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TRANSCRIPT OF PROCEEDINGS

MICHIGAN ADVISORY COMMITTEE

TO THE

UNITED STATES COMMISSION ON CIVIL RIGHTS

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 :
 Informal Open Hearing :
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 Livonia, Michigan :
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Liberal Arts Theater
Schoolcraft Community College
Livonia, Michigan

February 20, 1975

Pages: 1 - 404.

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Liberal Arts Theater
Schoolcraft Community College
Livonia, Michigan

February 20, 1975

REPORT OF PROCEEDINGS before the Michigan
Advisory Committee to the United States Commission on Civil
Rights, Ms. Jo-Ann Terry, Chairperson, Presiding, and a
panel, held on the 20th day of February, A.D., 1975, at
the Liberal Arts Theater, Schoolcraft Community College,
Livonia, Michigan, commencing at 1:00 o'clock, P.M.

PRESENT:

- MS. JO-ANN TERRY, Chairperson
- MS. OLIVE BEASLEY, Flint, Michigan, Vice-Chairperson
- REV. CLIFFORD SCHRUPP, Member
- M. HOWARD RIENSTRA, Secretary
- LESLIE MYLES, University Center, Member
- RICHARD H. LOBENTHAL, Detroit, Michigan, Member
- MS. WILMA BLEDSOE, Highland Park, Michigan, Member

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PRESENT: (Continued)

FRANK MERRIMAN, Deckerville, Michigan, Member

YOLANDA FLORES, Pontiac, Michigan, Member

ALSO PRESENT:

**DUANE A. LINDSTROM, Research/Writer,
U. S. Commission on Civil Rights**

FRANK STEINER, Staff Member

**MARGARET V. JOHNSON, Regional Counsel
U. S. Commission on Civil Rights**

**DELORES MILLER, Staff Member
U. S. Commission on Civil Rights**

**SHARON RIVERS, Staff Member
U. S. Commission on Civil Rights**

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MILLERS FALLS
ERAZERASE
COTTON CONTENT

P R O C E E D I N G S

1
2 CHAIRPERSON TERRY: Ladies and gentlemen, this
3 meeting of the Michigan Advisory Committee will come to
4 order.

5 I am Jo-Ann Terry of Detroit, Chairperson
6 of the Michigan Advisory Committee to the United States
7 Commission on Civil Rights.

8 It is my pleasure to introduce to you Dr.
9 Edward McNally, Vice-President of Student Affairs here
10 at Schoolcraft Community College.

11 DR. MC NALLY: Thank you, Jo.

12 On behalf of everyone at Schoolcraft
13 College I wish to extend a very sincere welcome to the
14 members of the Michigan Civil Rights Advisory Committee;
15 to those of you out there who have come to participate
16 in the hearing, and also to those of you who have come
17 merely to look and listen.

18 Dr. Grote, our President, is very sorry
19 that he couldn't be here in person to welcome you.
20 Very pressing business required his presence off campus.
21 However, if his schedule holds up, he plans to be here
22 tonight prior to the beginning of the evening session
23 to welcome you personally.

24 You are currently in the Little Theater

1 of the Liberal Arts Building. This is essentially a
2 classroom building. However, I just want to point out
3 one or two other features about the building.

4 The restrooms are located -- there is
5 a corridor east of you right here, running north and
6 south, and the restrooms are located in that particular
7 corridor. You will find it without any difficulty.

8 There is also a public phone booth right
9 in that same corridor and at the end, which would be
10 down that corridor there, in Room 230; I understand
11 there is some coffee available for those who would
12 like it.

13 Also, now, when we break up at 5:30, the
14 problem not being many students and faculty, that is
15 well before all the evening people, if you have any
16 questions and there is no one available, the Adminis-
17 tration Building, the switchboard is open all the time
18 and it is located closest to Haggerty Road. It is at
19 the west end of the mall, anyone can find, I think, by
20 merely walking to the north, can see it up on the hill.
21 If you have any questions, if there is no one in the
22 building at the time who can answer, I am sure someone
23 in the Administration Building will be able to help you.

24 I would like to say again, we are very

1 happy that you chose to have the hearing here and we
2 hope that you will have a very good evening and after-
3 noon.

4 Thank you very much for coming.

5 CHAIRPERSON TERRY: I would like to introduce
6 to you the members of the Committee who are here today
7 and then mention the names of the other Committee
8 members who are not: Ms. Wilma Bledsoe; Mr. Richard
9 Lobenthal; Mrs. Leslie Myles; Ms. Olive Beasley is in
10 the back there, a member of our Committee who has a
11 specific role which we will describe to you later;
12 Dr. Howard Rienstra; Rev. Clifford Schrupp, and then
13 we have some members from the Regional Office of the
14 United States Commission on Civil Rights with us today:
15 Mrs. Margaret Johnson, Regional Counsel of the Midwest
16 Regional Office; Mr. Frank Steiner, Staff Representa-
17 tive to our Committee; Mr. Duane Lindstrom, Research/
18 Writer; Mrs. Delores Miller and Miss Sharon Rivers,
19 Support Staff, are also here today.

20 We are hoping that Dr. Albert Wheeler
21 and Mr. Frank Merriman will be with us and Dr. Arthur
22 Johnson. I hope Miss Yolanda Flores may be joining us
23 later.

24 This is an informal open meeting which

1 is going to be held pursuant to the rules which apply
2 to State Advisory Committees to the United States Com-
3 mission on Civil Rights.

4 We are an independent agency of the
5 Federal Government established by Congress in 1957
6 and authorized by the Civil Rights Act of 1957, 1960,
7 1964 and 1972.

8 There are basically five purposes: one,
9 to investigate complaints alleging that citizens are
10 being deprived of their rights to vote by reason of
11 their race, color, religion, sex or national origin;
12 two, to study information concerning legal developments
13 which constitute a denial of equal protection of the
14 law under the Constitution; three, to appraise Federal
15 laws and policies with respect to equal protection of
16 the laws; four, to serve as a national clearing house
17 for civil rights information, and five, investigate
18 allegations of vote fraud in Federal elections.

19 The six Commissioners have established
20 Advisory Committees in each of the fifty states and
21 in the District of Columbia. This is a meeting of
22 the Advisory Committee established in Michigan.

23 It is our purpose here to gather in-
24 formation that will enable us to make recommendations

1 to the Commissioners, who in turn will report to the
2 President, Congress and to other appropriate local,
3 state and federal officials.

4 The Advisory Committee Members serve
5 without compensation and are charged with the follow-
6 ing duties: investigation of individual discriminatory
7 denials of the right to vote; study of legal develop-
8 ments with respect to denial of equal protection of
9 the law; and investigation of patterns or practices
10 of fraud or discrimination in the conduct of federal
11 elections.

12 I would like to emphasize that this is
13 an open meeting and not an adversary type of proceed-
14 ing today. Individuals have been invited to come and
15 to share with this Committee information relating to
16 the issue of the 1974 Housing and Community Development
17 Act in the State of Michigan. As various media,
18 organizational and government spokespersons have re-
19 cently made clear, this subject has many possible
20 ramifications. Issues involved are both highly com-
21 plex and controversial.

22 This Advisory Committee and its advisee,
23 the United States Commission on Civil Rights, have only
24 one purpose here today and in future hearings which we

1 might hold. That purpose is to examine the facts, to
2 shed the light of objective thoughts on these realities.
3 This will, of course, be no easy task. The public
4 interests, however, require that we attempt to do this
5 and that it be done carefully and objectively. The
6 public interests will not be served today by over-
7 simplifying or intentionally inflammatory statements.

8 If necessary, this Advisory Committee
9 or the staff of the United States Commission on Civil
10 Rights present here today with us, will request witnesses
11 indulging in such statements to refrain from doing so.

12 I would inform all in attendance that
13 federal law empowers the staff of this Commission to
14 adjourn any meeting of this type at any time when such
15 action is deemed to be in the public interest.

16 In brief, we must all be responsible to
17 the rules of open and fair discussion or the oppor-
18 tunity for any discussion at all will be forfeited.

19 Each person who will participate today
20 has voluntarily agreed to meet with this Advisory
21 Committee. Since this is an open meeting, the press,
22 radio, television, as well as individuals are all
23 welcome. Any person discussing a matter with the
24 Advisory Committee may specifically request that

1 they not be televised. In this case, it will be neces-
2 sary for me to comply with their wishes. We are con-
3 cerned that we get all of the information relating to
4 the matters under investigation.

5 We are, however, concerned that no in-
6 dividual be the victim of defaming or degrading state-
7 ments. As a precaution against this happening, each
8 person making a statement or answering questions here
9 today has been interviewed prior to this meeting.

10 However, in the unlikely event that
11 such a situation should develop, it will be necessary
12 for me to call this to the attention of the person
13 making the statement and request that he or she desist
14 in that action. If the testimony the person is
15 offering, however, is of sufficient importance, it
16 may be necessary for the Advisory Committee to hear
17 that information in a closed executive session.

18 Furthermore, the person against whom
19 the allegations are being made will have ample oppor-
20 tunity to make a statement or response in closed
21 session before the Advisory Committee if he or she so
22 desires. In any event, prior to the time that the
23 Advisory Committee submits its report to the Commission,
24 every effort will be made to get a complete picture

1 of the situation as it exists with regard to the issue
2 of Federal Community Development funding in Livonia.

3 The Advisory Committee announcement of
4 the hearing has said that there may be time for a few
5 unscheduled witnesses from the general public to speak
6 to the Advisory Committee in this open session. All
7 persons wishing to do so have been asked to contact
8 either myself or members of the staff here to be inter-
9 viewed on behalf of the Advisory Committee.

10 At present we anticipate having time for
11 several speakers to appear at approximately 5:30 p.m.
12 and again at 8:30 p.m. Ms. Olive Beasley, who is
13 sitting in the back -- Olive, could you raise your
14 hand -- will be the Committee Member who will be inter-
15 viewing persons who would wish to give unscheduled
16 testimony. So if there is anyone here who would like
17 to do that, if you would please contact Ms. Beasley
18 so that she may interview you and brief you prior to
19 5:30 and 8:30 o'clock.

20 Our criterion in selecting previously
21 unscheduled speakers have been our concern to gather
22 specific facts, not simply of opinions. Those that
23 have been given the opportunity to speak today to the
24 Advisory Committee are encouraged to submit both written

1 statements, which will become a part of the record of
2 this hearing and consider speaking to this Advisory
3 Committee on any of our regularly scheduled open meet-
4 ings. Notices of our meetings are announced in the
5 public register (Federal Register) as required by the
6 law.

7 Today we will be focusing on Title I of
8 the 1974 Housing and Community Development Act which
9 requires the locality to assess its community develop-
10 ment needs, to submit a summary plan to meet those
11 needs, using Title I funds, and to develop a housing
12 assistance plan for future funding which takes into
13 consideration the housing assistance needs of lower
14 income persons residing in or expected to reside in
15 the community.

16 Areas of concern to this Advisory
17 Committee are summarized as follows:

18 (1) How has citizen participation
19 been structured and how has it functioned in the
20 development of priorities and plans for the use of
21 community development and housing assistance monies
22 under this program?

23 (2) Is the unit of government in
24 full compliance with existing state and federal

1 civil rights requirements?

2 (3) Has the unit of government ac-
3 curately measured the housing needs of lower income
4 persons either already residing in the community or
5 expected to reside in the community as a result of
6 planned or existing employment facilities as is
7 required by the federal regulations?

8 Our first witness will be Mr. Duane A.
9 Lindstrom, Research/Writer for the Commission's Mid-
10 west Regional Office who will present a more detailed
11 overview prepared by the Commission Staff on the 1974
12 Housing and Community Development Act.

13
14 SUMMARY OF THE HOUSING AND
15 COMMUNITY DEVELOPMENT ACT OF 1974

16 MR. DUANE A. LINDSTROM

17 MR. LINDSTROM: The Housing and Community
18 Development Act of 1974 was signed into law on August
19 22, 1974 by President Gerald Ford, who commented at
20 the time that the bill was not only of "far reaching
21 and perhaps historic significance..." but also marked
22 "a complete and welcome reversal in the way that America
23 tries to solve the problems of our urban communities."
24 The Act itself is omnibus legislation which

1 significantly alters Federal involvement in a wide range
2 of housing and community development activities.

3 As President Ford stressed, "Decisions
4 will be made at the local level. And responsibilities
5 for results will be placed squarely where they belong --
6 at the local level..." President Ford continued, "At
7 the same time, of course, we will not abdicate the
8 Federal Government's responsibility to oversee the way
9 the taxpayers' money is used. In particular, we will
10 carefully monitor the use of funds to assure that
11 recipients fully comply with civil rights laws pro-
12 hibiting discrimination.

13 A listing of the Act's Titles indicates
14 the broad approach attempted in this legislation:
15 Title I - Community Development; Title II - Assisted
16 Housing; Title III - Mortgage Credit Assistance;
17 Title IV - Comprehensive Planning; Title V - Rural
18 Housing; Title VI - Mobile Home Construction and
19 Safety Standards; Title VII - Consumer Home Mortgage
20 Assistance; and Title VIII - Miscellaneous Provisions,
21 including a broadening of Federal mortgage insurance
22 and a prohibition against sex discrimination in
23 making mortgage loans. The following is a brief
24 look at highlights of Title I of the Housing and

1 Community Development Act which most directly affects
2 our inquiry today.

3 In the community development section -
4 Title I - the new law consolidates the following
5 existing categorical programs for community develop-
6 ment into a new, single program of community develop-
7 ment block grants. The programs to be terminated
8 include open space, urban beautification and historic
9 preservation grants; public facility loans, water
10 and sewer and neighborhood facilities grants; urban
11 renewal and NDP grants; model cities supplemental
12 funds; and rehabilitation loans.

13 According to a HUD circular on the
14 Act, the "primary objective of the Title is the
15 development of viable urban communities by providing
16 decent housing and a suitable living environment and
17 expanding economic opportunities, principally for
18 persons of low and moderate income.

19 Eligible recipients of funds include
20 states, cities, counties and other units of general
21 local government. There is no requirement for state
22 or local contributions and grants can be for up to
23 100% of the cost of a project.

24 Communities must submit annual

1 applications for funds which must include the following
2 four essential elements:

3 1. A summary of community development
4 activities to be undertaken over the next three years.
5 The summary will identify the city's needs; specify
6 short term and long range goals, and articulate a
7 comprehensive strategy for meeting these goals in a
8 manner consistent with area-wide development planning
9 and national growth policies.

10 2. A program statement of the first
11 year's community development activities. The city
12 must specify the eligible activities, identify avail-
13 able supporting resources, and describe any relevant
14 environmental factors affecting the choice or location
15 of the activity. The proposed program must demonstrate
16 that planned activities will serve needs of low income
17 and minority people. The applicants must submit maps
18 which identify locations of proposed activities and
19 indicate minority concentrations in census tracts
20 within the applicant jurisdiction.

21 3. A Housing Assistance Plan, known
22 as a "HAP"; the HAP must (1) include a summary of
23 existing housing conditions, (2) estimate the housing
24 needs of lower income people currently residing or

1 working in the community, (3) provide for any additional
2 low income housing opportunities which will be neces-
3 sary to accommodate the labor force anticipated from
4 planned employment facilities.

5 4. Budget and required certifications
6 of compliance with federal law and regulations.

7 In addition, applicants must meet the
8 following requirements: (1) compliance with all
9 Civil Rights Acts; (2) adequate citizen participation;
10 (3) an A-95 review of applications, and (4) an annual
11 performance report including an assessment of past
12 activities' relationship to the Titles and the reci-
13 pient's stated objectives.

14 Although the Act requires an elaborate
15 application and regular reporting, with the shift to
16 local responsibility, Federal review of applications
17 is limited and an application must be approved unless:

18 1. the description of community de-
19 velopment and housing needs and objectives is plainly
20 inconsistent with generally available information;

21 2. the activities proposed are plainly
22 inappropriate to meeting stated needs and objectives; or

23 3. the application does not comply
24 with the requirements of the Title or other applicable

1 law, or proposes ineligible activities.

2 Generally, the types of activities
3 eligible for community block grant monies include
4 thirteen broad areas such as acquisition of real
5 property; code enforcement; clearance and rehabili-
6 tation of buildings and improvements, etc.

7 In light of the broad language in
8 the eligible activities provision, it may be more
9 instructive to consider what types of activities are
10 ineligible under the Act. The HUD Regulations list
11 illustrations of ineligible activities in six broad
12 areas: public facilities, operating and maintenance
13 expenses, general government expenses, political
14 activities, new housing construction and income pay-
15 ments.

16 HUD states the following as an overall
17 limitation on the use of community development funds,
18 "...Grants are to be conditional on a recipient's
19 certification that its community development program
20 has been developed so as to give maximum feasible
21 priority to activities which will benefit low and
22 moderate income families or help prevent or eliminate
23 slums or blight." HUD also states, however, that
24 "approval also may be given to applications describing

1 activities which the applicant certifies and HUD de-
2 termines are designed to meet other community develop-
3 ment needs having a particular urgency as specifically
4 described in the application."

5 Citizen participation is a mandatory
6 element of the application process. According to the
7 pre-certification criteria for citizen participation,
8 a jurisdiction applying for funds must:

9 1. provide citizens with "adequate
10 information" concerning the amount of federal funds
11 available for local housing and community development;
12 permitted activities under the legislation, and im-
13 portant program requirements;

14 2. hold at least two public hearings
15 to determine the views of citizens on housing and
16 community development needs; and

17 3. provide citizens an adequate op-
18 portunity to participate in the development of the
19 application. In addition, local jurisdictions must
20 provide citizens "adequate information" about the
21 contents of the legislation, permissible activities,
22 and any other materials citizens need to be able to
23 evaluate past programs, as well as current and pro-
24 jected needs.

1 Equal Opportunity provisions require
2 that federal funds be used in a way which provides
3 housing opportunities for persons with low and moderate
4 income outside low income and minority concentrations.
5 All applications must include maps showing the proposed
6 locations of community facilities and assisted housing
7 units. These maps must document the percentages of
8 minority occupancy in the census tracts relevant to
9 the proposed sites. If the application is approved,
10 the jurisdiction must maintain data on participation
11 by minorities and women in the program. The juris-
12 diction must make this information available on request.

