Half Project Area covers the east half of the

inner city, east of the ICRR tracks. This area is shown on the map on page .The project application should be submitted in February along with the Section 501 application for Torrence Park and Oklahoma, since this project involves adjacent neighborhoods. This project would start next spring and be completed by the spring of 1972.

B. The West Half Project Area covers the west half of the inner city west of the ICRR tracks and excludes downtown Decatur and the Greenwood area. The project area boundaries are shown on the map on page 13 . The project application should be submitted after reviews and approvals are completed for items in "A: above . Project activities could begin in the fall. All project activities could be completed by the fall of 1972.

At a later date, (about five years) concentrated code enforcement can begin in outlying areas.--A Third Section 117 project application should be prepared in 1974 to clean up all remaining scattered smaller outlying areas of poor housing in the City. Under federal laws, Section 117 projects do not have to be contiguous. They must be of sufficient size and scope to be completed in three years-- by 1977 or 1978 in this case.

Every possible dollar of capital improvements spent by local agencies should be scheduled to secure matching credit for federal housing and renewal aid.

Cost of federally-aided renewal and housing programs can be provided through long-term capital improvements normally provided by the City. Federal requirements allow the City's costs of such improvements to be matched two to one by the federal government through federal housing and neighborhood improvement programs. The federal funds are generally used directly for housing and neighborhood improvement. In a sense, local dollars for streets are converted into twice the amount for housing and redevelopment by federal dollars.

Eligible public works include: sanitary and storm sewers, streets, watermains built by the City; major improvements to existing sewers by the Sanitary District; school remodeling and construction by the

Decatur School Board; and playground and park improvements by the Park District.

The net additional amount needed by the City for "non-capital improvements" could total less than \$200,000 per year spread over ten years. Most of this would be within special operating programs designed to provide services to improve housing conditions and neighborhood improvements.

Improvement of poor neighborhood environments
should complement efforts to improve bad housing conditions

1. All junked and abandoned cars in the city should be hauled to auto crushing and baling machines in Peoria, Danville or Alton. Under contract with local haulers, the 1,000 junked cars in the city could be removed. Assuming \$25 per car, this would cost \$25,000, plus \$5,000 for administration. This program could be started throughout the City starting in the next fiscal year at \$10,000 per year for three years. One-half housing inspector would be needed per year.

2. All piles of junk and scrap in residential areas should be removed by the owner. If not removed, the City would clean up the junk and bill the owner (under present City codes). If the bill is not paid, then liens should be placed against the property. This program will require one-half housing inspector per year.

3. The weed control program should be continued. Based on this year's experience, one housing inspector is needed full-time on this program between May and fall, each year.

4. A garbage, rodent and vermin control program should be started throughout the city jointly by the County Health Department, City Housing Inspectors, and the city's garbage haulers.

This program consists of five elements:

1. Contact elimination of rats by spraying with rodenticide, and other poisons and bait placement by County Health Department sanitarians.

2. Inspection for source of rat food supply and requiring owner to obtain garbage hauling service if none exists, and by condemning and replacing or repairing defective garbage cans by sanitarians and city housing inspectors.

3. Vacant property nearby should be cleared or weeds, debris, and junk conducive to rat harborage through enforcement by sanitarians and city housing inspectors.

4. Control of stray animals and advising pet owners of pet habits and cleanliness that may attract an influx of rats.

5. Repeated return and follow-up inspections, enforcement and information to people on maintaining neighborhood health and rat conditions.

The City should contract with the Macon County Board of Supervisors to carry out these proposed programs. This would allow the City to provide the necessary close coordination of special urban neighborhood health enforcement with the City's housing enforcement and the neighborhood services program, while at the same time, not duplicating the functions of the County Health Department and still yet provide full neighborhood health code enforcement. The County would continue to carry out its health code functions under the County Board of Health within the City neighborhoods, receiving funds from the City to carry out these duties.

5. Elderly, unemployed, handicapped, families with other problems (poorly clothed, poor nutrition, inadequate furniture and over-crowded dwelling units, etc.) should be helped on the spot by the City's housing specialist as problems are found, working with DMCOC, DHA, and other agencies in the five project areas. Staff costs for counseling and referral can be funded two-thirds by HUD within the Section 501, NDP and Section 117 programs.

6. Day-care centers and community centers should be provided throughout the inner city. Day-care centers free many low-income families from a poverty cycle by placing their children with nearby day-care centers under heavy subsidy (usually 25¢ per child per day). The mother can take a job, remove herself from public welfare, and provide her children with educational and social opportunities available with day-care centers. Inner-area churches and groups such as Frontiers International should be encouraged to develop such day-care and community centers. Seed money through the City of Decatur should be considered to initiate these programs. Operation of the program must be assured by private sponsors before building any day-care or community centers.

7. Programs such as the present voluntary Saturday neighborhood clean-up campaign could continue and be funded each summer by hiring students from poor neighborhoods through DMCOC neighborhood councils. The neighborhood councils would invite the "clean-up corps" into their neighborhoods to clean-up garbage, move debris, cut weeds, make minor repairs, build and staff small neighborhood tot lots (per much as possible in cooperation with the Park District recreational program). Thirty to forty students from low-income families could be used each summer.

The Decatur-Macon County Opportunities Corporation
Should Help Solve Social Conditions Complement-
ing Housing And Neighborhood Improvement
Programs

DMCOC would be responsible for providing "human services" in two ways: personal family services; and community-wide services.

First contact for personal services.-- After sorting out the tangle of problems unique to each family involved, all available community services are mobilized and contact directly made on behalf of the family to the appropriate public or charitable agency in the community that can solve the family's specialized problems. DMCOC also makes periodic follow-up with each family to make sure the referred services are being adequately provided and the family's problems are on their way toward solution.