13 Some more specifics on the content of
14 the Housing Assistance Plan might be pertinent to our
15 inquiry. HUD specifies that the HAP must:

16 (1) accurately survey the condition of
17 the community's housing stock and assess the housing
18 assistance needs of lower income persons residing or
19 expected to reside in the community;

20 (2) specify a realistic annual goal for
21 the number of units or persons to be assisted, includ-
22 ing the mix of new, existing and rehabilitated units
23 and the size and types of projects and assistance best
24 suited to the needs of area lower income persons;

1 (3) indicate the general locations of
2 proposed lower income housing with a view to further-
3 ing revitalization, promoting greater housing choice
4 and avoiding undue concentration of low income persons,
5 and assuring availability of adequate public facilities
6 and services for such housing.

7 This short summary has not included a
8 description of the actual application process nor of
9 the more extensive powers of HUD to monitor activities
10 under the Community Development Block Grant Program.
11 These we believe will be described in testimony we
12 will hear today.

13 Also, all of this information relates
14 only to Title I of the Act concerning community de-
15 velopment. The Title II portion of the Act - describ-
16 ing the subsidized housing programs - is also vitally
17 important to communities seeking to satisfy the housing
18 needs of low and moderate income persons. Title II
19 of the new Act relies almost completely on a single
20 form of housing subsidy -- housing assistance pay-
21 ments, which are basically rent supplements or housing
22 allowances. The provisions of Title II and the other
23 Titles of the whole Act will become increasingly
24 important as communities move into the implementation

1
2 stages of their community development and housing
3 assistance plans.

4 In addition to a summary of the Act,
5 the staff has also submitted to the Advisory Committee
6 population, housing and economic data regarding Livonia,
7 the Detroit Standard Metropolitan Area, and the State
8 of Michigan including information from the Department
9 of Commerce reports, General Housing Characteristics
10 of Michigan, Characteristics of the Population in
11 Michigan, and Journey to Work. This information is
12 submitted for the record, and the staff has summarized
13 its findings relating to the Housing and Community
14 Development Act as follows:

15 (1) The cost of housing in Livonia
16 is higher than most areas of Michigan.

17 The median value of a house in the
18 State of Michigan in 1970 was \$17,000. The median
19 value of a house in Livonia was \$27,100, more than
20 55% higher than the state-wide average.

21 The median rent paid for housing in
22 the State in 1970 was \$93.00 a month. The median
23 rent paid in Livonia was \$164.00, more than 75%
24 higher than the state-wide average.

1 (2) Livonia has fewer vacant housing
2 units than does the State as a whole.

3 The vacancy rate of owner occupied
4 housing in Michigan was 1.1% in 1970. In Livonia
5 the vacancy rate was 0.7%, more than 36% lower than
6 the State's vacancy rate.

7 The vacancy rate for rental housing
8 in Livonia was nearly 20% below the state-wide
9 average rate.

10 (3) Livonia has relatively few rental
11 units and a relatively large number of owner occupied
12 housing units.

13 While 74.4% of the housing in the
14 State was owner occupied in 1970, almost 93% of the
15 housing in Livonia was owner occupied.

16 While 25% of the State's housing con-
17 sisted of rental units, only 7% of Livonia's housing
18 was in the rental category.

19 (4) Livonia has relatively few low
20 or poverty level income individuals living in the
21 city.

22 While 6.5% of the Detroit Metropolitan
23 population had incomes less than poverty level, only
24 1.7% of Livonia's population had below poverty level

1 incomes.

2 While 4.5% of the Metropolitan popu-
3 lation received some form of public assistance in
4 1970, only 1% of Livonia's population received
5 assistance.

6 (5) Many individuals who work in
7 Livonia are unable to afford housing in the city.

8 In 1970, 19,472 workers commuting into
9 Livonia to work had incomes qualifying them for
10 Federally assisted housing. This number comprised
11 76% of the total workers commuting to the city.

12 In 1970, 28,000 Livonia residents
13 commuted out of Livonia to work. That same year
14 29,000 individuals commuted into Livonia to work.
15 The average income of those commuting out of the city
16 to work was approximately \$10,000; the average income
17 of those commuting into the city to work was ap-
18 proximately \$8,000.

19 At the time of the 1970 Census, 150
20 homes were for sale in Livonia with the median ask-
21 ing price of \$31,700. The average individual commut-
22 ing to Livonia to work had an income qualifying him
23 to spend only \$24,000 on a home.

24 At the time of the 1970 Census, 133

1 rental units were available in Livonia with a median rent
2 of \$175.00. The average worker commuting into Livonia
3 to work had an income enabling him to pay only \$166.00
4 a month for rent.

5 In 1970 Livonia had 22 houses for sale
6 in the price range of \$20,000 or less and 17 rental
7 units with monthly rents of \$150.00 or less. 10,681
8 of Livonia's commute-in workers had incomes which set
9 their housing capabilities at these levels.

10 10,681 Livonian commute-in workers had
11 incomes enabling them to purchase homes valued at
12 \$20,000 or less or pay rents of \$150.00 or less.
13 Livonia had only 39 housing units available for sale
14 or rent in that price range.

15 (6) Few blacks are represented in
16 the population of Livonia.

17 In 1970 approximately one out of
18 every three white members of the Livonia work force
19 was housed in the city. That same year fewer than
20 one out of every 500 black members of the Livonia
21 work force was housed in the city.

22 The 1970 Census estimated that 3,162
23 blacks worked in Livonia. Of that number six re-
24 portedly lived in the city. The remaining 3,156

1 commuted from housing outside of the city.

2 Blacks consisted of less than 1% of
3 the Livonia population.

4 CHAIRPERSON TERRY: Thank you.

5 Mr. Guggenheim.

6
7 STATEMENT OF

8 MR. JOE GUGGENHEIM, COORDINATOR

9 COALITION FOR BLOCK GRANT COMPLIANCE

10 CHAIRPERSON TERRY: Would you please state
11 your name and position for the record?

12 MR. GUGGENHEIM: Yes. My name is Joe
13 Guggenheim. My full time position is Executive
14 Director of the Michigan Committee on Law and Housing.
15 I am also appearing here today as the Coordinator for
16 the Coalition for Block Grant Compliance, who are
17 concerned about this hearing.

18 CHAIRPERSON TERRY: Do you have a prepared
19 statement you wish to make?

20 MR. GUGGENHEIM: Yes. I am here today to
21 present to your body the work and concerns of the
22 Coalition for Block Grant Compliance, which is a
23 coalition of the ten civil rights, civic, religious
24 and other concerned community groups who are working

1 for the particular goal of making sure that the civil
2 rights and housing requirement of the 1974 Community
3 Development Act are fully complied with at the local
4 level in the Detroit Metropolitan Area.

5 Our concern comes about because of
6 this new Act represents a massive commitment on the
7 part of Federal Government to aid all types of com-
8 munities throughout the country, both urban and
9 suburban and rural and they are replacement programs
10 for previous programs which emphasized aiding people
11 in the central cities and urban areas and blight de-
12 teriorating areas and need of housing for low and
13 moderate income persons.

14 So our coalition has been organized
15 because of certain requirements in the Act which I
16 think parallel the interests of the Civil Rights
17 Commission. And those particular requirements in
18 the Act, and I will emphasize them, I think they were
19 mentioned before, those requirements that all com-
20 munities who are applying for funds have, one, this
21 is a quote:

22 (1) Maximum feasible priority
23 to activities which will benefit
24 low or moderate income families

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or aid in the prevention or
elimination of slums or blight;
(2) That each community develop
a housing assistance plan to
'meet the needs of low income
persons either already resid-
ing in the community or expected
to reside in the community as
a result of planned or existing
employment facilities.'

And also this housing assistance plan
must indicate the general locations of proposed lower
income housing in order to revitalize the community
from the Act, "promote greater choice of housing op-
portunity."

(3) The requirements in the
Act that any municipality re-
ceiving funds must be in full
compliance with all the Federal
Civil Rights Laws and they
must take affirmative action
"to overcome the effect of
prior discrimination and to
overcome the effects of

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conditions which would otherwise result in limiting participation by persons of a particular race, color, national origin or sex."

Now many of these requirements in our view are being overlooked by many communities in the Detroit Metropolitan Area, particularly the suburban communities.

We have, through such groups as the League of Women Voters and the Interfaith Council for Racial Justice tried to follow, to the best of our ability, what is going on at the municipal level, trying to listen to people from the individual communities who are interested and concerned to try to find out what is going on, and we are vitally concerned, and I am glad for this opportunity to talk about the fact that we feel that the housing assistance and civil rights requirements are not being met in the planning that we have seen being done in the municipalities by and large in the Detroit area. That basically there is much evidence that unless there is some sharp policing of the law, that some of the same experience that happened with the general revenue sharing funds, in that these funds will not

1 be used for the essential purposes to which the law
2 requires, such as the maximum feasible priority, to
3 aid low income families, to prevent, eliminate slums
4 and blight, to provide a greater choice of housing
5 opportunity, to make sure Civil Rights laws and af-
6 firmative action is undertaken, to provide for
7 minorities; and particularly, one area that we are
8 focusing on now which we think is the most important,
9 that there be housing opportunities available, with
10 a full range of choices for the residents of the
11 community and for those who work in the community
12 who might like to live in the community on the basis
13 of either their current employment or the prospect
14 of future employment in the area.

15 And I think some of the statistics
16 shown before are quite enlightening in terms of the
17 figures that we were able to come up with, that is
18 the volume of workers, for instance, in the City of
19 Livonia, which is true not only of Livonia but of
20 all the major suburban communities which have a sig-
21 nificant work force that close to 20,000 workers
22 commuting to the city every day who are eligible for
23 federally assisted housing. And if it is clear that
24 the requirements of the law, the language in the Act

1 clearly requires each community to take some kind of
2 action, to plan to meet the needs of that particular
3 group of workers in terms of taking some steps in a
4 housing assistance plan and filing the application
5 to show that some effort will be made in this par-
6 ticular regard.

7 I think it is fair to say that the
8 requirement is not for any particular city to build
9 housing for a particular group of workers, be they
10 minority or otherwise. The requirement, as we see it,
11 is to make some reasonable effort, some reasonable
12 good faith effort as a start to meet a portion of the
13 need of persons who might like to commute -- excuse
14 me -- who are commuting and who would like to reside
15 in the community, as well as to meet the full range
16 of needs of individuals in that community.

17 And we think, for instance, the only
18 housing efforts that we see in most communities, and
19 I think Livonia is an example of this, from what is
20 being proposed, although I understand it may not have
21 been finalized, but at least the initial planning that
22 we see in a number of communities is a willingness to
23 do something about senior citizens' housing problems
24 and a willingness to do something about the needs of

1 rehabilitation of housing. And we think these are
2 very fine and laudable goals of meeting the overall
3 objectives of the Act.

4 But we also see the other very im-
5 portant elements of persons who might like to live
6 in the community on the basis of the fact that they
7 work here. And also we also know that there are
8 many families in the City of Livonia who might also
9 be desirous of having the opportunity to develop for
10 living in newly developed housing. But from a house
11 knowledge of the housing field indicates that you
12 cannot meet the needs of all the people in the com-
13 munity, in terms of housing simply by rehabilitation
14 efforts, but there is a need to develop new housing
15 for people who presently live in the community; for
16 those who are, for instance, who may need larger
17 quarters, who are over-crowded, those, for instance,
18 who are paying too large a proportion of their in-
19 come for rent and who, therefore, need benefit of
20 federal subsidy in these days when even middle in-
21 come families cannot afford housing. And also for
22 newly married couples and young people who are living
23 in Livonia now and who would like to be able to stay
24 in Livonia and other suburbs and other communities,

1 who may be applying for funds.

2 So we say the full needs, the full
3 range of needs in the housing field which we are most
4 concerned about require, as we see it now based on
5 the data, that each municipality make some good faith
6 efforts to show that they are willing to meet the
7 full range of housing needs of persons who live in
8 the community, persons who commute to work, who might
9 like to live here, including minorities, because of
10 the very strong and clear civil rights requirements
11 of the Act.

12 So we are interested in seeing that,
13 as for one item, that new housing be built for
14 families. And there are a number of examples we
15 can show that this has been done successfully in
16 the Detroit Metropolitan Area through the State
17 Housing Authority and cities such as Rochester, in
18 Avon and Roston Township; particular projects where
19 there have been open and equal occupancy basis for
20 minorities and that have been provided in areas where
21 there is a need to provide housing for people going
22 to work, which have worked out successfully, which
23 have been accepted into the community and which we
24 think those communities can be proud of.

1 We think those kinds of positive examples
2 need to be followed in all parts of the metropolitan
3 area.

4 And I think there would be no need of
5 fears of any type of racial impaction or low income
6 impaction, because we are talking about families
7 with a wide range of income up to those who are
8 eligible for housing of \$12,700 a year for a family
9 of four. We are not just talking about low income,
10 we are talking about people in the lower end of the
11 middle class scale who are a large portion of the
12 work force, who today cannot find housing on the
13 market that they are able to buy. The studies of
14 the various housing agencies show that these needs
15 exist throughout the metropolitan area. And, in
16 fact, the law will require that each community make
17 a good faith effort to document these kinds of needs.
18 The statistics are available, and we hope to see
19 that each municipality is willing to undertake some
20 effort in this line. And we also hope to see that
21 it is made clear that those regional agencies such
22 as SEMCOG, Michigan Civil Rights Department and the
23 Department of Housing and Urban Development, at the
24 Michigan level, at the Chicago Regional Office and

1 at the United States Office in Washington, fully watch
2 and see that these requirements are carried out and
3 require municipalities that are not willing to engage
4 in this type of planning, which is required under the
5 law, to take back their applications and to redo them
6 until they are in compliance with the law.

7 And we feel that in the ultimate step
8 if communities not willing to meet the requirements
9 of the law, then they have to face the consequences
10 of the law, which is that they be denied the funding.

11 I think it is very clear, the law does
12 not require every municipality to plan for low income
13 persons to meet the needs of persons in the community
14 and also those who might like to live here who are
15 expected to reside on the basis of present or future
16 employment opportunities. There is no requirement
17 that this be done by every community. It is simply
18 a requirement if they are expected to receive Federal
19 funds which are designated for the very important
20 purpose of improving housing conditions and eliminating
21 blight and other conditions, that this particular con-
22 dition be met if they expect to get their share of
23 Federal funds, because there are many other communities
24 in Michigan who would be interested in seeking more

1 funds; the City of Detroit and many other communities
2 are not getting nearly enough money to meet their needs.
3 This new law changes the distribution of Federal funds
4 and moves a lot of funds away from the cities to
5 suburban communities for the first time.

6 And we are hoping that they make a
7 good faith effort to reach out to the total need,
8 total range in the community, including minorities
9 and others, who may work here but for economic and
10 other circumstances, haven't been able to live here.

11 So our coalition is watching these
12 organizations. We hope to see compliance at the
13 local level. If we don't see compliance at the
14 local level, we are going to work to our utmost to
15 see to it that these laws are enforced by those
16 agencies who have the responsibility of making sure
17 that the laws are lived up to.

18 And we think the requirements of the
19 law are most reasonable for each community, that
20 there is nothing out of line that these communities
21 cannot do within their available capacity; that each
22 community has to make plans for housing based on its
23 resources, based on its vacant land and available
24 resources. And we think on this basis these

1 communities can't do a job so that each undertake a
2 reasonable share of meeting the total needs of people
3 in the metropolitan area.

4 We are glad today that your agency is
5 here holding these hearings, and we hope we can con-
6 tribute to your work and answer any additional questions
7 you may have.

8 Thank you.

9 MR. SCHRUPP: You mention that you have
10 communicated with some of the communities. Could you
11 describe a little more detail the nature of those
12 communications, you know, what you are trying to
13 specifically ask of them?

14 Did you submit any statistics? What
15 types of steps were provided?

16 MR. GUGGENHEIM: What we did was try to de-
17 termine what the needs were. And the fact that we had
18 seen the planning that was taking place was not paying
19 attention to the requirements, specifically required
20 in the Act, and in the forms that each community is
21 required to fill out in their housing assistance plan.

22 That they indicate in the housing
23 assistance plan some estimate of the needs for housing
24

1 for those who might be expected to reside in the com-
2 munity on the basis of present or future employment
3 opportunities.

4 So, given that requirement in the Act,
5 we addressed letters to the Mayors and the Clerks
6 of the City Council of the 25 major suburban communi-
7 ties that we are able to get information about, that
8 are all eligible for money under the Community De-
9 velopment Act, and we sent them statistics that we
10 were able to compile drawn from the United States
11 1970 Census of Population, particularly the volume
12 called Journey to Work.

13 We also were able to have access to
14 material that is available through anybody who is
15 interested, which is data from the Equal Employment
16 Opportunity Reports, EEO Report Number One, of the
17 U.S. Equal Employment Opportunity Commission, which
18 has reports from a wide variety of employers who are
19 required to report on minority employment.

20 This data was made available to us and
21 compiled on the basis of municipalities in the Detroit
22 area. We were able to get statistics on the number
23 of minority workers working, employed in these establish-
24 ments that reported, and also the number of workers,

1 the minority workers in these establishments who work
2 in occupations which generally have incomes that make
3 them eligible for Federally assisted housing.

4 So we can zero in in terms of the
5 civil rights requirement as to those number of workers
6 who work in the communities who are eligible for
7 federally assisted housing. And we presented these
8 statistics to each of the suburban Mayors and the
9 City Council, simply asking them to make sure that
10 they did not overlook these figures and these facts
11 and these important concerns which were required
12 under the law.

13 We pointed out the section of the
14 law in which they are required to look at these
15 statistics and then simply urged that they comply
16 with the law.

17 MR. SCHRUPP: Which means putting what?
18 Using some of those numbers?

19 MR. GUGGENHEIM: Yes; basically using some
20 of those numbers to make a reasonable estimate of
21 the good faith effort, to begin to make some plans
22 and set up some goals. They are simply required at
23 this point to make goals, for a number of units of
24 assisted housing to meet this particular need in

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1 their housing assistance plan.

2 I would like to emphasize, it doesn't
3 mean that they have to necessarily spend the Community
4 Development Block Grant Funds for this particular
5 purpose.

6 To explain a complication in the law,
7 the new 1974 Act has two different parts to it. One
8 is the Community Development Block Grant Fund to be
9 used for a variety of community improvement purposes.
10 The law requires that the maximum go to aiding low
11 and moderate income persons and eliminating slum
12 and blight areas.

13 In addition, there is a whole second
14 housing assistance section of the Act where there
15 are separate funds available for a new federal program.
16 And we know in the State of Michigan this year the
17 Department of Housing and Urban Development announced
18 that there will be funds for approximately 10,500
19 units around the state, just in the first year under
20 the new program called the Section 8 Leasing Program.

21 The requirements of the law simply
22 state that each municipality must fill out a housing
23 assistance plan estimating how much of the Section 8
24 housing resources or housing funds or housing subsidies

1 should be set aside and reserved for each particular
2 community.

3 So, in other words, these funds enable
4 them to meet the housing assistance needs and to de-
5 velop or provide housing through the Section 8 funds
6 but not necessarily requiring expenditure of any Com-
7 munity Development Block Grant Funds. So we are not
8 saying that the law requires that the Community De-
9 velopment Block Grant Funds be designated specifically
10 for the development of new housing.

11 In fact, other than acquisition of land,
12 they are prohibited from using the funds for that pur-
13 pose. But simply that in the corollary requirement
14 that they do a housing assistance plan, that at that
15 particular portion they indicate their willingness to
16 establish some goals for assisted housing in terms
17 of those that meet the full range of needs of persons
18 living in the community and those who might be ex-
19 pected to reside in the community based on present
20 or future employment.

21 What this Act does is a new thing. It
22 requires, for the first time, as a condition of getting
23 Community Development money you must plan for housing.
24 And in time the housing has to go for community

1 development. We are simply asking each community to
2 make that connection and make a reasonable good faith
3 effort to meet the total range of housing needs in
4 each community.

5 MR. SCHRUPP: Do you have a list of those
6 communities that you communicated with?

7 MR. GUGGENHEIM: Yes, I have a number of
8 materials that I can make available to you.

9 MR. RIENSTRA: Could you give them to the
10 court reporter, or Miss Delores Miller, so we will
11 have them on record?

12 One other question: you mentioned
13 the figure of \$12,000 as a figure of eligibility.
14 Where does that come from and based on what?

15 MR. GUGGENHEIM: That is based -- the Act
16 requires that the eligible limit for assisting housing
17 for what they call lower income families, be set at
18 80% of the median income in the area. And the
19 Federal Government has determined that these income
20 limits for families of four in the Detroit Metropoli-
21 tan Area, that the 80% of median income for a typical
22 family of four comes to \$12,700; that the median
23 income is over \$15,000. The figure for a family of
24 four is that figure.

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It varies up and down for other sized families.

MR. RIENSTRA: I believe you stated a little bit too precisely a moment ago what, with respect to housing, is possible under Title I. You said only the acquisition of property, but Section 4 of it says, "clearance, demolition, removal and rehabilitation of buildings and improvements." So that rehabilitation activity and clearance and demolition and code enforcement activities with respect to housing are also possible and not excluded under Title I.

MR. GUGGENHEIM: Yes. I meant to say -- I misspoke myself -- in terms of the requirement that new housing be developed, which we feel is being ignored by many communities, for that particular section, new housing, there is that prohibition.

CHAIRPERSON TERRY: Does anyone have any questions?

MS. BLEDSOE: Has your group reached any conclusions as a result of your monitoring or how the Livonia application has proceeded through this process?

MR. GUGGENHEIM: Well, from reading various

1 reports and getting certain information about Livonia,
2 we think they may be deficient. I haven't seen a final
3 and complete application yet in the area of estimating
4 the need for new housing for families, both persons
5 residing in the community and those who might like to
6 reside in the community on the basis of present or
7 future employment opportunity.

8 That is a tentative conclusion we have
9 reached and Livonia is not alone in this regard. We
10 withhold final judgment until we look at final ap-
11 plications, as we have a right to do under the Act,
12 which makes access available to any interested citizen
13 to file comments with the appropriate reviewing agencies
14 who make the decision as to whether or not the funds
15 are granted or any other conditions or changes re-
16 quired to meet the conditions.

17 MR. RIENSTRA: Since your organization is
18 operating in this part of the state primarily, where
19 traditionally have you filed those comments?

20 MR. GUGGENHEIM: We have not yet filed the
21 comments because very few communities have yet --

22 MR. RIENSTRA: Have you ever on previous
23 HUD applications or programs?

24 MR. GUGGENHEIM: No. This is a new type

1 of effort. We would, though, file, we are expecting
2 to file with SEMCOG, which is the first reviewing
3 agency. We expect them, and are assured by them,
4 that they will consider it as they will consider
5 other comments, and then they are required to submit
6 those comments to the Department of Housing and Urban
7 Development.

8 We also will be submitting our comments
9 to the Michigan Civil Rights Department, which is
10 also under the law, required to review all the appli-
11 cations and file their comments. SEMCOG and the Civil
12 Rights Department do not have any decision-making power.

13 They simply make comments to Housing
14 and Urban Development and the policy-making decisions
15 rest with them.

16 MRS. JOHNSON: In your statements you indi-
17 cated sharp policing of this law would be required to
18 insure that civil rights compliance is actually taking
19 place. Do you feel that the provisions of the Act
20 actually allow HUD to do this, particularly at the ap-
21 plication stage? Do you think this is inconsistent
22 with the new policy of local control.

23 MR. GUGGENHEIM: Well, I think it isn't a
24 policy of local control, to answer the first question

1 first. The policy is to allow communities who spend
2 money to define what their needs are within a broad
3 range of needs specified in the Act. So the local
4 control is the fact that the Federal Government is
5 not looking down on every dollar that is being spent
6 to see how it is being spent, to determine which way
7 it can or cannot be spent.

8 The Federal Government's role is still
9 very strong, as we see it, and it is definitely stated
10 in the Act, to make sure that the money goes to meet
11 the maximum feasible priority requirement of aiding
12 low and modest income housing, eliminating slum and
13 blight, and also meeting the full range of housing
14 needs. These are definite requirements in the Act.
15 Congress did not give away all of its powers of super-
16 vision, but simply said that if you meet these basic
17 conditions of maximum feasible priority of housing
18 assistance, of civil rights, there's also environ-
19 mental review requirements and a few others like that,
20 if you meet these requirements then you get the money.
21 It isn't an open-ended program of money for any
22 particular purpose.

23 The first part of your question, will
24 you repeat it?

1 MRS. JOHNSON: I want to emphasize. Do you
2 believe that these powers come into play at the review
3 of the application stage?

4 MR. GUGGENHEIM: Very definitely so, be-
5 cause of the requirement that they complete the
6 housing assistance plan at the application stage,
7 which makes it very clear there is that little spot
8 on the application which indicates all the different
9 types of housing needs they must show they are taking
10 into consideration, plus the fact that they must also
11 certify the maximum feasible priority and the total
12 range of their activity on the basis of judgment
13 against known facts through all these requirements.

14 So there is, as we see it, the law
15 there at the initial stage.

16 There are additional requirements of
17 civil rights compliance of more specific nature
18 which come into play at a later stage before receiv-
19 ing funds as well.

20 MR. STEINER: Mr. Guggenheim, I believe
21 you made reference in your earlier statement to a
22 possible need in the City of Livonia for housing
23 assistance for residents who already live here.

24 MR. GUGGENHEIM: Yes.

1 MS. JOHNSON: Would you be more specific
2 about that?

3 MR. GUGGENHEIM: Well, we know that we have
4 not been able to analyze all of the statistics in de-
5 tail. Our general knowledge of the housing fields
6 indicates that, in the words of the Act, to me, to
7 increase the range of housing opportunities for persons
8 who need assistance in housing, that no one type of
9 housing assistance or no two types of housing assist-
10 ances, such as proposed, as we see it, by most
11 communities in the Detroit area, can really meet the
12 full range of needs simply because we are talking
13 about families. And you just talk about rehabilita-
14 tive housing.

15 The fact that there may be housing
16 that rehabilitation would not be good enough, because
17 it is overcrowded. Or the fact that if a person re-
18 ceived rehabilitation assistance, this may add to the
19 burden of already paying for an existing mortgage in
20 terms of refinancing and paying for rehabilitation loans.
21 So that the person's percentage of income devoted to-
22 ward housing is excessive.

23 And also the fact that when you talk
24 about the need for new families that are starting,

1 who need to find good, available housing in areas where
2 they may be a housing shortage. So that to meet the
3 full range of those who the Federal Government anti-
4 cipates being assisted, which are those under \$12,700,
5 it is clear that you need other types of activity.

6 In addition to the fact that you also
7 talk about housing that may provide a good environment
8 in terms of access to recreation facilities, to sewer,
9 water and roads, access to transportation. A lot of
10 housing that is in poor condition that needs rehabili-
11 tation may not be fully suitable to provide a full
12 range of choice, when you take into consideration all
13 the other needs of persons who are interested in find-
14 ing housing to meet their needs.

15 MR. STEINER: Let me follow that with just
16 one final question.

17 If that is the case, if, as I under-
18 stand you to say, it is highly likely there are people
19 living here now with specific housing assistance needs
20 and in similar towns such as Livonia, a pattern, not
21 just one case?

22 MR. GUGGENHEIM: Yes.

23 MS. JOHNSON: If that is the case, do you
24 think a danger of a town like Livonia getting into a

1 self-destructive process, where, in an attempt to avoid
2 Federal influence or any outside influence of the
3 housing pattern, may begin to not consider the needs
4 of their own citizens as a way of avoiding external
5 intervention?

6 Do you get the sense of the question?

7 MR. GUGGENHEIM: Yes, I think so, yes.

8 I think that is true because of the
9 concern and the fears of minorities, the fears of
10 blacks in many cases, to be very frank. I think this
11 has prevented many communities from looking at and
12 truly meeting the needs of their own citizens.

13 The City of Warren, for example, re-
14 calls a very similar concern here. In 1970, when they
15 had to face similar problems of having to comply with
16 the civil rights requirements, they refused, they
17 turned down money to aid people in their own community
18 simply on the issue of having to appoint a community
19 relations board. That was the issue in Warren, which
20 is much less of a requirement than the requirements
21 that are now in the law.

22 It is this law put into clear legis-
23 lative language and specific regulations much more
24 greater amount of regulations and requirements regarding

1 civil rights and meeting housing needs than Warren had
2 to face in 1970. Yet Warren chose to turn down millions
3 of dollars of Federal aid, which basically would have
4 went almost entirely to meet needs of persons within
5 Warren, quite possibly a hundred percent. That there
6 was no requiring of assisted housing, which now is
7 required in the Act, in this 1974 Act.

8 They turned money down and people in
9 their community are still suffering because they lost
10 the opportunity for funding to rehabilitate bad housing
11 and improve communities and provide other needed facili-
12 ties because of their great concern that they were
13 going to have to meet civil rights and housing re-
14 quirements.

15 We have definite experience of communi-
16 ties in the Detroit area that have been willing to
17 make reasonable effort in this regard and have bene-
18 fited by it in terms of good development and good
19 living conditions for a wide variety of people, which
20 doesn't basically change the nature of the city. It
21 makes a few opportunities available for minorities
22 and for people in the community as well, who might
23 like to live there.

24 But because of fear of the Federal

1 Government or the fear of the assistance in housing,
2 many communities may be losing millions of dollars
3 to aid their own citizens because of the unreasonable
4 fear of making some initial step to provide assisted
5 housing. It doesn't have to be high-rise housing,
6 such as the old style public housing that you see
7 in Central City, Detroit. That housing is out.
8 There are very good standards.

9 The State Housing Authority has very
10 good requirements and conditions to make sure that
11 the housing is good. I could recommend anybody in
12 this community or elsewhere to go look at some of
13 these developments to see what nice communities they
14 make, to see how there is good use of land, how
15 recreation is provided, how people of all races are
16 getting along nice, very nicely.

17 It does mean certain reasonable
18 steps to make some housing available. I think if
19 people look to the experience elsewhere being done,
20 they will see they have nothing to fear, and we hope
21 in that, with that experience, many communities, in-
22 cluding Livonia and the Detroit area.

23 CHAIRPERSON TERRY: Thank you.

24 Are there any other questions?

1 MS. MYLES: I wonder whether your agency is
2 aware of any attempts or plans or programs on the state
3 level to regulate land use or whether you have been
4 in communication with the state on that point?

5 MR. GUGGENHEIM: Well, there is land use
6 legislation enacted -- not enacted -- we wish it was
7 enacted, in my other job of Executive Director of
8 the Michigan Community Law and Housing;

9 We have been very active in state
10 land use legislation. We hope to provide balanced
11 land use at the state level. It is very clear that
12 very shortly the Federal Government is going to be
13 requiring the states to enact reasonable land use
14 legislation. And it gets into a number of purposes
15 in terms of making sure that there is adequate open
16 space available, to make sure that there are efforts
17 made to revitalize the central cities, and that all
18 resources aren't drained away from the city, and also
19 that efforts be made to provide reasonable balance of
20 housing opportunities throughout the Metropolitan
21 area without damaging environmental concerns.

22 So we are very much interested in the
23 legislation, and hopeful to see that something will
24 happen.

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1 A bill has been introduced. I think it
2 is House Bill 4634. I have a copy of it in the car,
3 as a matter of fact, outside. I could get it if you
4 are interested, at a later time, so that you can see
5 what it is like.

6 It would set up a state land use com-
7 mission. We are concerned that this initial legisla-
8 tion only deals with critical environmental areas,
9 in terms of giving the state any sort of regulatory
10 powers of reviewing of what goes on at the local level.
11 The law, in the various concepts, would not take authority
12 away from the local level. It would keep it at the
13 local level to the extent the local planning provide
14 a reasonable balance for state-wide goals, including
15 full range of housing opportunities, recreation, in-
16 dustrial development, open space, and all the other
17 very important land use needs.

18 So we think that this land legislation
19 can be helpful for the same purposes here of seeing
20 balanced communities developed without taking away
21 power from the municipalities and giving it all to
22 the state, but providing a reasonable role for the
23 state in making sure there is reasonable land use
24 planning. Because if you otherwise leave each

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1 community to do its own planning, very often they will
2 just look at their own individual needs, as they per-
3 ceive it, rather than meeting the needs of a broad
4 range of people in the metropolitan area, when you talk
5 about critical problems like recreation, open space
6 and housing opportunities.

7 CHAIRPERSON TERRY: Thank you very much.

8 (Witness excused.)

9 CHAIRPERSON TERRY: Dr. A. Edward Katz.

10
11 STATEMENT OF

12 DR. A. EDWARD KATZ

13 CHAIRPERSON TERRY: Would you please state
14 your name and position for the record?

15 DR. KATZ: My name is Dr. A. Edward Katz.
16 I am Director of Clinical Psychology at Hawthorne
17 Center, which is a comprehensive health across the
18 street, state facility; and Chairman of the Livonia
19 Citizens for Better Human Relations. For eight years
20 member of the Livonia Board of Education.

21 CHAIRPERSON TERRY: And you have a prepared
22 statement to make?

23 DR. KATZ: No, I don't.

24 I spent an extensive amount of time

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with the staff and was asked to briefly give an overview from a historical point.

I have been a resident of Livonia for 18 and-a-half years now. When I first came to work across the street, this was a corn field. In fact, most of Livonia was corn fields. And I think it is important, as you look at the region, this is one of the things which disturbed me about local government solving regional problems. As you look at the development of the region, this whole area was corn fields, not Livonia, Livonia, Northville, Southville, you have the map.

And the population in 1950, for example, was about 14,000. In 1960, it was already 66,000. I came in in the middle of this growth spurt.

You see, psychologists think in different terms than lawyers; I think our previous speaker was an attorney.

(Laughter.)

The earlier child, the adolescent, and I am not sure whether there is senility in adulthood, the people moving out here did so, I think, really for a variety of reasons. It wasn't just to escape the City of Detroit. Because I escaped the City of

1 Chicago. Because I work across the street. And this
2 was true of a lot of people who wanted to live, whose
3 values included, for some reason, the historical plot
4 of land which is very important. If you are going to
5 understand these communities and reactions to some of
6 the things that happen.

7 The child population was also bulging
8 at the time. The 1960 Census figure was 65,000;
9 roughly 110,000 in 1970 Census. School population
10 went from some infinitesimal number, peaked out about
11 39,000 students, and it now has dropped back by, I
12 don't have the latest figures, but it is probably
13 about 5,000 students from the peak, which was about
14 four years ago.

15 The things that were important to the
16 community during those years reflected the kind of
17 interests that young families had. The median age
18 at one point, I think, was 14 and a half or something.
19 It was astounding, if you just added up the figures.
20 And, therefore, a very large proportion of the activity
21 and the interest in the community and the money spent,
22 in terms of tax money, local tax monies, are in schools.
23 The basic commitment to the schools, I think, is still
24 here, even though I think the population has declined.

1 Obviously Livonia did not develop in a
2 vacuum. And in terms of the organization which I repre-
3 sent, I am talking about the points of view that I am
4 speaking, we haven't had a meeting to get approval from
5 the Board of Education.

6 Back in 1963, there was an incident in
7 Dearborn on Labor Day. This involved a -- I don't
8 know what you would call it -- a mistaken identity of
9 a mover-inner. Anyhow, there was what amounted to a
10 police supervised disorder. We will call it that.
11 Eventually the State Police, I think, intervened.
12 This is in the City of Dearborn, not in the City of
13 Livonia.

14 There were several of us in Livonia who
15 were very concerned as to whether the same was possible
16 in our community. There was a large difference of
17 opinion among the people who initially organized
18 Livonia Citizens for Better Human Relations, as to
19 whether Livonia was indeed another Dearborn. With all
20 due respects to Dearborn, we pick up our garbage too.

21 The result of this was the organization
22 of Livonia Citizens for Better Human Relations, whose
23 primary goals were educational and political. And in
24 the context of improving relations between all groups,

1 including race relations, obviously, which is the most
2 pressing in the recent preception of those who were
3 organizing this, and of those who resided in the com-
4 munity, as well as those who were going to reside in
5 the community.

6 In the context of the early to mid-1960's
7 was a much more obvious kind of orientation than it
8 may be to some people now. Livonia is not a rapidly
9 growing community now, but in those days subdivisions
10 were opening up very rapidly. Over the years, this
11 started in the fall of 1963, apparently the kind of
12 people who were active, the organizations probably
13 never had more than officially about 300 dues-paying
14 members. One of the requirements is that they live
15 or work in the city or school district of Livonia,
16 although we have a bunch of people who are listed as
17 "friends of". And we have had a very low membership
18 fee of one dollar a year, so that no one is discouraged
19 on the basis of funds.

20 I would say about 300 people have been
21 a steady membership. There has been a great deal of
22 turnover. The turns are in the community. I don't
23 know what the current rate is. It has probably slowed
24 down because of economic conditions. At one point,

1 it was about 20% moved in and moved out per year, which
2 is a very unstable base from that point of view.

3 Obviously not one family in five move
4 every year, but the rate was rather high. Over the
5 years, our organization was involved in housing, in
6 addition to having the -- we saw a need for a local
7 open housing ordinance. Particularly since the city
8 administration at that time was very opposed to any
9 kind of open housing, period.