Community-wide services to help the poor and minority groups.-- A second major function of the DMCOC is to work within the areas of the community where a poverty syndrome is concentrated. Here, a whole

related network of social and economic problems of families are closely linked to their deteriorated neighborhood.

Under federal policy, the DMCOC-- as the local "Community Action Agency under the U. S. Economic Opportunity Act-- seeks to carry out coordinated anti-poverty programs by helping the poor make best use of existing agencies and to help those agencies best help the poor. At the same time, the agency works with private enterprise to help the poor and to eliminate exploitation of the poor.

City of Decatur and DHA provide
referral to DMCOC and other social
and welfare agencies

The City of Decatur and DHA, as the other two of the three main agencies carrying out the housing program, must agree to provide all possible assistance to DMCOC in carrying out its program in Decatur. Moreover, since DMCOC has established the broadest base of contact with the poor in Decatur, the City and DHA should allow DMCOC to carry out the direct initial face-to-face contact with poor families as such families become involved with the City and DHA.

DMCOC should be supported on a
permanent basis

Since DMCOC is an integral part of the three-agency housing program, it should be assured permanent existence and funding. Presently, most of DMCOC's budget is through federal grants -- which have proven to be, at times, a highly unreliable source of continued funding. To solve this problem, the City of Decatur, DHA, and other community

public bodies should agree jointly that a steady base of local funding of DMCOC should be provided on a formula basis if federal grants fail to continue.

DMCOC should be adequately equipped to provide certain housing services to poverty-ridden people

1. Helping to solve landlord-tenant problems, avoid eviction notices, and teach tenants, where necessary, duties and responsibilities for housing care and debt management. This program can be funded completely under Sections 237 and 238 of the 1968 Housing Act.

2. Help make emergency housing repairs by providing solution to the myriad of problems that can occur-- who to contact, and what can be done to get the repairs made quickly and effectively. In some cases, the Department of Community Development should be available either to require the owner to make necessary repairs or to have the repairs made and bill the owner for cost of repairs.

3. Direct contact with the DCD relocation officer is necessary to provide relocation in emergency cases or in cases of especially despicable living conditions. These families would be moved as fast as possible into DHA's interim housing--usually within a couple of hours after first contact with DMCOC. This service should be available 24 hours a day, seven days a week.

4. Information services and out-reach programs should help poverty-ridden families to learn to deal with the community's housing market. The DMCOC has the important role in trying to help individual families in deciding which housing program (described in Part A of this report) would be most helpful. Each family would be referred to

the proper housing agency. Families would be counseled in meeting mortgage and other housing commitments--possibly within the debt counseling and home management program described in item one, above.

5. Promoting equal opportunity in housing and helping to overcome discrimination problems by counseling, referral to the Director of Community Relations or referral to the Decatur Human Relations Commission should be carried out by the DMCOC.

PROPOSED RESOLUTION OF HOUSING POLICY
BY THE DECATUR CITY COUNCIL

WHEREAS, it is recognized that decent, safe and sanitary housing in a satisfactory neighborhood should be obtainable by all within their ability to pay, and

WHEREAS, there exists in Decatur real needs for greater quantities of sound adequate housing than is currently available for many Decatur families; and

WHEREAS, the private housing industry is not and cannot provide for the housing needs of most lower income families while making a reasonable return on its investment without public help and cooperation;

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The Council declares its policy is to attain these objectives by utilizing the influence, authority and resources of the City toward the end of bringing about increased availability of adequate, sound, decent and proper housing within clean, liveable, safe and healthful neighborhoods for all citizens;
2. Toward this objective the Decatur Housing Authority is urged to build or rehabilitate sufficient housing to meet the needs of low income and elderly families living in Decatur, who qualify for public housing and specifically to complete the Longview Place Master Plan within the next five years, to plan and build the 120 units of low rent housing designed for the elderly applied for within a federally-assisted

program as speedily as possible; to apply for the reservation of funds without delay for at least 200 additional units of public housing for families and to proceed with this construction with all due haste.

3. The social, civic, religious, and business institutions in the community are encouraged to create non-profit organizations that will sponsor the construction or rehabilitation of housing units for low and moderate income families, using necessary federal and State loans, grants, technical aid and management advice to carry out these objectives, and in cooperation with public agencies and private institutions to start this housing program as soon as possible;
4. The private construction, real estate, trade and financial institutions in the community should make available and are urged to make any necessary arrangements for the construction, rehabilitation, and financing of housing units and to provide, make available and encourage the use of loans, insurance, and technical advice of these private institutions to meet the needs of Decatur's low and moderate income families
5. The City of Decatur, in turn, will consider application to the federal Department of Housing Urban Renewal for federal financial assistance for carrying out programs under Section 501 of the Housing and Urban Development Act of 1968 and Section 117 of the Housing and Urban Development Act of 1965 covering the entire inner older section of Decatur by next spring; where, through these programs, the City can carry out code enforcement of sound but deteriorated homes, spot demolition of unsound dilapidated houses, and minimum selective clearance and redevelopment of those areas preventing

the permanent, long-term, and lasting success of the City's housing program in nearby locations, and provide necessary loans and grants to minimize or eliminate hardship for involved owners or tenants; moreover, the City will seek to strengthen and improve compliance with health, nuisance, housing, building, and zoning codes and ordinances, and to improve and maintain the quality of the neighborhood environment along with improvement of housing in Decatur.

This Policy Is Proposed By
The City Staff

Note To Reader:

The community renewal program is now being prepared for Decatur. It will propose, by December 19th, 1968, more soundly based and definitive recommendations than those contained in Special Report Nineteen in terms of the number and location of housing units for low and moderate income families, and more precise accurate projections of housing needs for these families, including more detailed and precise recommendations for eliminating blight and deterioration in Decatur's neighborhoods.