10 The City Council in the mid-1960's did
11 pass an open housing ordinance. We had a housing
12 committee which actively sought to help people who
13 might be discriminated against in seeking housing in
14 Livonia, on the basis of race, creed, et cetera.
15 Not, however, on the basis of income, which, as al-
16 ways, has become a more critical factor in the last
17 five years.

18 Nothing is built now that costs less
19 than -- well, if you look at the papers, you can't
20 rent anything for less than \$150.00 a month for a
21 one-room, et cetera.

22 Incidentally, in terms of the activity
23 of the effect of the open housing ordinance, it per-
24 mitted many real estate brokers, who previously had

1 been very anxious that they were going to be first, it
2 took the burden off of them, not necessarily the local
3 ordinance, but the Federal and State ordinances, and in
4 our experience, I have not been housing chairman, there
5 have been several housing chairmen over the years, but
6 in our experience, following the passage of open housing,
7 the only discrimination was money. If they can afford
8 the money, they can have the place.

9 The other thing which Livonia is dif-
10 ferent than maybe some of the other communities, is
11 that we have had black families living in the com-
12 munity. Obviously not very many. At the times they
13 moved in, there has, to the best of our knowledge,
14 never been the kind of incident that we read about in
15 Warren, or more recently in Southfield, when there
16 wasn't even a move-in, but a threat of a move-in.
17 And I think, you know, this perhaps reflects a dif-
18 ferent character to the community. That is not to
19 say that all is sweetness and light, however.

20 On my eight years on the Board of
21 Education, among other controversies in which we were
22 involved were sex education and some activity called
23 shared learning, which was a pilot project involving
24 literally the sharing of learning of children from

1 the Plymouth, Livonia and Detroit school districts on
2 a very small level.

3 I learned one thing out of our experience
4 with those two programs; that to a rather vocal element
5 in the community, race is much more threatening than
6 sex.

7 I don't know if that has anything to do
8 with the passage of the Equal Rights Amendment. I had
9 a lot of irate phone calls about concepts of sex educa-
10 tion. When it came to the shared learning, I had at
11 least two death threats. I wasn't -- I don't think
12 they were serious death threats. Obviously they
13 weren't. I wouldn't be here. But I think it reflects
14 the intensity of the feelings, and that is something
15 that is going to have to be taken into consideration,
16 whatever the solution to the racial problems are.

17 Perhaps if Judge Roth had done it a
18 little differently and gave us an alternative to
19 busing, a planned program for integrated housing over
20 a specified period of time, that might have done the
21 trick. You see, I am not sure that the people in
22 Warren who, alluded to by the last speaker, see them-
23 selves as having lost anything. I am not speaking
24 as a lawyer. I am speaking as a psychologist. They

1 haven't lost anything from their point of view. They
2 have won a battle. They can feel -- a lot of people
3 can feel very self-righteous. They won a battle
4 against the Federal Government.

5 Incidentally, the word HUD is in very
6 bad repute, not in Livonia, but the whole Metropolitan
7 Detroit Area.

8 I will make one more comment and then
9 stop.

10 Going back to what I said initially,
11 I think -- I teach statistics, among other things,
12 to some of our staff at Hawthorne Center, and the
13 book I used to use was How To Lie With Statistics,
14 which, incidentally, is a very good book in terms
15 of understanding the basic statistics process with
16 humor, which is more than most statistics books do.

17 One of the statistics that our previous
18 speaker alluded to was the number of people who come
19 to work to Livonia and commute to, and he also talked
20 about those who commute out of. If I were a city
21 official, which I am not, and I wished to find some
22 way to use these same statistics to prove an entirely
23 different point, all I would have to say, well, a
24 thousand more people are coming in to work than going

1 out to work. Obviously there is only need for a
2 thousand people. It would make about as much sense
3 as saying in the regional area, a metropolitan area,
4 that 20X thousand people who work in Livonia want to
5 live in Livonia.

6 One experience we had in our organiza-
7 tion, obviously this is complicated by the economic
8 factor, when our housing committee was actively seek-
9 ing black people from Detroit who could afford the
10 housing, who would be interested in moving to Livonia,
11 the attitude they frequently ran into was, who wants
12 to live in Livonia? What do you have to offer? And
13 this is, if you are talking about planning for a
14 community, this is something that has to be taken into
15 consideration. Obviously our organization is an
16 organization interested as it always has been in doing
17 what it can do to implement non-segregated housing
18 patterns in the Metropolitan area, including Livonia,
19 and obviously that is our primary interest, and we
20 would be glad to work cooperatively with any other
21 organizations.

22 I think, however, that just as busing
23 split the ranks of our organization, busing as an
24 issue, which was really fanned into unbelievable levels

1 of hysteria, the way housing is handled and the role
2 of the Federal Government, I mean around here, there
3 are a lot of people who scream communism if you talk
4 about "region." "SEMCOG is a left-wing communist
5 dominated..." I am not saying that. I am quoting.

6 And when you get beyond the region,
7 particularly to the Federal Government level, and at-
8 tempt to impose the solution without the complete
9 cooperation of them, I don't know if that is possible,
10 without the cooperation of the residents in the com-
11 munities, I think you are not likely to achieve a
12 solution in the foreseeable future.

13 MR. LOBENTHAL: Let me assure you right
14 away, that I am a local resident, not Livonia, but I
15 live in a neighboring community, and I am interested
16 in a number of the civil rights implications of your
17 earlier statements. And I think the first question
18 that I would really like to know is apropos your ques-
19 tioning, a comment about Livonia is or is not another
20 Dearborn.

21 DR. KATZ: I could have picked others but
22 that is a cliché.

23 MR. LOBENTHAL: Without intending to dis-
24 parage the efforts of the Livonia Citizens for Better

1 Human Relations, Mr. Lindstrom indicated earlier in
2 his statistical comments, that there were 110,000
3 residents in Livonia, of which six are black. Would
4 you agree, first of all, that that is reasonably ac-
5 curate?

6 DR. KATZ: That is as accurate as anybody
7 knows. Unlikely to be significantly higher. Now,
8 how is that for a statistician?

9 MR. LOBENTHAL: If that is an accurate
10 comment and Livonia is, in fact, not another Dearborn
11 or another illustration, how is it that out of
12 110,000 residents, there are only six blacks? And
13 granted the economic implications that you commented
14 about, and also the granting, the judgmental comments
15 about who wants to live in Livonia, are you suggest-
16 ing that the potential of black residents of Livonia
17 is somewhere around six? If not, what might be the
18 other factors?

19 DR. KATZ: No, I think they -- if other
20 things had stayed static, Livonia Citizens for Better
21 Human Relations is so small and such limited resources,
22 I doubt if -- we are not taking blame or credit, so
23 we will not be defensive.

24 MR. LOBENTHAL: If you want, you can look

1 at the six as an accomplishment.

2 DR. KATZ: Somebody told me that it is.

3 If other things had remained static
4 in the 1960's, unfortunately they don't have a tendency
5 to do so, I think the whole general metropolitan area
6 is moving in a direction which would have opened things
7 up more.

8 When real estate brokers, for example,
9 who used to be the ones everybody would point at, at
10 least were doing a hell of a lot more selling, not
11 doing it. At the same time that was developing in
12 the 1960's, the disorders in Detroit aroused a tre-
13 mendous amount of fears in all the suburban communi-
14 ties in the late 60's and the whole civil rights
15 movement nationally, as well as locally, changed
16 directions.

17 I can't answer your question. I don't
18 know what the potential number of black families in
19 Livonia is. I would assume that over a long enough
20 period of time it would be about the proportion of
21 the metropolitan area. Because there is no reason
22 why Livonia should be more nor less attractive than
23 any other area around here.

24 MR. LOBENTHAL: Let me -- perhaps my question

1 wasn't clear.

2 I thought I understood you to suggest
3 that there was not a strong overt move or movement in
4 Livonia to keep minorities out, blacks and others.
5 And if, in fact, you are suggesting there have not
6 been exclusionary land use patterns, then why would
7 Livonia show such a small minority population?

8 Now, I might have misunderstood you.
9 You might have, in fact, said there was exclusionary
10 land use patterns.

11 DR. KATZ: Yes, there was certainly an ex-
12 clusionary land use pattern until mid-60's, until the
13 Federal and State open housing ordinances made it
14 difficult to continue with that. I don't think they
15 were necessarily governmentally dictated by the local
16 government. In fact, I think HUD and the Federal
17 Housing Authority, and all those other Federal
18 agencies, really encouraged it by making mortgages
19 very easily available to people with the credit.
20 And who has the credit? The people who were employed.
21 You know, we can all sit here for a long time. I
22 don't want to get into that.

23 In terms of my perception, has there
24 been an active role of the local government to exclude

1 in terms of housing black population or, you know, any
2 other minority population; I would have to say, you
3 can look over the record from now until doom's day
4 and never find any evidence of -- let's go back about
5 ten years.

6 MR. LOBENTHAL: Now, I suppose I am per-
7 plexed because within that same ten years, when you
8 have the change in the metropolitan area, you had
9 visible numbers of minorities, blacks, Asians,
10 Chicanos, Latin-Americans and others that moved into
11 some sister communities in some large numbers, even
12 including the infamous Dearborn that has been
13 mentioned; Southfield and Oak Park and Madison
14 Heights, all experienced minority populations moving
15 in, and it strikes me in the same ten-year period
16 you don't find that happening in Livonia.

17 DR. KATZ: You can make another case of
18 the same sort, if you wanted to. I don't have the
19 figures, information, now, but I would be reasonably
20 sure if we had a religious census tract figure that
21 the number of Jewish families in Livonia in 1962 to
22 1972 decreased probably by 70% and it had nothing to
23 do with the housing patterns of Livonia. That had
24 to do with a whole socio-economic movement involving

1 other communities.

2 What I am saying is that I can't answer
3 your question because the issue is too complex.

4 MR. LOBENTHAL: How would you assess the
5 current housing needs, as a citizen of the community?

6 Let me, incidentally, put a rider on
7 that question; have you been involved in the applica-
8 tion?

9 DR. KATZ: No, we were never notified there
10 was such an application formally.

11 MR. LOBENTHAL: You mean your organization?

12 DR. KATZ: Our organization, no.

13 MR. LOBENTHAL: Were you advised as a citizen?
14 Was it brought to your attention?

15 DR. KATZ: My advice, as a citizen, came
16 from other channels and very recently.

17 MR. LOBENTHAL: What would you estimate?

18 DR. KATZ: Incidentally, I didn't follow
19 the paper that closely, so it's like reading about
20 the notice of these meetings in the Federal Register.
21 I don't subscribe.

22 MR. LOBENTHAL: How would you assess the
23 current housing needs of the city?

24 DR. KATZ: Starting with the current

1 residents, I think the two areas of clearest needs
2 are the senior citizens. And I am not talking neces-
3 sarily about those who wish to abandon their homes.
4 Those who wish to stay in their homes, who live in an
5 economic climate where your taxes doubled in a very
6 short period of time and they are living on a fixed
7 income.

8 And I would see, certainly, something
9 that even our most conservative city officials could
10 buy: the housing assistance money to help these
11 people stay in the homes they want to stay in, rather
12 than necessarily building eight-story towers, which
13 may also be needed. That is a different need. But
14 there are a large number of families who have lived
15 here for a long time, who can't afford to stay here
16 any more.

17 Number two; there is no housing avail-
18 able except on a very limited basis for young families.
19 If you've reached the level on the upper end of the
20 middle spectrum, you still can't afford to make the
21 house payments that they are building. It becomes
22 more impossible.

23 If you are starting out on the career
24 ladder, and you are a young family, with rare exception

1 there is no place for you to live in this community.

2 There is long standing community re-
3 sistance to multiple housing. It is another whole
4 story you don't have to get into, but it is part of
5 the picture, because rental units, which are individual
6 houses, tend to be expensive.

7 MR. LOBENTHAL: Can you say something about
8 that resistance to multiple housing?

9 DR. KATZ: Yes. There was a local ordinance
10 adopted here by referendum -- somebody else would have
11 to fill in the exact year, but it must have been in
12 the mid-60's -- under the leadership of a former mayor,
13 which prohibited building of multiple housing of
14 within a thousand feet of existing residential housing
15 without approval. Which meant, essentially, there was
16 no place you could build multiple housing.

17 This was overturned by the courts, not
18 on the basis of the ordinance, but on the basis that
19 such an ordinance was improperly put to through
20 referendum. I am not an attorney, so I don't really
21 understand that point.

22 And there have been some multiple
23 housing units built since then, but at a very slow
24 rate. Now, this is the attitude in the community

1 having to do with, I think, fears of lowered property
2 value. It is now more popular to talk about environmental
3 impact. The environmental impact to some people is that
4 if you have a ten-story building blocking your view,
5 that is a bad thing if you are living in a one-story
6 house.

7 Incidentally, that has some merit to
8 it.

9 MR. LOBENTHAL: This question is not facetious.
10 It comes off -- you are saying you are not a lawyer,
11 but a psychologist. Could you make some comment on
12 the impact on the political climate that the referendum
13 passage and overturning had on Livonia?

14 And I would have to be very blunt about
15 the question in the sense that one of the concerns that
16 the Act in question speaks to, is the question of pro-
17 viding for low and moderate housing and that does in-
18 clude at least some multiple family concepts, and it
19 would be interesting to me, in terms of hearing your
20 opinion about what is the effect on the political
21 climate of that then.

22 DR. KATZ: In terms --

23 MR. LOBENTHAL: If any.

24 DR. KATZ: Well, there has been some effect.

1 I would think that the -- well, since I am not going to
2 name anybody, I can say it.

3 I think that the elected public officials
4 who have served since then, even those who were op-
5 posed to that concept, have been extremely reluctant
6 to be clearly quoted somehow, to be clearly quoted in
7 favor of abolishing that ordinance and substituting
8 a more moderate kind of ordinance.

9 Just as I would have it -- find it
10 very surprising to find anyone running for public
11 office in this community who would welcome with open
12 arms the concept of integrated housing in Livonia, I
13 don't think we have those kind of leaders. Not only
14 on a local level, but on a state and national level,
15 you know, as witnessed by the behavior of our elected
16 representatives in the busing controversy.

17 MR. LOBENTHAL: Let me hasten to move on.

18 DR. KATZ: Before somebody gets shot.

19 MR. LOBENTHAL: No. I have just one other
20 question. I raise it with an apology for taking so
21 much of your time.

22 I am somewhat curious about a comment
23 that you made earlier. As a member of the school
24 board for eight years, and I therefore assume a person

1 of either prominence or notoriety in the community, as
2 the chairperson of an unofficial but not absent or-
3 ganization, which has an interest in human relations
4 and as a citizen, you indicated no real knowledge of
5 the application, the application in process and in
6 progress or much of that nature. As a resident with
7 that -- who does not read the newspapers regularly,
8 can you make some comment about when you first became
9 aware of it? How you did? How the people that you
10 spoke to learned of it?

11 DR. KATZ: I learned of it through a member
12 of the official City Human Relations Commission, who
13 also is a friend, a member of our organization, probably
14 a little before Christmas or maybe it was around that
15 area. Maybe early in January, about a proposed meet-
16 ing on February 20th.

17 MR. LOBENTHAL: This meeting?

18 DR. KATZ: Yes. That there was going to be
19 a meeting around that part of February. I don't re-
20 member what the date was. I think it was probably
21 about the end of January. I do not recall reading
22 about the block grant application for the City of
23 Livonia until the headline a couple of weeks ago.

24 MR. LOBENTHAL: Maybe if I ask my question

1 in the affirmative, it might help you.

2 Do you know anybody who knew about the
3 process?

4 DR. KATZ: Only after January.

5 MR. LOBENTHAL: After this hearing was an-
6 nounced?

7 DR. KATZ: In effect, yes.

8 MR. LOBENTHAL: That's all.

9 MR. SCHRUPP: I want to pursue one question.

10 You indicated that the way housing
11 issues are handled is really crucial in terms of,
12 especially the issue of any Federally subsidized hous-
13 ing, whether it be multiple or scattered or anything
14 else is developed. Do you think that in the climate
15 today that the city would be showing undue restraint
16 to refuse to move ahead in terms of some Federally
17 assisted subsidized housing, or do you anticipate,
18 with 300 members and the climate of Livonia as you
19 described it, there is a possibility that those kinds
20 of decisions could be made rationally without the
21 kind of violent reaction that might occur elsewhere?

22 DR. KATZ: Maybe we should put this into
23 two questions, one or maybe three.

24 One, is our society capable of rational

1 behavior at this point in time? And the answer is no.

2 I am not so sure whether I am kidding or not.

3 In terms of the elected public officials,
4 and this is purely my prejudices, I would doubt that,
5 as they gauge the reaction of the community, that they
6 would take any real affirmative action toward inte-
7 grating anything which stacks of integrating housing
8 formally.

9 I would doubt also, on the other hand,
10 that there would be any great response on the "slow
11 basis" which was the 1954 Court decision phraseology,
12 "with all deliberate speed." On that basis, in terms
13 of individual -- incidentally, some people who I don't
14 consider completely allies of our organization are per-
15 fectly willing to say "if people want to move in on
16 their own --" in effect, like I did " -- that is fine
17 with me." My property line is at my fence line, which
18 in a way is a civilized view. Some people don't be-
19 lieve that, by the way. I would doubt very much if
20 there would be any major reaction to black families
21 moving into Livonia, but I think this could easily be
22 incorporated into the community's climate and used
23 in the city elections which come up, I think, this
24 year, by people who really are much more negative

1 persons. They could use the issue to wave flags.

2 MR. SCHRUPP: So your response to that is,
3 yes, there probably is reason in turn, as you evaluate
4 the community, some hesitancy toward moving ahead on
5 Federally assisted programs? I am not saying --

6 DR. KATZ: Whether it is good or bad.

7 MR. SCHRUPP: I am just asking how you
8 feel.

9 DR. KATZ: Would it be realistic? Yes.

10 MR. LOBENTHAL: I have one other. I am
11 sorry.

12 Do you know for a fact if houses in
13 Livonia are advertised in the Michigan Chronicle?

14 DR. KATZ: They have been in the past.
15 I have not looked in the Michigan Chronicle in six
16 months, but they have been advertised in the past, but
17 only by, I understand, particularly interested people.

18 You would have to go over to the
19 Michigan Chronicle to see whether there is any wide-
20 spread use of the Michigan Chronicle. I would doubt
21 it. That is not considered a prime source for selling,
22 market for selling houses by the real estate people
23 around here. I think that is as delicately as I
24 can phrase it.

1 MR. LOBENTHAL: You answered the question.

2 CHAIRPERSON TERRY: Thank you very much.

3 Anything else?

4 Thank you very much.

5 (Witness excused.)

6 CHAIRPERSON TERRY: Mr. Tatigian and Mr.
7 John Hagy.

8
9 STATEMENTS OF

10 HARRY C. TATIGIAN, and

11 JOHN J. NAGY

12 CHAIRPERSON TERRY: Could you each please
13 state your name and position for the record?

14 MR. TATIGIAN: My name is Harry C. Tatigian.
15 I am a City Attorney for Livonia.

16 MR. NAGY: My name is John Nagy, I am the
17 Planning Director for the City of Livonia.

18 CHAIRPERSON TERRY: Do either of you have
19 prepared statements?

20 MR. TATIGIAN: I have a rather brief state-
21 ment. Don't let the briefcase scare you. It is only
22 filled with newspaper articles. John has a much more
23 detailed statement.

24 Ladies and gentlemen, as previously

1 communicated to your staff, Mayor McNamara will be un-
2 able to appear at this informal hearing due to the fact
3 that he is President of the Michigan Municipal League,
4 which is on this date meeting in Lansing. As a matter
5 of fact, approximately 3:00 p.m. he was to be intro-
6 ducing Congressman William Ford and Congressman Marvin
7 Esch to both state and municipal representatives. He
8 did ask that the date of this hearing be rescheduled
9 so that he could appear. Your program is in error,
10 incidentally, on that. He will be presiding at the
11 banquet tonight so he will be unable to appear tonight.

12 Your staff explained, however, that
13 this was not possible, that this hearing date could
14 not be rescheduled and, therefore, he has designated
15 myself to appear as his representative for the pur-
16 pose of submitting certain preliminary remarks and
17 then having John Nagy to present certain remarks.

18 Initially when the City of Livonia
19 received word concerning Federal Community Develop-
20 ment funds, it was the administration's determination
21 at that time to obtain as much knowledge and informa-
22 tion as it could relative to this program. The
23 principal responsibility of coordinating our applica-
24 tion under this program was placed in the hands of

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1 our very capable City Planner, John Nagy, as I indi-
2 cated to you, who will explain in detail what we have
3 done to date. By way of prefacing John's remarks, I
4 would say our experience in attempting to ascertain
5 what the guidelines actually were was frustrating at
6 the outset at least.

7 We feel we now know what these guide-
8 lines are and in fact that we have acted in full
9 compliance and in accordance with these guidelines.
10 As a matter of fact, I have known Dr. Katz for a
11 long time. I have also told him that he had better
12 start reading his newspapers. We have actually had,
13 in certain cases, we have gone beyond what other com-
14 munities have. We have gone beyond the minimum limits
15 of public hearings. We have had five public hearings,
16 not the two that are required by the law.

17 We have had ample coverage in both
18 the Livonia Observer and the Detroit News. Even the
19 Free Press keeps sneaking in some stories from us. I
20 noticed that in this morning's paper. Moreover, the
21 Citizens Advisory Committee that was established in
22 Livonia, and I can assure you is by nobody's standard
23 a sandpaper group. They represent a good cross section
24 of our community. And they have, in fact, to the best

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COTTON CONTENT

1 of my knowledge, worked diligently in providing input
2 to our City Council. Our staff has worked with HUD
3 people. We have hired the consulting firm of Parkins,
4 Rogers and Associates, a distinguished planning con-
5 sultant in this state in order to assist us in our
6 application.

7 Our City Council has, it has spent in
8 excess of 50 hours at numerous meetings and study
9 sessions attempting to gain knowledge and information
10 concerning this project. I am pleased to tell you at
11 this time that our City Council did, at its regular
12 meeting last night, approve our Community Development
13 Block Grant application, the details of which Mr.
14 Nagy will soon apprise you of.

15 This decision, I might tell you, since
16 I worked very intimately with the City Council, was
17 based on recommendations submitted to the Council by
18 staff, our consultants, the Citizens Advisory Com-
19 mittee, as well as other citizens' input received at
20 the public hearings which were conducted.

21 I would also at this time like to
22 compliment the staff of the United States Civil Rights
23 Commission. Let me tell you why. Many of us in
24 Livonia, when we first heard of this hearing, were

1 extremely concerned, particularly with reference to the
2 so-called investigatory efforts that appeared to be
3 involved. We wondered, "why us? How come? Who are
4 these people?" Our concern bordered on resentment.

5 Upon further reflection, however, and
6 based upon our present knowledge of what appears to
7 be involved and having been assured by the staff
8 that we are not a target and this hearing would not
9 degenerate into an inquisition, and, moreover, that
10 you may well be here in Livonia because of the fact
11 that our climate is not hostile, this in great measure
12 has alleviated our apprehension.

13 Accordingly, on behalf of the Mayor,
14 let me say welcome to Livonia. You knew I would get
15 around to that eventually. We hope that this hearing
16 will prove to be informative and useful. We have
17 nothing to hide. You can flail away with questions,
18 as you see fit. I would stress, however, that we feel
19 that our application is in full compliance with both
20 the spirit and the letter of the law and we will
21 argue about the law where the law should be argued
22 about in court. That is usually the way I respond
23 to Council when they ask me about the law.

24 We recognize that Congress wants to

1 better the living standards of low and moderate income
2 people, and on behalf of citizens, our citizens in
3 this category, we express thanks to Congress for the
4 resources they are, I am sure, going to make avail-
5 able under this program.

6 Let me introduce Mr. Nagy, as I
7 promised earlier, who will provide you with detailed
8 information on our applications, since that is really
9 his baby.

10 Thank you.

11 MR. STEINER: I want to clarify a reference
12 Mr. Tatigian made, orally and in writing, from Mayor
13 McNamara. We did get the word that he was unlikely
14 to appear today. However, as I remembered our con-
15 versations with him a week ago Tuesday, he was going
16 to come at that point -- try to come in the evening.
17 That is why his name appeared on the agenda.

18 MR. TATIGIAN: He had the banquet this
19 evening.

20 MR. STEINER: We never got official word,
21 so we left him there. Thank you.

22 MR. LOBENTHAL: I didn't understand. He
23 is not coming?

24 CHAIRPERSON TERRY: He is not coming.

1 MR. TATIGIAN: I don't anticipate he will.

2 MR. NAGY: I would like to begin by present-
3 ing to the audience a brief profile on the community
4 of Livonia.

5 When Livonia became a city in 1950, the
6 U.S. Census indicated a population of 17,534. The
7 following decade was a time of phenomenal growth in
8 Livonia as the population grew from 17,534 to 66,702
9 in 1960, an increase of 280.4%. From 1960 to 1970,
10 the City continued to grow rapidly as the population
11 increased 65.1% from 66,702 to 110,109. In 1973
12 SEMCOG estimated Livonia's population to be 109,224,
13 a decrease of 0.8% from 1970. That was based upon an
14 estimated decline in family size from 3.94 persons per
15 dwelling unit in 1970 to 3.71 persons per dwelling
16 unit in 1973. The population in 1970 was made up of
17 109,659 persons of the white race, 41 persons of the
18 Negro race and 409 persons of other races.

19 Breaking Livonia's 1970 population down
20 by age categories indicated that 43.3% of the popula-
21 tion was under 18 years of age, 52.3% was in the 18
22 to 64 year category, and 4.4% were age 65 and over.
23 Grouping the population by five-year intervals, the
24 largest children's group was the 10-14 year olds with

1 15,652. The largest adult groups were the 40 to 44
2 year olds with 9,155 followed by the 35 to 30 year
3 group with 8,333. The median age in 1970 was 24.6 years.

4 School enrollment figures taken from
5 local school district accounting departments show that
6 in 1970, there was a total of 42,444 students attending
7 public schools in Livonia. Statistics also indicate
8 that 34,151 students live in Livonia and 8,293 live
9 outside Livonia. Parochial schools within Livonia
10 had a total enrollment in 1970 of 3,759 and the com-
11 bined 1970 enrollment of Schoolcraft Community
12 College and Madonna College was 5,996 students.

13 The growth of Livonia's housing stock
14 closely parallels that of the population. In 1950,
15 there were 4,836 housing units in Livonia. By 1960
16 the number had increased to 17,941, an increase of
17 271.0% from 1950. From 1960 to 1970, the number of
18 housing units increased 56.8% to 28,130. In 1973,
19 SEMCOG estimated the number of dwelling units in
20 Livonia to be 29,400, an increase of 4.5% from 1970.

21 The housing stock in Livonia shows a
22 very strong dominance of owner occupied single family
23 dwelling units. In 1970, the U.S. Census of Housing
24 indicated that owner occupied units consisted of

1 25,732 dwellings or 92.9% of the total of 27,686 oc-
2 cupied housing units. Single family units accounted
3 for 27,068 units, or 96.2% of the City total of
4 28,130 housing units, as compared to 1,062 multiple
5 family units.

6 The median value of owner occupied
7 housing units in Livonia as stated in the 1970 Census
8 of Housing was \$27,100, compared with \$18,100 for
9 Wayne County and \$19,600 for the Detroit SMSA. A
10 criteria for determining moderate family income in
11 Livonia for Community Development purposes is derived
12 by taking 80% of the median family income of the
13 Detroit SMSA in 1970 and low income is derived by taking
14 50% of the median family income of the Detroit SMSA
15 in 1970. With these criteria in mind, we find that
16 owner occupied housing units in Livonia with a value
17 less than \$15,000, roughly two and one half times
18 \$6,000 which is 50% of the median income for the
19 Detroit SMSA of \$12,117, numbered 1,283 units, or
20 5.0% of the total owner occupied units. Owner occupied
21 units valued between \$15,000 to \$25,000, roughly two
22 and a half times \$9,680 which is 80% of the median
23 income for the Detroit SMSA, accounted for 9,376 units
24 or 36.8% of the total owner occupied housing units.

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According to the 1960 Census, the last census to report on the structural condition of housing, there were 657 deficient and substandard housing units existing in Livonia, or 3.7% of the then 17,941 housing units existing in 1960. In 1973 the Livonia Planning Department conducted an exterior structural condition survey of the City which indicated that the percentage of housing units having some deficiencies had decreased from the 3.7% in 1960 to 2.0% of the 29,400 existing in 1973. This decrease was due partially to an actual drop in the number of deficient and substandard housing units from 657 in 1960 to 582 in 1973, as well as the fact that nearly 13,000 new housing units had been constructed between 1960 and 1973, thus reducing the ratio of deficient housing to the total supply. The 1970 Census, while not containing statistics on structural conditions of housing, did indicate that 167 housing units, or 0.6% of the total of 28,130 housing units existing in 1970, lacked some or all plumbing facilities.

The Economic and Market Analysis Division of HUD has developed a criteria for the determination of inadequate living conditions based upon specially tabulated data from the 1970 Census. Owner occupied housing is considered inadequate in units lacking

1 plumbing and/or with more than 1.25 persons per room
2 and/or built in 1939 or earlier and valued at less than
3 \$10,000. In 1970, the number of owner occupied housing
4 units meeting the definition of inadequate living con-
5 ditions and in which the household income was less than
6 \$10,000 consisted of 186 units, or 0.7% of the total
7 owner occupied units, including 58 units where the
8 household head was 65 years of age and older. Renter
9 occupied housing is considered inadequate in units
10 lacking some or all plumbing and/or with more than
11 1.25 persons per room and/or in units where the oc-
12 cupants are paying more than 25% of their income for
13 rent. In 1970 the number of renter occupied housing
14 units meeting the definition of inadequate living
15 conditions and in which the household income was less
16 than \$10,000 consisted of 558 units, or 29% of the
17 total renter occupied units, including 188 units
18 where the household head was 65 years of age or older.

19 According to the 1970 Census of General
20 Social and Economic Characteristics, the median family
21 income in Livonia in 1969 was \$15,216, compared with
22 \$11,351 for Wayne County and \$12,117 for the Detroit
23 SMSA. Families in Livonia with an income less than
24 \$6,000, again roughly 50% of the median income of

1 the Detroit SMSA, number 1,339 or roughly 5.1% of the
2 total number of families. Families with incomes be-
3 tween \$6,000 and \$10,000 roughly 80% of the median
4 income of the Detroit SMSA, numbered 2,881 or 11.0%
5 of the total number of families. Therefore, 16% of
6 the total families living in Livonia in 1970 had in-
7 come of \$10,000 or less.

8 Statistics from the 1970 Census of
9 General Social and Economic Characteristics on in-
10 dividual workers indicated that 60% of the 40,130
11 workers living in Livonia were employed in white
12 collar occupations. The largest occupational groups
13 among Livonia workers were the professional, tech-
14 nical and kindred workers with 8,376, clerical and
15 kindred with 7,281, and craftsmen and foremen with
16 6,731 workers. Classifying workers by industry re-
17 veals that 14,352, or 35% of all workers living in
18 Livonia, are employed in manufacturing, of which
19 6,697 are employed in the manufacture of motor ve-
20 hicles. The second largest category includes those
21 persons employed in elementary and secondary schools
22 and colleges with 3,177 workers.

23 Individual workers living in Livonia
24 and working in the Detroit SMSA had median earnings

1 of \$9,994 in 1969 according to the 1970 Census subject
2 report titled "Journey to Work." Based on statistics
3 derived from "Journey to Work", workers making less
4 than \$10,000 in earnings, numbered 17,709, comprised
5 50% of the total workers living in Livonia and work-
6 ing in the Detroit SMSA. Conversely, workers living
7 in the Detroit SMSA and working in Livonia had median
8 earnings of \$7,971. Workers earning less than \$10,000
9 in 1969, numbering 25,992, comprised 67% of the persons
10 working in Livonia. Subtracting the 10,994 persons
11 who live and work in Livonia from the total who work
12 in Livonia yields 28,380 workers who are employed in
13 Livonia but live elsewhere in the Detroit SMSA. Of
14 these 28,380 workers, 18,878 or 66% earned less than
15 \$10,000 in 1969. The foregoing income statistics
16 reflect individual earnings of workers and there-
17 fore do not necessarily represent total income of
18 each worker's family. Of all persons living and
19 working in Livonia in 1970, 10,943 were white, 6 were
20 Negro, 48 were persons of Spanish language and 45
21 listed as "other". Of all persons living outside
22 Livonia and working in Livonia in 1970, 36,126 were
23 white, 3,121 were Negro, 420 were persons of Spanish
24 language and 127 listed as "other".

1 I would like to go to or report on
2 citizen participation under the Housing Community
3 Development Act of 1974 as established in our com-
4 munity.

5 INITIAL PUBLIC HEARINGS: Four public
6 hearings were held in various locations in the City
7 of Livonia relative to the Housing and Community De-
8 velopment Act of 1974 after official notice appeared
9 in the Observer and Eccentric Newspaper on November
10 7, 1974. Such hearings were held on the following
11 dates during the evening hours:

12 November 26, 1974

13 November 27, 1974

14 December 4, 1974

15 December 5, 1974.

16 Notices of these public hearings were also sent by
17 mail to all Livonia civic association presidents and
18 to the following local service organizations:

19 Allied Veterans Committee

20 American Association of University Women

21 Business & Professional Women's Club

22 Community Commission on Drug Abuse

23 Disabled American Veterans Chapter 114

24 Family Service of Metro Detroit

Fish of Livonians

- 1 **Jaycettes**
- 2 **Chamber of Commerce**
- 3 **Livonia Commission on Children & Youth**
- 4 **Livonia Family Y**
- 5 **Livonia Kiwanis**
- 6 **Livonia Lions**
- 7 **Livonia Ministerial Association**
- 8 **Livonia Rotary Club**
- 9 **Livonia Youth Employment Services**
- 10 **Optimist Club of Livonia, Inc.**
- 11 **Redford Toastmistress Club**
- 12 **Livonia Health Guild**
- 13 **American Association of Retired Persons**
- 14 **American Legion Auxiliary**
- 15 **Citizens Public Opinion Counsel**
- 16 **Daughters of the American Revolution**
- 17 **Elks**
- 18 **Federated Garden Club of Livonia**
- 19 **Jaycees**
- 20 **Knights of Columbus**
- 21 **Livonia Citizens for Better Human Relations**
- 22 **Livonia Education Association**
- 23 **Livonia Historical Society**
- 24 **League of Women Voters**

1 Livonia Lions Lamplighters

2 Livonia Metropolitan Club

3 Livonia Town Hall

4 Moose

5 Polish Legion of American Veterans

6 Veterans of Foreign Wars Post 3941.

7 The purpose of the public hearings was as follows:

8 (1) Provide information to citizens
9 of Livonia about the requirements,
10 available funding and eligible and
11 ineligible activities relating to
12 the Housing and Community Development
13 Act of 1974.

14 (2) Introduce citizens to general
15 urgent and long range housing and
16 community development needs as seen
17 by various City Departments and to
18 encourage citizens' participation
19 in discussion of needs.

20 (3) Distribute a written synopsis
21 of the Housing and Community De-
22 velopment Act of 1974 to citizens
23 and service clubs to help them better
24 understand the requirements and

1 opportunities of the Act.

2 (4) Distribute questionnaires for
3 the purpose of gaining citizen par-
4 ticipation in the identification of
5 urgent community needs in housing
6 and services.

7 Records of the public hearings were
8 kept in the form of verbatim minutes and are a part
9 of the public record.

10 PUBLICITY: Newspaper articles relative
11 to the Housing and Community Development Act of 1974
12 appeared in thk Observer and Eccentric Newspaper on
13 the following dates, copies of which are a part of
14 the public record:

15 November 7, 1974

16 November 11, 1974

17 November 21, 1974

18 January 9, 1975

19 January 20, 1975

20 January 27, 1975.

21 Also on January 9, 1975, the aforementioned question-
22 naire was printed in the Observer and Eccentric News-
23 paper to obtain wide circulation and encourage additional
24 participation.

1 CITIZENS ADVISORY COMMITTEE: The afore-
2 mentioned questionnaire asked for volunteers to serve on
3 a permanent Community Development Citizens Advisory Com-
4 mittee whose purpose it is to assist in further identi-
5 fication of needs, in development of a recommended
6 first year program, in development of a list of needs
7 for future program years and finally to monitor the
8 City's use of funds to see that they are used for pur-
9 poses consistent with the City's approved Housing and
10 Community Development Program. The Committee is made
11 up of fourteen persons who are picked on a first-
12 come, first-serve basis.

13 The Committee held its first meeting on
14 January 20, 1975 in conjunction with the City's Task
15 Force for Community Development. The Task Force is
16 made up of the City Planning Director as its Chairman,
17 the City Engineer, Superintendent of Parks and Recrea-
18 tion, Chief Building Inspector, Housing Director, the
19 Chairman of the Historical Commission and a Civil
20 Service Department staff member. The purpose of this
21 meeting was to explain the Committee's purpose, re-
22 view the Community Development Act, introduce local
23 housing and income data to the Committee and recom-
24 mend possible locations for community development

1 activities.