APPENDIX: A GLOSSARY OF FEDERAL PROGRAMS

Used For Housing And Renewal

Low-rent public housing program, 1937 and 1949 housing acts, as amended. -- This is the traditional public housing program. The local housing program is carried out by a local housing authority -- the Decatur Housing Authority -- in Decatur's case. The federal government through the Housing Assistance Administration of the U.S. Department of Housing and Urban Development (HUD) subsidizes all additional costs of Decatur's public housing program beyond rentals received at Longview Place. Longview rentals, income admission eligibility, and administrative policies are set by DHA under federal rules and regulations. The federal government periodically reviews and audits DHA's program. DHA charges 21.8% of a family's income for rent.

Section 23 leased housing program, 1965 Housing Act. -- This is a low-rent public housing program where the public housing authority (DHA) leases substandard or regular housing from the private market. Low-income families occupy the units under the same rental and other policies applied to Longview Place tenants. DHA pays the owner the difference between the market-rate lease and the rent paid by low-income tenants. HUD pays subsidies the rent payments where necessary. Substandard housing leased under the program is rehabilitated under federal subsidies.

Title One Urban Renewal, 1949 and 1954 housing acts, as amended through the 1968 Housing Act. -- This is the traditional urban renewal program. It allows the City to acquire needed (but not necessarily all land) within designated project areas. Land purchased can be cleared and sold to other private or public redevelopers

who build on the site according to the urban renewal plan. Alternatively, code enforcement activities can take place and no land necessarily needs to be acquired in the title I project. Title I projects take about eight years to complete. All planning activities must be completed before project execution can take place. The program is carried out by the Department of Community Development.

Section 115 grants, 1965 Housing Act, as amended by the 1968 Housing Act. -- This program provides direct grants to low-income (\$3000 to \$3500 family income per year) home owners to rehabilitate their homes to code standards. The grants can be supplemented, if needed, with Section 312 loans. The program extends to title I, Section 501, or Section 117 project areas, and is administered by the Department of Community Development of the City of Decatur. In special cases, grants can be issued outside project areas.

Section 116 program, 1965 Housing Act. -- This is the spot demolition program, now being completed by the City of Decatur. HUD pays two-thirds the City's cost of actual demolition of structures where property owners do not repair or demolish the structure himself under City orders. The City obtains, through court hearing, the right to tear down the structure. Liens recovered by the City upon payment by the property owner or by foreclosure help defray the City's administrative costs for running the program.

Section 117 program, 1965 Housing Act. -- This program provides two-thirds the cost for staff administration, code enforcement activities, and counseling of home owners to make repairs and help owners obtain loans and grants, and two-thirds cost of new streets and street-related improvements. The project must be carried out within three years and need not be geographically contiguous. Project areas include sound neighborhoods, almost completely residential

and solidly built up, needing only intensive code enforcement. The program is carried out by the City of Decatur, Department of Community Development.

Section 221 (d) 2, 1961 Housing Act, as amended by the 1968 Housing Act. -- This FHA mortgage program allows low or moderate income tenants to purchase two, three, or four-unit buildings where the mortgagor will occupy one of the units. Mortgages can be insured by Section 237 and 238 programs.

Section 221 (d) 3, 1961 Housing Act, as amended through the 1968 Housing Act. -- This program comes in two ways:

A. Three percent below-market-interest-rate (BMIR) program: Housing is provided for moderate income families (not low income families) through three percent loans to nonprofit sponsors to build housing. Greenwood Manor is a 221 (d) 3 condominium project--where each apartment is sold to the occupant with an undivided interest in the hallways and grounds. This program is being replaced by the Section 236 program, 1968 Housing Act. Mortgages are purchased by the Federal National Mortgage Association (FNMA), a federal financial institution.

B. Market-rate interest rate program: Housing is provided for low and regular income families under market-rate insured loans to builders. Low income families can occupy the housing by rent supplements paid to the mortgagee by HUD. The 1965 Housing Act creating the rent supplement program where the going market rate on the family's share of mortgage payments (as rent to the owner) is subsidized to the point where the low income family pays no more than twenty percent of its gross income in rent to live in the project. Mortgages and rent supplements can both be paid over a forty-year period.

Section 221 (h), 1966 Housing Act, as amended by the 1968 Housing Act. -- This program allowed nonprofit sponsors to buy any type of substandard housing unit (a minimum of four units at a time are required), rehabilitate and resell the units to low and moderate income home owners, one unit a time, if desired, with three percent mortgages. Mortgages were purchased by FNMA. Amount of mortgages held by FNMA was limited by FNMA funds allocated by Congress. The

The Section 221 (h) program is being replaced by Congress with the Section 235 program. Non-profit sponsors of the 221 (h) program must have a pool of seed money with which to buy houses for rehabilitation. Money is returned to the pool when the house is sold to a low-income purchaser. FNMA buys the mortgage and the money comes back into the sponsor's pool of seed money; here it is used to buy another house beginning the cycle all over again. The larger the pool of seed money, the greater the number of houses that can be rehabilitated at one time.

Section 235, 1968 Housing Act. -- This program allows direct home ownership by low or moderate income families. These families obtain a regular market rate mortgage (insured by Section 237 FHA funds) with HUD paying the difference between the market rate payment for principal-interest-insurance-taxes and twenty percent of the family's monthly income. Maximum and minimum eligible family incomes are established for the size of mortgage (i.e., a family making \$4,000 cannot obtain a mortgage of \$50,000) paid as the difference between the mortgagee's market-interest rate and as low as one percent interest on the mortgage. Mortgage terms are three percent down, up to forty year term of loan.

Section 235 (j), 1968 Housing Act. -- This program allows nonprofit organizations to build any type of housing for resale to low and moderate income families. The one percent mortgage obtained by the sponsor blankets all units to be built within the project and as each unit is sold, the new owner takes that part of the mortgage equal to the value to his housing unit. The owner either takes over the mortgage on a house or duplex, or buys his apartment in a multiple-unit condominium. Mortgage is insured by FHA, under Section 237, if needed.