2 Subsequent meetings of the Citizens
3 Advisory Committee were held on the following dates
4 and for the following purposes:

5 January 30, 1975: The purpose of this
6 meeting was to tour recommended neighborhood areas
7 where possible housing and community development ac-
8 tivities may take place. Following is a list of those
9 areas toured as well as statistics related thereto:

10 (1) Argonne Subdivision; N.E. 1/4

11 Section 1, located within Census Tract #924.16.

12 % low income families in tract - 28%

13 Average total assessed valuation of
14 homes in subdivision is \$3,618.25.

15 Number of deficient or substandard
16 structures in Section 1 - 119.

17 (2) Schanhites Marquette Manor Sub-
18 division; S.E. 1/4 Section 25, located within Census
19 Tract #924.03.

20 % low income families in tract - 15%

21 Average total assessed valuation of
22 homes in subdivision is \$3,804.41.

23 Number of deficient or substandard
24 structures in Section 25 - 91.

1 (3) Joy Road Cozy Homesites Subdivision;
2 S.E. 1/4 Section 36, located within Census Tract #924.01.

3 % low income families in tract - 18%.

4 Average total assessed valuation of
5 homes in subdivision is \$4,446.30.

6 Number of deficient or substandard
7 structures in Section 36 - 40.

8 (4) Five-Elm Park Subdivision, N.W.
9 1/4 Section 24, located within Census Tract #924.09.

10 % low income families in tract - 16%.

11 Average total assessed valuation of
12 homes in subdivision is \$4,218.00.

13 Number of deficient or substandard
14 structures in Section 24 - 31.

15 (5) Seven Mile Super Highway Subdivision;
16 N.E. 1/4 Section 9, located within Census Tract #925.04.

17 % low income families in tract - 18%.

18 Average total assessed valuation of
19 homes in subdivision is \$4,347.87.

20 Number of deficient or substandard
21 structures in Section 9 - 13.

22 (6) Bonaparte Gardens Subdivision; S.E.
23 1/4 Section 35 located within Census Tract #924.04.

24 % low income families in tract - 20%.

1 Average total assessed valuation of
2 homes in subdivision is \$5,023.82.

3 Number of deficient or substandard
4 structures in Section 35 - 25.

5 February 4, 1975: Two meetings were
6 held on this date; one to finalize a preliminary recom-
7 mended first year program from the Advisory Committee
8 and the second was a meeting with the City Council to
9 discuss the recommended preliminary first year program
10 as well as other community needs.

11 February 11, 1975: This meeting was
12 for the purpose of finalizing the Advisory Committee's
13 recommended program after analysis of the results of
14 the aforementioned questionnaire.

15 February 12, 1975: The Committee met
16 in joint session with the City Council to discuss the
17 first year program and related expenditures.

18 February 17, 1975: The Committee again
19 met in joint session with the City Council to continue
20 discussion of the first year program and give direction
21 in listing general future community development acti-
22 vities.

23 February 18, 1975: This meeting was
24 for the purpose of preparing for a public hearing on

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1 the recommended program to be held that evening.

2 February 19, 1975: This meeting was
3 for the purpose of recommending any alterations in
4 the final application based on results of the public
5 hearing in preparation for the City Council's final
6 approval of the application.

7 PUBLIC HEARING - FEBRUARY 18, 1975:

8 On February 18, 1975, after official notice appeared
9 in the February 3, 1975 issue of the Observer and
10 Eccentric Newspaper, a public hearing was held for
11 the following purpose:

12 Explain the recommended community
13 development program priorities and
14 expenditures in order to obtain the
15 views of citizens on the program
16 and general community development
17 and housing needs and priorities.

18 Minutes of the public hearing were
19 recorded and are a part of the public record.

20 Council at the regular meeting,
21 February 19, 1975, this past Wednesday evening, ap-
22 proved the program for submission to the SEMCOG State
23 Clearing House as well as thereafter to local office
24 of Housing and Urban Development. The program

1 detailed preparation of Community Development applica-
2 tion which was an \$8,000 figure for technical assistance
3 of the planning firm of Parkins and Rogers.

4 Administration to carry out the program
5 for the full year, estimated at \$13,000; interior in-
6 spection of residential structures within the target
7 areas, Area #1, Argonne Subdivision, as we mentioned
8 earlier in the report, interior inspection within four
9 residential structures within the target area, budget
10 figure estimate of \$6,500; preparation of the reha-
11 bilitation guideline handbook manual, estimated cost
12 of preparing those guidelines, \$6,000; purchase and
13 demolition of unoccupied substandard residential
14 structures, not necessarily all contained within the
15 target area but on a city-wide basis to remove blight
16 is estimated at a \$76,000 figure; finally, the re-
17 habilitation grand and/or loans to persons or families
18 of low and moderate income based upon need within the
19 target areas, Area #1, estimated at \$132,500. Sub-
20 total, \$242,000. Contingencies estimated at ten
21 percent of the above, \$24,000, comes to a grand total
22 of \$26,000 which is our city's -- \$266,000, which is
23 our city's entitlement.

24 As was mentioned in the Citizens

1 Participation Report, there was a questionnaire that
2 was distributed to the public at the four initial
3 hearings, as well as a questionnaire that was published
4 in the local Observer and Eccentric Newspaper.

5 I have the questionnaire here, as well
6 as the tabulation and the results of that questionnaire.

7 CHAIRPERSON TERRY: Could we have that as
8 an Exhibit, please?

9 MR. NAGY: I would like to take some time
10 and read the results of that in a summary.

11 CHAIRPERSON TERRY: All right.

12 MR. NAGY: A questionnaire was prepared by
13 the Livonia City Planning Department staff prior to
14 the Public Hearing on Community Development held in
15 November and December of 1974. This questionnaire
16 was drafted to help the City officials define Livonia's
17 needs and to comply in part with the requirement of
18 the U.S. Housing and Community Development Act of
19 1974 in which the public is to be involved in helping
20 to identify these needs and objectives.

21 Various methods of distribution were
22 used to have these questionnaire reach the public.
23 These were as follows:

24 (a) A handout at the Public Hearing

1 of November 26 and 27; and December 4
2 and 5.

3 (b) Distribution to the members of
4 several civic associations through
5 their officers, and

6 (c) Publication in the Livonia Observer
7 Eccentric on January 9, 1975.

8 City residents returned a total of 229
9 questionnaires to the City Planning Department. Of
10 this total 109 were clipped from the newspaper and
11 120 were from other means of distribution.

12 It should be noted that not all persons
13 answered all questions; therefore, all percentages
14 given below are based on a percentage response to the
15 item or individual.

16 Many persons gave no response to items
17 which do not pertain to their age group or personal
18 concern.

19 1. Location of Residence.

20 Where do you live in Livonia?

21 From the locations given as to residence,
22 it was determined that 29 of the City's 36 square mile
23 sections were represented. Those sections not repre-
24 sented comprise the industrial belt in the City and

1 the far Northwest area of the City where relatively few
2 houses exist and the population is sparse.

3 2. Housing

4 Do you feel there is adequate housing
5 in Livonia for residents with low incomes, such as
6 senior citizens, young families, widows and others?
7 Low income means \$12,173 per year or less for purposes
8 of the Housing and Community Development Act of 1974.

9 Sixty-three percent of 223 responding
10 felt the City did not have adequate housing for resi-
11 dents with low incomes. Most of these respondents -
12 86% chose senior citizens housing as the number one
13 area of inadequate housing in Livonia. It should be
14 further noted that 11 persons felt that although the
15 City offers adequate housing, the need still exists
16 for more housing for senior citizens.

17 If you answered no, are you in favor
18 of developing programs for assisting families and
19 persons with low incomes in obtaining adequate housing
20 such as,

21 Senior Citizens - yes, 126. No, 20.

22 Large families - Yes, 35. No, 48.

23 Young families - Yes, 77. No, 24.

24 Others (please specify)

1 Only 83 persons responded to the question
2 of housing for large families with 58% of those persons
3 expressing the feeling we should not provide housing
4 for this group.

5 76% of the 101 answering the question
6 on young families felt a need for housing for this
7 group. Several comments were made that young residents
8 can no longer find housing in the City when they marry.

9 Other write-in responses to the housing
10 needs were crippled and handicapped, 3; blacks and
11 other minorities, 6; median income, 1; singles, widows
12 and divorcees, 7.

13 3. Rehabilitation and Building Codes

14 Are you in favor of programs for the
15 rehabilitation of existing homes in Livonia that are
16 in need of major repair?

17 A favorable response of 74% approved of
18 programs for the rehabilitation of homes in Livonia.

19 Do you feel there has been adequate
20 enforcement of City Building Codes in your neighborhood?

21 Are you in favor of better enforcement
22 of City Building Codes in your neighborhood to prevent
23 deterioration of homes?

24 Although 72% felt the City has an

1 adequate Building Code enforcement, 79% felt that en-
2 forcement in their neighborhoods could be improved.

3 4. Additional Public Facilities

4 Are you in favor of the providing of
5 additional public facilities in your neighborhood
6 such as:

7 Paving Streets - Yes, 80. No, 90.

8 Improved storm drainage - Yes, 62. No, 94.

9 Sanitary sewers - Yes, 50. No, 89.

10 Street lights - Yes, 80. No, 85.

11 Other (please specify)

12 The responses to the question on ad-
13 ditional facilities ranged from a low of only 139
14 responses to the question of sanitary sewers to a high
15 of 170 responses. In answer to the question, 53% said
16 no to paving the streets, 60% said no to additional
17 storm drainage, 64% said no to sanitary sewers and
18 52% said no to street lights. Other public facilities
19 suggested included underground utilities, sidewalks
20 (4 responses). Traffic lights at various intersections,
21 better police surveillance (3 responses), an ordinance
22 for trucks to cover their loads, better and faster
23 street maintenance to mention a few of the suggestions
24 given.

1 **5. Parks.**

2 Do you feel your area of the City offers
3 adequate parks and leisure time activities for you
4 and your household?

5 If you answered no, what suggestions do
6 you have for improving the situation?

7 A total of 222 residents answered the
8 question on parks. Sixty-six percent felt we have
9 adequate parks. With the current vogue for tennis
10 and bikes many suggestions were quite naturally for
11 more tennis courts and bike paths. Several suggestions
12 from various areas of the City called for development
13 of nature areas in wooded sections. Sports programs
14 for girls were suggested several times as were a
15 Youth Center and a Cultural Center.

16 Other suggestions were mainly related
17 to specific parks and were special problems which we
18 will direct to the Department of Parks and Recreation.

19 **6. Public Services.**

20 Are you in favor of providing public
21 services in Livonia such as:

22 Child care centers

23 Health care centers

24 Employment center

1 **Special service centers for handicapped**
2 **persons**

3 **Senior citizen activity centers**

4 **Other (please specify)**

5 **Of those responding to the question of**
6 **public services, the percentages of Yes answers were**
7 **as follows:**

8 **Child Care - 52%, 164 answers**

9 **Health Care - 85%, 138 answers**

10 **Employment Center - 68%, 176 answers**

11 **Handicapped Center - 82%, 178 answers**

12 **Senior Citizen Center - 79%, 177 answers**

13 **Other excellent suggestions were for a**
14 **Youth Center; using high school girls as aides to main-**
15 **tain a day care center, using schools as recreation**
16 **centers after school hours, providing special facili-**
17 **ties for the handicapped, and a retail shop for**
18 **articles made by senior citizens.**

19 **7. Job Opportunities**

20 **Are you in favor of promoting additional**
21 **job opportunities in Livonia by initiating programs**
22 **which would help the continued development of commercial**
23 **and industrial facilities?**

24 **Are you in favor of the promoting job**

1 opportunities for residents by initiating rehabilita-
2 tion work in areas where homes and other buildings
3 and facilities are in need of repair and maintenance?

4 Almost everyone - 72% felt we should
5 promote more job opportunities by a continual de-
6 velopment of commercial and industrial facilities.

7 They also felt, 79%, we should promote
8 job opportunities by initiating rehabilitation of
9 buildings in the city.

10 8. Historical Preservation.

11 Are you in favor of the acquisition and
12 preservation by the City of Livonia of buildings and
13 lands which have historical significance?

14 Seventy-seven percent of the 208 people
15 who answered were in favor of the City acquiring and
16 preserving buildings and land of historical significance.

17 This was compiled January 30, 1975.

18 CHAIRPERSON TERRY: Thank you.

19 MR. RIENSTRA: Gentlemen, I think I have
20 been assigned to put the first questions to you, as
21 a fellow city official, elected in my case, as you
22 have heard, I have had some of your same frustrations.

23 May I ask a few specific questions be-
24 fore getting into some of the introductory ones?

1 The Citizens Advisory Committee that
2 had 14 members on it, do you know the characteristics
3 of those members, since they are all volunteers in
4 terms of age, income level, race and sex?

5 MR. NAGY: Well, not to the fullest extent
6 that you have asked your question here.

7 They are obviously both male and fe-
8 male and of all age groups. Not always that obvious.
9 And, of all age groups, except the very young age
10 group.

11 MR. RIENSTRA: Are there any low or moderate
12 income or minorities?

13 MR. NAGY: No minority persons but it was
14 a full spectrum of income.

15 MR. RIENSTRA: You said these were chosen on
16 a first-come, first-serve basis. Were there other
17 people beyond the 14 who volunteered to serve who were
18 not permitted to do so?

19 MR. NAGY: I don't know of one who was
20 prohibited from joining.

21 The reason for the first-come, first-
22 serve has to be explained.

23 The basis for the establishment of the
24 Citizens Advisory Committee are to solicit those persons

1 who might want to join, was through the dissemination
2 of questionnaires and the certain dates we had to con-
3 tact those who joined.

4 All those who had signed as of that
5 date, we selected to call them all in and explain,
6 you know, their structure and role under the Housing
7 Community Development Act. That is what is meant,
8 first-come, first-serve.

9 All those that signed as of that
10 initial date, we called upon the initial meeting.

11 MR. RIENSTRA: Mr. Tatigian gave a shocking
12 statistic to me, when he said the Livonia City Council
13 itself devoted 50 hours to the consideration of this.

14 I did a rough calculation, as Mr. Nagy
15 was specifying their involvement, even if all those
16 meetings at which the City Council were involved
17 lasted three hours, and I know how long I get sitting
18 at a meeting of three hours, that it would come up
19 to a maximum of 24. Can you account for the other
20 36 hours?

21 MR. TATIGIAN: I obviously didn't mean that.

22 I am sorry, I don't know your name.

23 MR. RIENSTRA: Howard Rienstra, from Grand
24 Rapids.

1 MR. TATIGIAN: Obviously I didn't mean
2 they had formal meetings. I was including their
3 study sessions. I think it was just what was in the
4 last two weeks, they have had five sessions just with
5 the consultants.

6 We have a very hard-working Council.
7 Maybe you have a little easier life up there in
8 Grand Rapids.

9 MR. RIENSTRA: I still find it very diffi-
10 cult to believe here.

11 MR. TATIGIAN: I think Mr. Raymond, who is
12 in the audience, I saw him come in here, will verify
13 what I said. We wouldn't try to spoof you on some-
14 thing that is so easy to check up on. You might
15 catch us on something else, but not that.

16 MR. RIENSTRA: With the specifications of
17 the plan that you have filed for the Title I monies,
18 I didn't see any allocation for relocation benefits
19 for those whose homes may be purchased or demolished,
20 and there are very considerable relocation requirements.
21 Do you know wherein you included those monies?

22 MR. NAGY: Those structures, substandard
23 structures that will be removed are unoccupied.

24 MR. RIENSTRA: They are all unoccupied?

1 MR. NAGY: Yes.

2 MR. RIENSTRA: I see.

3 Have you, at this point yet, filed the
4 Housing Assistance Plan for the Title II? That has
5 to accompany the application. Have you prepared that?

6 MR. NAGY: We have not filed that. It is
7 in the stage of preparation.

8 MR. RIENSTRA: When that is prepared, could
9 that be filed here with us as part of the record?

10 MR. NAGY: I would be happy to send that
11 to the staff.

12 MR. RIENSTRA: That does, of course, directly
13 get into the issue of the provisions for the low and
14 moderate income. Some of the material that your office
15 supplied us are things from your Planning Department.
16 I take it it has been supplied to us through your
17 office?

18 MR. NAGY: That's correct, sir.

19 MR. RIENSTRA: The Multiple Family Housing
20 Report, 1974, I believe I would like to identify these
21 as part of our records. But among these are some of
22 the studies that have been prepared by your consultants.
23 The Housing Market Study for the City of Livonia,
24 January, 1974, has several things in it which indicate

1 already there and then a bit more fully in the land
2 use plan for 1985, that you anticipate for the City
3 of Livonia a lower pace development of housing.
4 With that, by 1985, virtually all of the land --
5 maybe you didn't consider it, consider the current
6 economics, -- would be occupied by the kind of housing
7 that you are presently developing, mainly in the
8 median price bracket of \$27,000, or, as this study
9 identifies, between \$35,000 and \$50,000; is that
10 official policy now; have these preliminary plans
11 prepared by your consultants been adopted as the 1985
12 housing plans for the City of Livonia?

13 MR. NAGY: No. The land use plans and
14 report have not been adopted by the City.

15 What has been only adopted is the
16 policy on land use section contained within the report
17 but that is the extent of the things that have been
18 adopted for 1985.

19 MR. RIENSTRA: Have you had public discussion
20 at hearings on these public plans? Will you be going
21 into those soon?

22 MR. NAGY: We have held, in the summer of
23 1974, four informal hearings, almost precisely patterned--
24 the same pattern as I mentioned with respect to hearings

1 on community development; with the land use plan, carry-
2 ing it around to the high schools and showing it to
3 the public. We, however, have not held that one of-
4 ficial hearing pre-requisite to its adoption.

5 MR. RIENSTRA: These are the studies that
6 I looked through. Maybe you could find it for me or
7 see it is there. In neither of these studies prepared
8 by your consultants is there any suggestion that you
9 would be providing housing for low or moderate income
10 families, is that right?

11 MR. NAGY: We feel we adequately covered that
12 in the policy section of the plan. Our goal was to
13 provide for broader range of housing types to satisfy
14 the needs of all persons of all income levels.

15 MR. RIENSTRA: I mean with respect to the
16 Land Use Plan for 1985, and so on. There is no identi-
17 fication of development plans to provide housing for
18 large families or low or moderate income families.

19 MR. NAGY: The Land Use Plan recommends
20 land usage. It calls for expansion of the land use
21 category for both median as well as high density ex-
22 pansion over existing acreage that we have today, with
23 an additional 508 acres which, of course, the goal
24 there is to accommodate this wider choice of housing

1 types to be made available.

2 MR. RIENSTRA: In looking at your zoning
3 ordinance, do you call that planned residential zoning?

4 MR. NAGY: Yes, that is our term, PRD.

5 MR. RIENSTRA: PRD. I thought that was
6 the same thing as our PUD.

7 Do you have any experience with de-
8 veloping PRD, Planned Residential Development, at
9 this point?

10 MR. NAGY: We have not had one submission
11 under that particular section.

12 MR. RIENSTRA: No application for it?

13 MR. NAGY: We have a tentative one, but it
14 never got into the formal stage.

15 MR. RIENSTRA: The form of that zoning
16 ordinance, in the Planned Residential Development,
17 maintains the density requirements of the regular
18 residential area it would be located in, right?

19 MR. NAGY: Yes.

20 MR. RIENSTRA: It just allows for some
21 diversified and flexible provision of it?

22 MR. NAGY: Right.

23 MR. RIENSTRA: Maybe this is an antici-
24 pated question by anticipation.

1 For your Housing Assistance Plan, which
2 you will be filing, will you be filing specifically
3 for Section 8, Subsidy Monies, do you know?

4 MR. NAGY: We have had a proposal here about
5 a week ago wherein the developer from the Forest City
6 Building Corporation came in and made a proposal for
7 senior citizen housing project, taking advantage of
8 Section 8 housing through Michigan State Department
9 of Housing, and without, you know, formal resolution,
10 he was encouraged to pursue that further. And to
11 that extent, that item would be incorporated into
12 our Housing Assistance Plan.

13 MR. RIENSTRA: So there is a possibility
14 of a senior citizen Section 8 housing component to
15 your Housing Plan?

16 MR. NAGY: Yes.

17 MR. RIENSTRA: Is there anything for low
18 or moderate families, because I believe it is true,
19 is it not, you presently have in multiple family units
20 no units with three or more bedrooms in the City of
21 Livonia; is that correct?

22 MR. NAGY: I think that is a fair statement,
23 yes.

24 MR. RIENSTRA: Are you anticipating any

1 use of Section 8 money for low and moderate, large
2 families?

3 MR. NAGY: Not with respect to the first
4 year application.

5 MR. RIENSTRA: I think most of the questions
6 with the potential we were going to put to you were
7 answered in your very comprehensive statistical sur-
8 vey. I guess most of us would have to go back and
9 see precisely what it was.

10 I am interested, as I said before,
11 that general frustration that Mr. Tatigian referred
12 to. What has been the nature of your frustration?
13 I can share some of our frustrations in this appli-
14 cation process. What specifically -- was it the
15 absence of available information on guidelines that
16 you would have to observe; was it on purposes of the
17 CD monies; or, what kind of frustrations have you had?

18 MR. TATIGIAN: I can only go on the basis
19 of hearsay. Because I was originally scheduled to
20 attend some of these first meetings but I was unable
21 to do so.

22 It is the impression of our people,
23 and we sent several department heads and the Mayor
24 went also, that the people who were presenting these

1 programs didn't seem to know what they were talking
2 about and that they didn't seem to know what the
3 guidelines were themselves, nor could they tell what
4 the guidelines were. We now know what they are.
5 This was at the outset.

6 I didn't want to make a big point of it.

7 MR. RIENSTRA: You can tell the politicians
8 of interest.

9 CHAIRPERSON TERRY: I want to recognize
10 that we are running a little late and that we will
11 not be taking our 2:50 p.m. scheduled break for coffee.
12 We will remind you that there is coffee available in
13 Room 230, if you would like to go and get some and
14 come back and join us.

15 I think that we will stay here and
16 we may ask someone to bring some in, or whatever.

17 Also, I want to remind you that we
18 had said we would have some time perhaps on un-
19 scheduled testimony at 5:30 and 8:30. We are running
20 late. I would like to remind you, if you wish to
21 possibly be able to make testimony, to see Miss
22 Beasley, and to do that soon.

23 I would also like to say, since we
24 are running late and people have come for appointed

1 times, if you need to leave in the near future and
2 cannot wait until we get to the place on the scheduled
3 order, would you please see Mr. Lindstrom. Would you
4 raise your hands? And then we can sort of rearrange
5 the order of testimony, if that is more convenient
6 for people.

7 As we get closer to, what we had
8 projected as a one-hour dinner break, I probably in-
9 clude that we will also be either not taking that
10 or shrinking that time. But we will try to move
11 along and we will be here, and as we are here, fact-
12 finding and listening, we are glad that you are with
13 us.

14 If you are having any problem, please
15 see staff or Committee members in the audience who
16 will try to respond to your needs.

17 Are there other questions? Do you
18 have a question?

19 MR. SCHRUPP: A few questions. Primarily,
20 Mr. Nagy, on the Housing Assistance Plan.

21 As best you can recall, what were
22 the instructions that you gave to the Citizens Ad-
23 visory Committee and at the public hearings and the
24 information that you gave on the Housing Assistance

1 Plan itself? What kind of verbal instructions did
2 you give as definitions of that?

3 MR. NAGY: Well, to the best of my recollec-
4 tion, I did advise them there was an application re-
5 quirement for the preparation of the Housing Assistance
6 Plan. I did state almost verbatim what the Housing
7 Assistance Plan consisted of, the necessity to evaluate
8 existing housing stock, both in terms of its condition,
9 occupancy, vacancy, rate.

10 Thereafter, that we must prepare a
11 program that would show how our housing needs, after
12 they have been identified, should be assisted. Pri-
13 marily, for persons of low, moderate income.

14 I did advise them, to the best of my
15 ability, about Section VIII housing, that that op-
16 portunity, although Section VIII housing, I think,
17 is part of my own individual frustrations with the
18 Housing Community Development Act and that the rules,
19 even today, to the best of my knowledge, are not
20 actually available. So it has been a very difficult
21 time trying to adequately advise the public how really
22 Section VIII housing can be used in terms of housing
23 assistance, in terms of helping our own local housing.

24 MR. SCHRUPP: Did you specifically advise

E Z E R A S E

C O T T O N C O N T E N T

1 them that the funds that would be used to meet the
2 Housing Assistance Plan were different than, in fact,
3 used by the Title I Program?

4 MR. NAGY: I think I used the term -- I got
5 the term "two different pots of money" that are avail-
6 able and that Title I monies are not used to actually
7 construct the housing but they are used for CD Programs,
8 rehabilitation, site acquisition, clearance, short of
9 actually constructing units.

10 MR. SCHRUPP: How is it that the City
11 Council last night was able to adopt a final proposal
12 but did not adopt the Housing Assistance Plan. That
13 is not completed. I don't understand.

14 Is the Council going to take subse-
15 quent action different from -- I thought it was all
16 kind of one.

17 MR. NAGY: Our Housing Assistance Plan is
18 almost a copy of our actual program under Title I
19 monies.

20 Our Housing Assistance Plan or HAP
21 plan, if you will, is going to be made up largely,
22 the housing is going to be rehabilitated to Title
23 I monies. So that in that sense they approved it,
24 and the HAP plan last night, with the exception that

1 under the Table 2 of the housing, there is four forms
2 or five forms plus a plan. Form 2, Table 2 requires
3 that sections identify others. It is in that other
4 section that we would make mention of the proposal
5 for senior citizen housing project, taking advantage
6 of Section VIII monies.

7 MR. SCHRUPP: Did you receive from the
8 Coalition for Block Grant Compliance some statistics
9 that were to be inserted into the Housing Assistance
10 Plan, or did you know if your City Council received
11 those?

12 MR. NAGY: When you and I met with the
13 Mayor, he explained that he had just received that
14 information that day, and from that time forward, we
15 had it in our possession, made it available.

16 MR. SCHRUPP: Okay. Will you be making
17 use of any of that material in dealing with the
18 Table 2, Section C, the additional household expected
19 to reside in the locality?

20 MR. NAGY: We will certainly evaluate it.

21 MR. SCHRUPP: Do you have figures that
22 you were anticipating to use at this time?

23 MR. NAGY: We don't have it that specific.
24 We are certainly looking into it.

1 MR. RIENSTRA: I didn't realize that, because
2 I didn't know that myself. Cliff didn't.

3 May I ask then on Table 3, in which
4 there is categories and which there is an annual goal
5 specified for housing assistance, there is a total
6 category for the first year. Then the elderly and
7 then non-elderly large and then others.

8 Do I determine your earlier answer to
9 say that under the category you have identified as
10 an annual goal for housing assistance, only the
11 elderly? The number on this for the elderly?

12 MR. NAGY: Without actual benefit of a
13 Table, I don't recall my memory. We have identified
14 the need to rehabilitate a minimum of 26 structures,
15 residential structures, within the target area that
16 would be existing.

17 MR. RIENSTRA: And that would be potentially
18 for the elderly, non-elderly large or others?

19 MR. NAGY: It would be others. Because
20 obviously we wouldn't know whether they were elderly
21 or large families until we actually first got in and
22 did the code inspection program.

23 MR. RIENSTRA: Because under those total
24 then, the form requires, and I have one of ours

1 sitting here, that is why I use it by comparison; it
2 requires specifics for doing elderly, non-elderly or
3 others, whether it is going to be new, existing,
4 existing construction or rehabilitation. That exist-
5 ing is confusing to me.

6 MR. NAGY: Right.

7 MR. RIENSTRA: The difference between re-
8 habilitation and existing, but basically you are saying
9 that you would have all of yours for non-elderly in
10 the rehabilitation category, and for the elderly you
11 might have some new construction?

12 MR. NAGY: Yes.

13 MR. SCHRUPP: Mr. Nagy, or Mr. Tatigian, may
14 I ask you how you interpret the rule and regulation
15 from HUD 570.303(c)2? I will read from it, in terms
16 of Housing Assistance Plan. It states, "Communities
17 are to estimate the housing assistance needs of lower
18 income persons either already residing in a community
19 or planning or expected to reside in the community as
20 a result of planned or existing employment facilities."

21 Can you tell me specifically how you
22 interpret that and how that shows up in what you are
23 doing?

24 MR. TATIGIAN: Well, that is a good one.

1 How does one interpret something like that when one
2 lives in a suburban area? You know.

3 I don't want to get carried away in
4 my answer on this, but -- all you can do is make your
5 community available to anybody that wants to live in
6 it. This money is supposed to be spent in Livonia
7 for Livonia residents. I guess we will let the people
8 in Redford or Westland spend the money down there on
9 their own people.

10 We obviously have need in our community;
11 otherwise, we wouldn't be applying for this money.

12 I think anyone that takes a drive
13 through these areas in affluent Livonia would have to
14 admit that there is a need for something to be done.

15 I heard one of your staff people in-
16 dicate surprise over the fact that we have so many
17 dirt roads. Maybe that's why some people won't move
18 in our town. Maybe we are not as desirable as some
19 people think and as others may know better. But I
20 like our area.

21 I know one thing; we don't tax with
22 an income tax, non-residents. So maybe that is one
23 thing we are doing for the non-resident in not im-
24 posing an income tax on them. But insofar as that

1 rule is concerned, I guess we will have to find out at
2 some subsequent time what it means.

3 MR. SCHRUPP: You really don't have a defini-
4 tion of it at this point?

5 MR. NAGY: What do you do? Kidnap people
6 and force them into our town? What do you do?

7 MR. SCHRUPP: I think the phrasing has to
8 do with the estimating of the housing needs, as I
9 read it. It doesn't say anything about taking people
10 into the community willfully or unwillfully. It says
11 to estimate the housing needs.

12 MR. NAGY: Usually we let the developer do
13 that, because they are in the business.

14 MR. SCHRUPP: This is a rule that applies
15 to the City of Livonia in terms of applying for
16 Federal funds. It doesn't apply to developers at
17 this point in time.

18 MR. NAGY: I understand that. I am telling
19 you I don't know what we do on that. Maybe we can
20 ask you. Could you explain that rule to us? What
21 does it mean? You don't know either.

22 MS. JOHNSON: Might you not consider the
23 statistics you gave, Mr. Navy? You indicated 66% of
24 the workers who work in Livonia but do not live in

1 Livonia make less than \$10,000 a year. Would you not
2 agree that this might have some implication and some
3 assistance to you in evaluating the needs of someone
4 who might be expected to reside and who does presently
5 work in the community, the need for low, moderate
6 income families?

7 MR. NAGY: I agree that it does.

8 MR. TATIGIAN: Yes.

9 MR. NAGY: Take it one step further. What
10 we looked at then in the solution to that need was
11 to try to evaluate the housing stock in terms of
12 satisfying that need. To that end we did check with
13 the United Northwest Realtors Association on Housing,
14 roughly an evaluation of \$15 - \$30,000, that price
15 range, units annually are available in the market-
16 place in Livonia, and 1974 alone there was 659 homes
17 sold in that evaluation, within that range.

18 So, we just felt, you know, the Act
19 also required you to evaluate your needs. Go through
20 this broad range. It was a conclusion of the
21 Citizens Committee, the Planning Commission, the
22 Mayor's Task Force, as well as the Council, after
23 going through the whole broad spectrum of housing
24 needs, to establish our own priorities based upon

1 the evaluation of those needs, that it was the best
2 interest of us giving a limited amount of money to
3 work with, \$266,000, that we should, you know, at
4 least the first year, solve needs of the existing
5 housing stock and existing families in the community,
6 and thereafter, if the monies permit, we shall then
7 take a look for those who do not reside.

8 MS. JOHNSON: That leads me to another
9 question, although, you know, now you only have
10 \$266,000 to work with the first year.

11 Part of your application must be an
12 assessment of needs over a three-year period. And
13 also with an indication of short-term and long-term
14 housing goals. So you must think beyond, according
15 to the requirements of the Act, beyond just what you
16 have to spend in the first year. How will your ap-
17 plication reflect that? We are particularly talking
18 about these needs once you have done something about,
19 you know, your 26 hours?

20 MR. NAGY: We did look at the broad range
21 of these in terms of the three-year programs as well as
22 the broader --

23 MS. JOHNSON: Six-year?

24 MR. NAGY: -- six year terms of anticipated

1 continuation of revenue.

2 Our three-year overall program, again,
3 was with respect to Title I monies. And to the best
4 of my knowledge, in evaluating the application re-
5 quirement, the Housing Assistance Plan does not require a
6 three-year plan. It is annually submitted; one year.

7 MS. JOHNSON: Then the parameters of your
8 Housing Assistance Plan would be the first year?

9 MR. NAGY: Absolutely.

10 MR. SCHRUPP: You are not planning on any
11 long-term basis?

12 MR. NAGY: Absolutely. We will take that
13 next year, if we are successful the first year and
14 come back the second year.

15 MR. RIENSTRA: I believe that is a question
16 we want to ask HUD because that is consistent with the
17 Grand Rapids experience too. We only had to apply
18 the first year for housing assistance.

19 May I ask just quickly; do you have
20 an income tax on residents?

21 MR. TATIGIAN: No.

22 MR. RIENSTRA: Oh, I thought you did.

23 MS. BLEDSOE: Two quick questions.

24 Mr. Navy, could you give us an indication

1 of how many citizens attended hearings which were held
2 in November and December?

3 MR. NAGY: The November 26th hearing, we
4 have the minutes available and we asked those persons
5 who did attend to sign in. So these figures, my esti-
6 mate can be verified; I would have to bring the minutes
7 with me. So what I might say may be conflicting.
8 But to the best of my recollection, November 26th
9 might have been a grand total of 20 people there.

10 November 27th, I think the number
11 dropped slightly, maybe 15 or maybe 17.

12 December 4, better turnout. I think
13 we had 35. And December 5th was disastrous; I think
14 we had something like five. And the last hearing, we
15 had 18. I believe there were 35 people in there.

16 MS. BLEDSOE: Secondly, could you summarize
17 for us briefly what the projections tend to be in
18 terms of expanding the business, commercial, generally
19 the job opportunities?

20 MR. NAGY: You mean in actual program acti-
21 vities, project activities?

22 MS. BLEDSOE: Right.

23 MR. NAGY: Primarily centered around ex-
24 pansion of industry within the planned industrial

1 belt by making the land available either through clear-
2 ance of land that is inappropriately developed, in-
3 consistently developed with industrial patterns
4 established in the area.

5 MS. BLEDSOE: But you have not reached a
6 stage where you are making projections about the
7 actual increase in employment opportunities, additional
8 employment opportunity?

9 MR. NAGY: No, we are not.

10 MS. BLEDSOE: Finally, could you describe
11 very briefly for us the organization of your Planning
12 Department? How many divisions, how many employees?

13 MR. NAGY: We are probably a small depart-
14 ment. We have a grand total number of employees of
15 eleven; five of which are professionals --planners,
16 who plan. The rest are clerical staff. The depart-
17 ment is structured around a current work section and
18 an advanced planning section. The current work
19 section handles such things as day to day zoning re-
20 quests, subdivision site plan rules, special use ap-
21 proval and, of course, the advanced planning section
22 would handle things like master planning, future
23 land use planning and things of that nature.

24 And then the new activity called

1 Housing and Community Development, that is largely --
2 falls on our responsibility in terms of administering,
3 coordinating the efforts of so many groups. Sometimes
4 it takes team effort within the department.

5 MR. LOBENTHAL: I have got several questions,
6 some of them of administrative detail.

7 Of the 11 employees in the Planning
8 Department, how many of those are black or other
9 minority?

10 MR. NAGY: Within the Planning Department,
11 there are no blacks. Of the special staff of five,
12 all are males; technicians, one female and one male.

13 MR. LOBENTHAL: Did the Citizen Advisory
14 Committee have a report?

15 MR. NAGY: Yes, they do.

16 MR. LOBENTHAL: Was the report written?

17 MR. NAGY: Yes, it was.

18 MR. LOBENTHAL: Can we have a copy of it?

19 MR. NAGY: I would be happy for you to get
20 a copy.

21 MR. LOBENTHAL: Are the recommendations in
22 the report, are they consonant with the application
23 or were there any disparities of any note?

24 MR. NAGY: Almost precisely on par, with

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1 one exception, and that was with respect to items for
2 our existing senior citizen housing project for which
3 we have to build an early identification need. The
4 Housing Director, the Housing Commission indicated a
5 budget item to overcome some deficiencies within the
6 two buildings.