Section 236, 1968 Housing Act. -- This program replaces the 221 (d) 3 BMIR program. It will reduce the three percent interest rate to one percent on mortgages. Lower mortgage payments will be passed on to tenants as lower rents. Units can be sold as condominiums to tenants. Mortgages will be obtained from conventional financial sources and are insured by FHA. HUD pays the subsidy between the going market interest rate and the one percent program rate to the mortgagee. Section 221 (d) 3 mortgages are purchased by FNMA.

Section 237, 1968 Housing Act. -- This program subsidizes costs through contracts with a private or public sponsor in the community who provides budget, debt and home management counseling services.

Section 238, 1968 Housing Act. -- This section creates a fund for use of FHA in insuring mortgages-held by low and moderate income families--who must likely are bad or dubious credit risks and may have bad employment histories. This program can be applied to 221, (d) 3, 235, 236, and 237 and other FHA and HUD programs. The Section 238 fund is the first FHA fund established by Congress that is not intended to be actuarially sound.

Section 312 loans, 1964 Housing Act, as amended by the 1968 Housing Act. -- This is a loan program for home owners and businessmen in title I, Section 501, or Section 117 project areas. Three percent loans are available to home owners in the project area to finance costs of rehabilitation needed to bring their housing up of local housing code standards. These loans can refinance present mortgages down to the three percent rate (and insured by FHA).

Mortgages terms are set so that home owners pay no more than 20 to 25 percent of their income in mortgage and rehabilitation payments. Administration of the loans, and help to home owners is available to complete the loan by the City of Decatur, Department of Community

Development within a title I, Section 501, or Section 117 program.

In special cases, loans can be made outside project areas.

Section 501 Neighborhood Development Program, 1968 Housing Act. --

This program modifies the present Title One Urban Renewal program. The community can either use the title I program or the Section 501 program. This program greatly simplifies the title I program, with less complex paper work, quicker review and approval procedures, and allows both the local community and federal government to schedule 501 project activities exactly to the day (if desired). Instead of all planning being completed before project execution, can start, as in title I, Section 501 allows some planning and execution to start immediately within the project area. Such activities can be programmed based on the City's fiscal year and are updated and carried out on an annual basis. A greatly simplified project plan relates all detailed annual proposed project activities to overall objectives for the project area. Section 501 projects should take about five years to complete.

COMMUNITY HOUSING SURVEY

I. Population

- Total Population?** 131,200 for the metropolitan area (estimated 1968). In 1960 it was 118,257.
- Minority Group Population?** Negroes are the only racial minority group in Macon County. In 1960 there were 6,086 negroes in Macon County or 5.1% of the population.
- Income?** The 1968 median income is \$6,692, about 16% below the state average and somewhat below the national average. In 1960 it was \$5,943 broken down as follows: Under \$3,000--4,777 families - \$3,000 to \$5,999--21,231 families - \$6,000 to \$8,999--9,339 families - \$9,000 to \$9,999--1,653 families - over \$10,000--4,433 families.
- Median income by race or minority group.** No breakdown of income figures by race is available but negroes hold a very small percentage of the type employment which usually pays well so they would be at the lower end of the scale to a large extent.
- Family size?** In 1960 there was an average of 3.15 persons per household.
- Source of population increase?** There was a natural increase of 16,000 between 1950 and 1960 (surplus of births over deaths). More recent figures are not available. There was a 3,000 increase by net migration between 1950 and 1960 (difference between number of persons moving into and out of the area). About 33,000 persons moved in while 30,000 moved out. Two-thirds of the in-migrants came from other places in Illinois, about one-quarter of the in-migrants were transferred here by their employer. A high percentage came from the nearby counties. The majority of in-migrants have been families headed by a father aged 35-39, while out-migrants have been more heavily concentrated in the 15-25 age range. The negro population was nearly as stable as the white population between 1950 and 1960, accounting for only 3% of the total gain due to in-migration.
- Projection for the next 10 years?** The estimate is that by 1978 the Decatur metropolitan area will have 149,400 persons but no breakdown by race is available.

II. Housing Conditions

- How many dwellings are substandard?** In 1960 5,593 housing units were substandard, of which 1,114 lacked some or all plumbing facilities.

Community Housing Survey - Page 2

14% of the white population lived in "deteriorating or dilapidated" housing, while 50% of the negro population lived in such housing. This percentage may have changed slightly because of an Urban Renewal project which compelled a number of negroes to move but still there is a huge inequity in this area.

Are public services available: Garbage Collection?

Cost is \$3/month per household. There is no municipal service, private carriers are licensed and assigned to specific areas. There is no service available for those unable or unwilling to pay \$3/month.

Rodent control is a problem in Decatur; no effort is being made to control rodents on private property. The County Health Director was questioned on this and thinks the block clubs and neighborhood workers under the Community Action Program should educate people on getting rid of rodents and keeping them away.

Street Lighting?

Good in nearly all of the incorporated area.

Paved Roads?

All streets inside the Decatur city limits have some sort of paving but in many of them it is in poor shape. However, not all areas of poor homes have bad streets and some bad streets are found in areas of good homes.

Good sewage system?

System needs improvement. Storm sewers are totally inadequate in many areas. Certain streets flood whenever a heavy rain falls and water in basements is a common occurrence. This occurs in homes in some of the better areas of the city as well as the poorer areas.

II. Housing Supply

Has there been an FHA market analysis of the community?

Yes. Figures included were as of June 1, 1965. The housing market area covered the entire county and represented a total of 41,050 units. 2250 units were vacant. 72.2% of the units were owner occupied, 27.8% occupied by renters. The median annual income for all families was given as \$6750 by this survey with a median of \$5325 for families renting their dwelling. 32% of the renter families had income below \$4000, only 5% had income above \$12,000. It estimated 500 housing units would be needed annually, 425 for sale and 75 rental. In 1968 renters occupy 20% of the housing in the Decatur metropolitan area. In the near future it is expected that there will be a large market for rental housing and for about the next 5 years a larger proportion of multi-family structures are expected to be built.

Community Housing Survey - Page 3

By 1973 it is estimated that 31,600 out of 47,400 units will be occupied by owners; 13,500 by renters. However, throughout the next 25 years it is predicted that the majority of Decatur residents will continue to live in single-family homes.

Nearly half the housing units are over 40 years old with 20% over 60 years old. About half the substandard housing in Decatur is occupied by families or individuals with incomes under \$4,000/yr. About 25% of the substandard housing is occupied by elderly couples or individuals who often have too small an income to maintain the property.

Is there public housing in the community?

Yes

How many units?

434 units.

What are qualifications for occupancy?

There are limits on the amount of income a tenant may have, depending on the number of persons in the family. Maximum for entrance ranges from \$2,500/yr for one person to \$6,000/yr for a family of 9. Maximum for continued occupancy is \$3,100/yr for one person and \$7,200 for a family of 9. Other qualifications for occupancy are not spelled in definite terms, a 6-month residence in Macon County is required. There has been some local controversy about admissions.

How much is housing for the elderly?

About 200 units are occupied by elderly families or individuals.

Are social services offered occupants?

Well-child clinic is held periodically at the project. There is no clinic service in Decatur, other than this. Self-start, a learning group for pre-school children, which mothers are required to attend with the child, is held at the project. This started under the local Office of Economic Opportunity but is now a United Fund agency. The Family Service Agency offers counseling services. Planned Parenthood has held some meetings and at times, pre-natal classes have been held. The YWCA has a unit recently started as a demonstration center and meeting place.

Are there recreational areas? For adults as well as children? Who are sponsors?

There are three recreational rooms with kitchen area, which are used for meetings, wedding receptions, birthday parties etc. There is some playground area but facilities are fairly limited. There is no group sponsoring recreational activities.

Are there enough units to house qualified families of all sizes?

No.

Community Housing Survey - Page 4

Is there a public housing waiting list?

There is a long waiting list of elderly persons wanting units all on the ground floor. There are not enough 3 and 4 bedroom units for large families who meet income requirements. Some persons who have low incomes and might be admitted do not care to apply as they do not like the conditions in the project.

Do all individual families living in substandard housing earning less than the maximum income allowed for public housing eligibility, qualify for public housing?

No. There is no information as to the number of low-income families who are not eligible for public housing. Admission standards are not clearly defined, according to the director, so it would be impossible to get any exact number.

When was the last public housing built?

Decatur's only public housing project was completed in March 1943.

Is there land available for further public housing construction?

The Housing Authority does not own any more land but have options on some. They are working on plans to construct 120 units for the elderly. Applications are being prepared for 400 new family units, 200 additional units for the elderly and 50 units to be rehabilitated. The family units are to be low-density and include some leased housing. Locations indefinite at this time.

Will the projected location further or inhibit segregation patterns?

No conclusions possible.

What has been the history of housing construction in community in the last 10 years?

Between 1950 and 1960 the housing supply increased about 25%. In 1960 about 75% of the housing was in single-family homes, up from 68% in 1950. A good deal of the building during this time was in recently annexed areas of the city of areas adjacent to the city (suburban type areas). Only since about 1966 has there been any appreciable number of rental units built and it is expected that quite a few more multi-family structures will be built in the next 5 years, with the trend diminishing after that.

Are there development plans drawn for the next 5 years, 10 years, 20 years?

A 10 year plan calling for building from 1500 to 2250 new units and remodeling 3750 to 4500 units was proposed by the Community Development Dept. late in 1968 but has not been adopted in its entirety. A policy resolution was adopted and application has been made for some of the units.

Community Housing Survey - page 5

For what rate of population density do these plans provide?

The 10 year plan provides only for the removal or renovation of the estimated 6,000 units of substandard housing now existing. The new units involved would be for those families now living in units which are not worth renovating. Predicted growth in population is about a 40,000 increase in the next 20 years, making a total of 171,800 by 1988 if estimate is correct.

Has sufficient land been set aside to adequately carry out projected plans.

Plans are to keep land acquisition by the city to a minimum. Since a large portion of the units are planned as scattered-site housing, land probably would not be a problem. The present park system could continue to serve a portion of the need for outdoor recreation.

Are there new housing units under construction for low and middle-income families?

No housing units for low-income families are now under construction. A condominium of 108 units for moderate-income families is near completion. It would appear that it would be most appealing to middle-aged or elderly persons without children living at home. It is located near the downtown area in land which was part of an earlier urban renewal project. A private contractor formed a limited dividend corporation to build this condominium.

There is a need for this type housing but a much greater need for low-income housing. Sales have gone well, so they must be attractive to a number of people.

IV. Housing Programs

Is there a workable program for community improvement in the community? Yes, approved December 1968.

Is community taking advantage of Housing and Urban development programs?

Yes. The condominium mentioned above was built under 221d3. If plans are carried out, 221d2 and 221h will be used. One project was completed under Urban renewal with two other Urban Renewal projects planned.

V. Building Codes and Zoning

Do existing zoning laws inhibit building of low cost housing?

Probably not. Annexation has brought many of the newer areas into the city where they are subject to the same regulations as the older sections.

Do building codes inhibit such housing construction by unnecessarily increasing costs?

Not necessarily but construction costs are high here.

Community Housing Survey * Page 6

Are building codes rigid specification type or more flexible performance type codes?

A combination of the two is used. Code has recently been updated based on national standards.

Are there occupancy codes?

Yes.

Safety and Health Codes?

Yes.

Are any dwellings overcrowded?

Yes.

Are codes and zoning enforced?

Yes, within limits of the staff provided.

Is enforcement discriminatory?

No.

Is relocation provided for people who are evicted by code enforcement.

Yes. They have priority on admission to public housing if desired. Help will also be given in finding housing in the private sector.

Is there housing code enforcement for migratory workers?

We do not have migratory workers in this area.

What is the annual city budget for code enforcement?

\$60,000

VI. Housing Ordinance or Fair Housing Law

Is there a local housing ordinance?

Yes, adopted February 1968.

Is there a state fair housing law?

No.

If so, what are enforcement provisions?

The Decatur fair housing ordinance contains no provisions for enforcement. The Human Relations Commission can receive complaints and do some investigation but have no power to subpoena witnesses, ask for injunctions etc. and have no funds for enforcement procedures. The coverage of the ordinance is excellent, it is unfortunate that enforcement was not included.

Should steps be taken to improve housing ordinance or fair housing law?

Yes. Effective procedures for enforcement are needed.

VII. Fair Housing Committee

Is there a fair housing committee in the community?

No. The above mentioned Human Relations Commission has minority group representation as well as various other groups represented among the 13 members.

VIII. Community Attitudes

See insert for this information.

IX. Housing--Employment

Are there unskilled and low skill jobs unfilled in the community. Very few.

Are there factors in the location of housing for low income groups which impose restrictions on job-seeking minorities?

This could be a factor but would not be as pronounced here as in larger cities where distances are greater.

Is public transportation available.

Yes, fare is 25¢. The fact that buses stop running early in the evening may be an obstacle to some employment as many of the factories here operate on shifts. Many of the openings for new employees would be second or third shift which workers without a car might not be able to accept. This is a definite obstacle to the employment of unskilled workers by the janitorial service firms which contract to clean offices etc. as most of this work is done at night. About 30 minutes by bus each way would take most persons to their jobs.

Are there members of minority groups employed in the community schools? Hospitals? Service industries? Other?

The public schools employ negroes in both certified and other positions. One elementary school principal is a negro. This spring a recruiting team is going to visit 5 or 6 largely negro colleges in an effort to get teachers for the 1969-70 school year.

The two local hospitals employ negroes. Quite a few negro women have completed the course for Licensed Practical Nurses and seem to be hired readily.

Negro employees are present in most of the larger firms here although perhaps not in as large numbers as they should be. However, most are at the lower level jobs. There is some difficulty in placing young workers of both races. Many local employers do not want boys who are subject to the draft, regardless of race. Placement of high school graduates in the office occupations course has slowed considerably in recent years, as various machines have taken over many routine office jobs. Decatur has fewer office jobs than Bloomington or Springfield. Retail jobs have not increased in proportion to the population

Where do they live?

Negroes are heavily concentrated in certain areas of the city, mostly toward the center of town or in older residential sections.

X. Housing - Education

What have been the trends of school desegregation?

During the 1968-69 school year a plan for desegregating all Junior High School and the one High School which had not had negro students was implemented. A plan for elementary schools has drawn strong criticism and opposition from many in the community and is now pending.

Do existing housing patterns foster school segregation?

Yes. One elementary school has 77% negro this year, a second one has 69%; while some elementary schools do not have even one negro enrolled.

Barring any changes in trends in housing patterns, what will be their effect on school segregation?

Schools will become more segregated if present buildings remain in use and no other plan is adopted.

Are school zones drawn on a neighborhood basis?

Yes. Some children are transported due to lack of space in their neighborhood school. Children from two older schools which were closed at the start of the 1968-69 school year are transported to other schools; many are attending newer schools in outlying sections of the city. Several of these transported children are negro.

Sources of Information

Publications

Strategy for Living - Institute of Urban Life, Chicago, Ill. Dec. 1968

Decatur Population Profile - Frank W. Gery Ph. D. and Shashana Schaar
(Millikin University) 1962

Analysis of the Decatur, Illinois Housing Market as of June 1, 1965
Federal Housing Administration

Annual Report 1967 - Decatur Housing Authority

Your New Home - Decatur Housing Authority 1966

Workable Program for Community Improvement * Department of Community
Development 1968

Recommended Housing Policies and Programs for Decatur, Illinois - Depart-
ment of Community Development. September 1968

Report of Task Force #3 Community Commission on Integration January 1969

Interviews

Mr. Leo Michl Jr. - Director, Macon County Health Department

Mr. Don Davis - Executive Director, Decatur Housing Authority

Mr. C. Charles Reed * Director of Community Development

Mrs. Gerald Cox - Illinois State Employment Service

Outline of Income Maintenance Presentation

By Human Resources Committee
May 14, 1969

- I. Introduction
- II. Methods of Income Maintenance in Current Use
 - A. Social Security
 - B. Unemployment Compensation
 - C. Public Aid
- III. Effects of automation upon employment and outlook for the future.
- IV. What are some methods of income maintenance which may be used in the future?
- V. What national problems might become more serious if more persons were not working and the poverty level were significantly reduced?
- VI. Conclusions

Supplement to Human Resources Presentation

Exam les of current Social Security benefit Payments.

1. A retired worker, over 65 who averaged \$3,000/yr in covered employment from 1950 until date of retirement would receive-----\$115.00/mo
- If his wife is also over 65, she would receive-----57.50/mo
\$172.50/mo

This couple's annual income from Social Security would be-----\$1970

2. Another retired worker the same age who averaged \$4200/yr in covered employment over the same period of time would receive-----\$140.40/mo
- His wife (if over 65) would receive-----70.20/mo
\$210.60/mo

This couple would have an annual income from Social Security of-----\$2527.20

3. For another retired worker who averaged \$5400/yr during the same period of time and retired at 65 or over, the benefit would be-----\$165.00/mo
- His wife (if over 65) would receive-----82.50/mo
\$247.50/mo

This couple would have an annual income from Social Security of-----\$2960

In the event that one of these retired workers should die, his widow would receive 87½% of his benefit. (\$100.62/mo, \$122.85/mo and \$144.38, res ectively)

4. De endents of a covered worker who died before retirement age and who averaged \$4200/yr during a specified period, would receive the following benefits:

Widow and one de endent child-----\$210.60/mo(2527.20/yr)
Widow and two or more de endent children----- 280.80/mo(3369.60/yr)

If such a widow takes a job paying more than a specified salary or remarries, her benefits will stop but the children will receive their portion until reaching age 18 or, if a full-time student, age 22.

One child in the above case would receive----\$105.30/mo(1263.60/yr)
(unless he earned more than \$1680/yr while attending school full-time)

Supplement to Human Resources presentation

page 2 (Social Security)

5. If the worker in example 4 had averaged \$5400/yr in covered employment over the same time period, his survivors would receive :

Widow and one dependent child-----\$247.60/mo(2971/yr)
Widow and two or more dependent children----- 354.40/mo(4253/yr)
One child-----123.80/mo(1485/yr)

If a covered worker died leaving a widow, but no children under 18 (or 22 for full-time students), she would not receive benefits until age 60 or 62. If such widow should elect to start receiving benefits at 60 rather than 62, there is a reduction in the monthly amount.

6. If the worker averaged \$3000/yr in covered employment during the required period, the benefits for the widow would be:

At age 62 or older-----\$94.90/mo(1138.80/yr)
At age 60----- 82.30/mo(987.60/yr)

7. A similar case where the worker averaged \$4200/yr in covered employment, would result in the following benefits for the widow:

At age 62 or older-----\$115.90/mo(1390.80/yr)
At age 60----- 100.50/mo(1206/yr)

The above are intended as illustrative examples only, and by no means cover the full range of benefits under the Social Security system.

Supplement to Human Resources presentation

page 3

Examples of payments under the Unemployment Compensation Act.

Benefits in the Unemployment Compensation system vary in the different states. Our examples are the benefits which workers in Illinois would receive if laid off from any job covered by the Illinois Unemployment Compensation Act.

Certain base periods are used in figuring benefits which are dependent upon earnings and also vary somewhat according to number of dependents.

1. A worker who earned \$910 (\$70/wk) in the quarter on which his benefits are computed would receive when laid off----- \$38/wk
2. Another worker who earned \$1300 (\$100/wk) in the same quarter and who has at least one dependent (either wife or child) would be entitled to a benefit of----- \$50/wk
3. In the case of a worker who earns \$1560 (\$120/wk) for the quarter on which his benefits are computed and has two or more dependent children, the benefit would be----- \$60/wk

If the wife of a covered worker is employed, she is not considered as a dependent for the purpose of computing benefits due.

The maximum weekly benefit for workers without dependents is \$42.

The maximum weekly benefit under any circumstances is \$70. The number of weeks for which benefits may be paid ranges from a minimum of 10 to a maximum of 26 in Illinois.

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2. Another worker who earned \$1300 (\$100/wk) in the same quarter and who has at least one dependent (either wife or child) would be entitled to a benefit of----- \$50/wk
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If the wife of a covered worker is employed, she is not considered as a dependent for the purpose of computing benefits due.

Supplement to Human Resources presentation

page 4

Some negative income tax proposals discussed in the presentation.

1. The Friedman plan advanced by Milton Friedman proposed that families having incomes too low to be taxed, would receive from the government payments amounting to their unrealized exemptions:

Example given is for a family of 4 persons:

<u>Gross Earned Income</u>	<u>Amount of Grant</u>	<u>Total Net Income</u>
0	\$1500	\$1500
500	1250	1750
1000	1000	2000
2000	500	2500
3000	0	3000

This family would begin paying income tax when income reached \$3000

Friedman advocates abolishing most existing welfare systems, including such diverse benefits as farm subsidies and public housing.

2. The Ripon plan advanced by a group of moderate Republicans. This group set up a table of income allowances depending on family size:

Each adult-----	\$1500
First child-----	1500
Second child-----	1000
Third child-----	600
Fourth child-----	400
Any additional children--	-0-
Limit for family-----	\$6000

In the case of a family with 2 adults and 2 children the amount used as standard would be \$5500 and the example given on the following page is based on this.

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Ripon Plan (continued)

In the case of a family with 2 adults and 2 children the plan would work as follows:

<u>Earned Income</u>	<u>Deficit from Standard</u>	<u>Negative Income Tax</u>	<u>Total Income</u>
0	\$5500	\$2750	\$2750
500	5000	2500	3000
1000	4500	2250	3250
1500	4000	2000	3500
2000	3500	1750	3750
2500	3000	1500	4000
3000	2500	1250	4250
3500	2000	1000	4500
4000	1500	750	4750
4500	1000	500	5000
5000	500	250	5250
5500	0	0	5500

Edward E. Schwartz has proposed the Family Security Benefits Plan, which incorporates incentives for earnings, while guaranteeing a higher minimum payment than some other plans. It would work out as follows for a family of 4:

<u>Earned Income</u>	<u>FSB Payments</u>	<u>Total Income</u>
0-999	\$3000/2400	\$3000-3999
1000-1999	2300/1700	3399-3699
2000-2999	1699/ 900	3699-3899
3000-3999	899/0	3899-3999
4000-4499	-0-	4000-4499
4500 and over	-0-	4500 plus

Outline of Income Maintenance Presentation

By Human Resources Committee
May 14, 1969

- I. Introduction
- II. Methods of Income Maintenance in Current Use
 - A. Social Security
 - B. Unemployment Compensation
 - C. Public Aid
- III. Effects of automation upon employment and outlook for the future.
- IV. What are some methods of income maintenance which may be used in the future?
- V. What national problems might become more serious if more persons were not working and the poverty level were significantly reduced?
- VI. Conclusions

Supplement to Human Resources Presentation

Exam les of current Social Security benefit payments.

1. A retired worker, over 65 who averaged \$3,000/yr in covered employment from 1950 until date of retirement would receive-----\$115.00/mo
If his wife is also over 65, she would receive----- 57.50/mo
\$172.50/mo
This couple's annual income from Social Security would be-----\$1970

2. Another retired worker the same age who averaged \$4200/yr in covered employment over the same period of time would receive-----\$140.40/mo
His wife (if over 65) would receive----- 70.20/mo
\$210.60/mo
This couple would have an annual income from Social Security of-----\$2527.20

3. For another retired worker who averaged \$5400/yr during the same period of time and retired at 65 or over, the benefit would be-----\$165.00/mo
His wife (if over 65) would receive----- 82.50/mo
\$247.50/mo
This couple would have an annual income from Social Security of-----\$2960

In the event that one of these retired workers should die, his widow would receive 87½% of his benefit. (\$100.62/mo, \$122.85/mo and \$144.38, res ectively)

4. Dependents of a covered worker who died before retirement age and who averaged \$4200/yr during a specified period, would receive the following benefits:

Widow and one dependent child-----\$210.60/mo(2527.20/yr)
Widow and two or more dependent children----- 280.80/mo(3369.60/yr)

If such a widow takes a job paying more than a specified salary or remarries, her benefits will stop but the children will receive their portion until reaching age 18 or, if a full-time student, age 22.

One child in the above case would receive-----\$105.30/mo(1263.60/yr)
(unless he earned more than \$1680/yr while attending school full-time)

Supplement to Human Resources presentation

age 2 (Social Security)

5. If the worker in example 4 had averaged \$5400/yr in covered employment over the same time period, his survivors would receive :

Widow and one dependent child-----	\$247.60/mo (2971/yr)
Widow and two or more dependent children-----	354.40/mo (4253/yr)
One child-----	123.80/mo (1485/yr)

If a covered worker died leaving a widow, but no children under 18 (or 22 for full-time students), she would not receive benefits until age 60 or 62. If such widow should elect to start receiving benefits at 60 rather than 62, there is a reduction in the monthly amount.

6. If the worker averaged \$3000/yr in covered employment during the required period, the benefits for the widow would be:

At age 62 or older-----	\$94.90/mo (1138.80/yr)
At age 60-----	82.30/mo (987.60/yr)

7. A similar case where the worker averaged \$4200/yr in covered employment, would result in the following benefits for the widow:

At age 62 or older-----	\$115.90/mo (1390.80/yr)
At age 60-----	100.50/mo (1206/yr)

The above are intended as illustrative examples only, and by no means cover the full range of benefits under the Social Security system.

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page 3

Examples of payments under the Unemployment Compensation Act.

Benefits in the Unemployment Compensation system vary in the different states. Our examples are the benefits which workers in Illinois would receive if laid off from any job covered by the Illinois Unemployment Compensation Act.

Certain base periods are used in figuring benefits which are dependent upon earnings and also vary somewhat according to number of dependents.

1. A worker who earned \$910 (\$70/wk) in the quarter on which his benefits are computed would receive when laid off----- \$38/wk
2. Another worker who earned \$1300 (\$100/wk) in the same quarter and who has at least one dependent (either wife or child) would be entitled to a benefit of----- \$50/wk
3. In the case of a worker who earns \$1560 (\$120/wk) for the quarter on which his benefits are computed and has two or more dependent children, the benefit would be----- \$60/wk

If the wife of a covered worker is employed, she is not considered as a dependent for the purpose of computing benefits due.

The maximum weekly benefit for workers without dependents is \$42.

The maximum weekly benefit under any circumstances is \$70.

The number of weeks for which benefits may be paid ranges from a minimum of 10 to a maximum of 26 in Illinois.

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page 4

Some negative income tax proposals discussed in the presentation.

1. The Friedman plan advanced by Milton Friedman proposed that families having incomes too low to be taxed, would receive from the government payments amounting to their unrealized exemptions:

Example given is for a family of 4 persons:

<u>Gross Earned Income</u>	<u>Amount of Grant</u>	<u>Total Net Income</u>
0	\$1500	\$1500
500	1250	1750
1000	1000	2000
2000	500	2500
3000	0	3000

This family would begin paying income tax when income reached \$3000

Friedman advocates abolishing most existing welfare systems, including such diverse benefits as farm subsidies and public housing.

2. The Ripon plan advanced by a group of moderate Republicans. This group set up a table of income allowances depending on family size:

Each adult-----	\$1500
First child-----	1500
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Third child-----	600
Fourth child-----	400
Any additional children--	-0-
Limit for family-----	\$6000

In the case of a family with 2 adults and 2 children the amount used as standard would be \$5500 and the example given on the following page is based on this.

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page 5

Ripon Plan (continued)

In the case of a family with 2 adults and 2 children the Plan would work as follows:

<u>Earned Income</u>	<u>Deficit from Standard</u>	<u>Negative Income Tax</u>	<u>Total Income</u>
0	5500	2750	2750
500	5000	2500	3000
1000	4500	2250	3250
1500	4000	2000	3500
2000	3500	1750	3750
2500	3000	1500	4000
3000	2500	1250	4250
3500	2000	1000	4500
4000	1500	750	4750
4500	1000	500	5000
5000	500	250	5250
5500	0	0	5500

Edward E. Schwartz has proposed the Family Security Benefits Plan, which incorporates incentives for earnings, while guaranteeing a higher minimum payment than some other plans. It would work out as follows for a family of 4:

<u>Earned Income</u>	<u>F3B payments</u>	<u>Total Income</u>
0-999	3000/2400	3000-3999
1000-1999	2300/1700	3399-3699
2000-2999	1699/900	3699-3899
3000-3999	899/0	3899-3999
4000-4499	-0-	4000-4499
4500 and over	-0-	4500 plus