7 The Housing Commission recommended
8 \$30,000 budget items to overcome those deficiencies
9 and the Citizens Advisory Committee recommended allo-
10 cating some of the CDA money to overcome those de-
11 ficiencies. The Council felt that should come from
12 either shared federal revenue we already have, possibly
13 even examining the availability of funds directly from
14 HUD, since that is a HUD-sponsored project. But other
15 than that --

16 MR. LOBENTHAL: Mr. Rienstra, in his quest
17 for make up of members of the committee, do you have
18 any ideas how many of those people had lived in Livonia
19 for less than ten years and how many lived in Livonia
20 for more than ten?

21 MR. NAGY: Do you mind repeating the
22 question, please?

23 MR. LOBENTHAL: The length of time of resi-
24 dency of members of the Advisory Committee --

1 MR. NAGY: I would say the chairman is
2 present, if he cares to comment. I think, well,
3 since there are senior members in terms of age, I
4 understand one gentleman was of the first DPW
5 Directors, so I imagine that would -- there are
6 some who have been here two or three years; so there
7 is a broad range.

8 MR. LOBENTHAL: You are not certain though,
9 specifically, whether or not --

10 MR. NAGY: No.

11 MR. LOBENTHAL: One other administrative
12 question, and we hope to move on to things of greater
13 substance.

14 Could we also get a copy -- you indi-
15 cated you distributed a synopsis of the Act at the
16 hearings and I am just wondering if you could give
17 us a copy of that synopsis that was distributed for
18 the record?

19 MR. NAGY: I would be happy to do that.

20 MR. LOBENTHAL: I am wondering now on
21 some slightly different kind of questions.

22 Did you know, and perhaps Mr. Tatigian,
23 do you know what use or what relationship city govern-
24 ment has with the Michigan Department of Civil Rights

1 and their contract compliance operations or any of the
2 other government agencies that do contract compliance?
3 Is that activity that Livonia engages in?

4 MR. TATIGIAN: I am not sure. I can't really
5 answer that question because I don't think we ever
6 had anything other than cordial contact with the
7 Michigan Civil Rights Commission. Not that your ques-
8 tion infers otherwise.

9 You talked about contract compliance.
10 You mean so far as what we have in our bidding con-
11 tracts, with our purchasers, is that what you mean?
12 Suppliers?

13 MR. LOBENTHAL: Sort of. It is my rough
14 understanding, and I don't think I can be really very
15 specific, but it is my understanding that a number of
16 agencies, governmental agencies have lists of con-
17 tractors that are ineligible for bidding on either
18 city contracts or state contracts by virtue of not
19 being in compliance.

20 MR. TATIGIAN: I guess I am not the person
21 to ask that question. It would have to be addressed
22 to our Financial Director, and I don't know what the
23 answer is here, and I am sorry. I don't know. Sorry
24 John, that is not your answer either.

1 MR. LOBENTHAL: Can you tell us anything
2 about the relationship that you have with the Department
3 of Civil Rights? You indicated a cordial relationship.

4 MR. TATIGIAN: Well, we have a high regard
5 for the chairman of the Civil Rights Commission. He's
6 going to appear on your program later today. We saw that,
7 we have a very high regard.

8 MR. LOBENTHAL: I asked Dr. Katz a question
9 earlier about the kind of a sense of the Livonia citi-
10 zen orientation to multiple family units, and it was
11 his indication that he thought probably the residents
12 would frown on such a thing.

13 MR. TATIGIAN: I suppose you want me to
14 submit my comment on this?

15 MR. LOBENTHAL: Yes.

16 MR. TATIGIAN: Which I probably shouldn't,
17 but I will anyhow.

18 I disagree with Dr. Katz on a couple
19 of things.

20 First, while there is a definite dif-
21 ference between our present administration, Mayor
22 McNamara's and Mayor Molkie; I don't think it would
23 be fair to say that Mayor Molkie's administration
24 did make a deliberate attempt to keep out minority

1 groups. On the other hand, I would say, there is
2 no question that Mayor Molkie's administration did
3 make a big issue out of the apartments, the apartment
4 issue. There was this initiatory petition drive
5 back in 1967, I believe it was, and at the special
6 election that was conducted in September of that year,
7 that a thousand foot spacing requirement was approved
8 by the voters. That particular ordinance was then
9 struck down, as Dr. Katz so correctly stated, on
10 procedural grounds, ultimately. That decision of
11 the lower court was upheld in the Supreme Court on
12 the basis that the ordinance in question cannot be
13 enacted by the referendum or an initiatory petition.

14 I would, however, point out, under
15 our charter, I want to make sure the members here
16 recognize this, the Council could have enacted that
17 ordinance. It could have been referred to -- at
18 the time the petition was submitted, without a refer-
19 endum, under our Charter they have the option of
20 referring it or enacting it themselves or even as the
21 Supreme Court enacted, referral to our City Planning
22 Commission; having them conduct a public hearing
23 and proceed with it as they saw fit.

24 No, they didn't see fit.

1 CHAIRPERSON TERRY: Excuse me a minute.

2 We have to take just a normal break
3 while the tape recorder has to be fixed with a new
4 tape, and all of that.

5 We are going to take a coffee break;
6 we have a technical thing here. They will let us
7 know when they have it fixed.

8 (A short recess was taken.)

9 CHAIRPERSON TERRY: All right.

10 MR. TATIGIAN: I was talking.

11 Well, the fact of the matter is, it
12 was invalidated, it could have been re-enacted; I
13 think it is safe to say, with reference to our City
14 Council, because with one or two exceptions, it is
15 practically the same Council now that used to fight
16 Harvey M. Molkie in the old days. I mean our present
17 Mayor, who lost that special election, quote, unquote,
18 insofar as that issue was concerned, because he ada-
19 mantly opposed it, and they went on kind of a sparse
20 tour at the time. As you know, I guess old Harvey
21 overrated that election. Because he got beat at the
22 regular election when his own office came up and
23 McNamara has been Mayor ever since.

24 Are apartments unpopular in Livonia?

1 Probably unpopular wherever there are single-family
2 districts throughout the State. I don't think it
3 would be fair to say that they are any more unpopular
4 here than they are elsewhere, except it has been made
5 into kind of a political issue. It is dissipating,
6 it is disappearing. Our town is maturing, and I
7 guess I can't add anything more to that.

8 MR. LOBENTHAL: I just have two other
9 questions.

10 I fear you will have to help me phrase
11 the question. The first one, because it is -- I am
12 not sure what it is I am talking about.

13 MR. TATIGIAN: I don't know what I am talking
14 about in answer.

15 MR. LOBENTHAL: It is my understanding that
16 there is some kind of large acreage consideration for
17 development of some 30 million dollars.

18 MR. TATIGIAN: Six Mile at Newburgh?

19 MR. LOBENTHAL: Beg your pardon?

20 MR. TATIGIAN: Six Mile at Newburgh, Laurel
21 Park .

22 MR. LOBENTHAL: Is that the area?

23 MR. TATIGIAN: Two hundred acre development.

24 MR. LOBENTHAL: Which is going to have to --

1 where the proposal has some residential and commercial
2 and industrial uses to it, does that strike a bell to
3 you?

4 MR. TATIGIAN: I think Mr. Nagy can describe
5 it best. It is 50 acres that will be a commercial
6 shopping center, hopefully, or that is what is proposed.
7 I shouldn't say "hopefully." That is what is proposed
8 by the owner of the property.

9 It is a 200 acreage package. The largest
10 single package of the kind in this City or probably in
11 the general area. One big development where the owner
12 of the property has put this property together slowly
13 through the years, at least apparently that is what
14 he said at the public hearing. That is what I heard.

15 MR. LOBENTHAL: There is an estimate, that
16 might produce some two or three thousand jobs. So
17 my question is really twofold then.

18 Number one, you will have to help me
19 because you know about the proposal and I don't.
20 Number one is, how might this affect your proposal
21 in terms of the grant and, number two, how might
22 this affect your position on expected to reside?

23 MR. TATIGIAN: I don't see how it could
24 have any affect on it. It may not happen too, it's

1 just a proposal. I mean there are residents that, be-
2 lieve it or not, in Livonia, that not only oppose apart-
3 ments, but oppose Jacobson's, Saks Fifth Avenue -- the
4 kind of things that are proposed in this particular
5 development. I must say, in all fairness, most of
6 them seem to favor Saks or Jacobson's; not all of them.
7 It is the traffic that seems to be a big factor. That
8 particular one involves some 1400 units of multiples.

9 MR. LOBENTHAL: Well, it would strike me --

10 MR. TATIGIAN: Referring to that kind.

11 MR. LOBENTHAL: -- about what you say, 200
12 acres and 30 odd million dollars and three thousand
13 jobs, that must have some impact in your anticipation
14 of residents.

15 MR. TATIGIAN: That development includes
16 1400 units.

17 MR. LOBENTHAL: That is for which income
18 level?

19 MR. TATIGIAN: Well, maybe the people, I
20 suspect it will be mostly moderate or at least higher
21 income. I don't know.

22 MR. NAGY: It is really a zoning proposal
23 at this time rather than being a detailed project
24 whereby the apartment dwellings have been specifically

1 designed. It is really a land use plan relating to
2 zoning request to change the zoning to allow it to
3 happen.

4 In fact, we can't even say what the
5 bedroom breakdown is of the apartment units them-
6 selves. If I tried to comment further on what specific
7 level of income, it might --

8 MR. LOBENTHAL: The last question I have is
9 this: Mr. Tatigian, you made the comment that the
10 money is supposed to be spent in Livonia for Livonia
11 residents.

12 MR. TATIGIAN: I maybe shouldn't have said
13 that. I should have said obviously this is money
14 that the City of Livonia is getting, and we are going
15 to give first consideration to our community, just as
16 I suspect these other communities will give considera-
17 tion to their communities.

18 MR. LOBENTHAL: The question --

19 MR. TATIGIAN: I am not trying to invalidate
20 our application here by not abiding by what the law
21 says. We will abide by what the law says.

22 MR. LOBENTHAL: I am not suggesting that
23 you weren't.

24 What I was thinking, was that it

1 seems to be a philosophical difference as perceiving
2 the money as bettering the community and, therefore,
3 that means spending it on the residents of the com-
4 munity or perceiving the -- the concept of bettering
5 the community as expanding the base of its residency.

6 MR. TATIGIAN: We are not communicating
7 well. It is all my fault because I am just not say-
8 ing the right thing.

9 Obviously, as I said before, we have
10 got a need for this money because we have low income
11 people in this community. They are living here. We
12 have identified the area. We are telling you exactly --
13 we are not telling you -- our application will advise
14 the appropriate people how this money is going to be
15 used. And we feel it is in full compliance with the
16 requirement of the law.

17 Now, more than that, I don't know, you
18 know. I didn't really try to get cute with my good
19 friend here, who I met before, the good Reverend, you
20 know. I really don't know how you are going to be
21 making all this.

22 The law makes some nice generalities
23 there, which is all right, you know. It is good
24 policy. I hope it happens.

1 I just wonder how anybody else is going
2 to implement some of those things. The Councilmen
3 from Grand Rapids says they are going to be able to
4 do it because there is an influx coming back into
5 their town. Well, good luck. I really hope it hap-
6 pens that way.

7 I just think some of these laws have
8 vague reasons and they are pretty difficult to per-
9 ceive.

10 MR. LOBENTHAL: I think the point you raised
11 needs to be looked at, because these questions that we
12 are asking are not certainly hostile questions.

13 MR. TATIGIAN: I appreciate that.

14 MR. LOBENTHAL: How is Livonia dealing with
15 their problem.

16 MR. TATIGIAN: I hope I am not coming across
17 as being hostile either because my best friends say I
18 am obnoxious. If I am coming across as being some-
19 what hostile here that wouldn't surprise me.

20 CHAIRPERSON TERRY: Some of your friends?

21 MR. LOBENTHAL: That's all.

22 MS. MYLES: I had one final question.

23 On the questionnaire, was the objective
24 to reach a representative cross-section of the community,

1 or was the objective to reach those who were likely to
2 be most interested in the application and more vocal?

3 MR. NAGY: A cross section of the community.

4 MS. MYLES: I was wondering, in that case,
5 why you would not have used some kind of sample
6 technique rather than relying on the citizen meetings
7 and the newspaper which were likely to produce a
8 skewed distribution of questionnaires?

9 MR. NAGY: The reason why, we are just not
10 that sophisticated in surveying techniques, and so
11 forth. We really learned a lot, believe me, and in
12 a fair sample of public opinion, I guess we could do
13 better.

14 I know back in the summer there was a
15 rather languish program. You are right. I wish I
16 knew a little more in that area.

17 MS. MYLES: I just thought perhaps Parkins,
18 Rogers, with their expertise might have suggested
19 something else.

20 MR. NAGY: We started that right from the
21 outset. We knew of that program requirement. We
22 started to develop the questionnaire and tried to
23 disseminate that information long before Parkins and
24 Rogers were aboard.

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1 MS. MYLES: The other question I had was
2 whether you, as a city, had had any previous experience
3 with HUD and, if you did, what was it?

4 MR. NAGY: The City goes beyond my brief
5 tenure with the City, my only experience with HUD
6 had been as of one year ago when our department was
7 successful in getting a 701 planning grant. That is
8 the extent of my own planning experience with the City.

9 The City has had other programs such
10 as Senior Citizens Housing Projects, as I mentioned
11 earlier, land acquisitions that we have had. We
12 even had 701 planning grants back in the early '60's
13 with my predecessor.

14 MS. MYLES: So generally your experiences
15 are past experiences with HUD and the City's past
16 experience with HUD has been mutually profitable
17 and generally resulted in a grant?

18 MR. NAGY: Yes. In spite of all its, you
19 know, I have had good relations with HUD in my own
20 dealings.

21 MS. MYLES: And the City also?

22 MR. NAGY: Somebody else can comment on
23 the City. I am talking about my planning activities.

24 MR. TATIGIAN: We haven't done all that

1 bad. I mean, there has been some rhetoric. We haven't
2 done all that bad. I suppose it would be fashionable
3 to take a cheap shot at them but --

4 MS. MYLES: I am not asking that. That's
5 all.

6 CHAIRPERSON TERRY: Any other questions?

7 MR. SCHRUPP: To follow up on that, I was
8 wondering, there was a newspaper article some time
9 ago with relation to HUD denying funds to Livonia in
10 terms of sewer applications. Would you care to comment
11 on that? I believe the denial, the paper indicated
12 was because there was not housing for low and moderate
13 income families being projected.

14 MR. TATIGIAN: I think that is why we lost.
15 That is some time back. Why resurrect the past? Be-
16 sides, I didn't work on that and neither did John.
17 So that is not our baby.

18 MR. SCHRUPP: That is accurate though?

19 MR. TATIGIAN: I do recall that was, what,
20 about five years ago?

21 MR. SCHRUPP: I think the papers said
22 March, 1972.

23 MR. TATIGIAN: That is three years ago. I
24 knew it was some time ago. I don't think we lost

1 anything. We just didn't get anything.

2 MR. SCHRUPP: One further question then.

3 In proposing the subject matter, we
4 did indicate that we were interested in the plan
5 that the City was going to comply with the Civil
6 Rights requirement of the Community Development
7 Act. We haven't heard any mention of that in terms
8 of what the City is going to be doing in that regard.

9 I wonder if you could comment on that.

10 MR. NAGY: There is not going to be a
11 violation of it.

12 MR. SCHRUPP: I believe the Act requires
13 some affirmative steps as well as non-discriminatory
14 steps, both in terms of contracts and both in terms
15 of handling of mortgages that might be handled through
16 the Act as well as the people who are employed in terms
17 of any construction activity.

18 MR. TATIGIAN: We, in certain areas, do go
19 beyond or have gone beyond what is required in other
20 communities.

21 In addition to our open housing ordi-
22 nance, we require the posting of that ordinance in all
23 real estate offices. It is a wrinkle I don't believe
24 most communities have.

1 I don't know this contract compliance
2 thing. That question was asked earlier. I will have
3 to check it out with the budget director. We know
4 that the State statute requires that that be a re-
5 quirement in all our bidding, and we can only assure
6 you that we will do it, if it wasn't being done.

7 MR. LOBENTHAL: Those were non-discrimination
8 factors.

9 MR. TATIGIAN: What you are saying was, are
10 we going to take an affirmative action to integrate
11 our housing; is that the question being asked?

12 MR. SCHRUPP: Not relating to housing
13 specifically. Related to affirmatively working with
14 contracts and contractors.

15 MR. NAGY: Now that you developed it a
16 little further than your initial request, to the
17 extent in our program, we try to expand job oppor-
18 tunities principally in low income neighborhood areas
19 and try to give job opportunities to minority groups,
20 broaden and try to concentrate the project contract
21 to groups or firms within the project area. Ours is
22 largely, of course, a program centered in purely
23 residential areas. So that we would be unlikely,
24 there would be firms or something like that immediately

1 available to undertake the work. But we would look
2 for the refinements of that. Just how we would
3 certify all contractors performing work for housing
4 needed for rehabilitation, all those things will be
5 formed as part of the guidelines as I mentioned, the
6 \$6,000 item. We have not in this community ever
7 undertaken rehabilitation programs of that type. We
8 have not funded anything under urban renewal or
9 neighborhood development plans or any categorical
10 programs which are now consolidated and part of this
11 community involvement.

12 We are learning a lot this first time.
13 That is why the one item in the proposal has been
14 set aside as to establish those kinds of things.

15 MR. SCHRUPP: To your knowledge, has the
16 City of Livonia ever denied a contract or delayed a
17 contract because of non-compliance with equal employ-
18 ment opportunity?

19 MR. NAGY: I don't know of none at all.
20 Although I am not the most knowledgeable person in
21 the City, with respect to that item, I personally
22 don't know of any.

23 MS. JOHNSON: Could I ask a very quick
24 question?

1 We asked Mr. Nagy the makeup of the work force of your
2 planning department. Perhaps Mr. Tatigian, what is the
3 total work force of the City of Livonia and how does that
4 break down according to race and sex?

5 MR. TATIGIAN: Well, I don't know. We have
6 about 550 people that work for the City. I know someone
7 told me percentage-wise, per thousand, we have one for
8 every 20 they have in Detroit. So we are undermanned is
9 what I am trying to tell you.

10 Now, insofar as the makup is concerned, I
11 couldn't really tell you that. I can tell you about the
12 law department, one Armenian, one Jew, one Pole. We don't
13 have a Wapp in the bunch or a black.

14 MS. JOHNSON: Can you submit that information
15 for the record, please, the total work force of the City
16 of Livonia as broken down by race and sex?

17 Thank you.

18 Also, I want to ask, since the invalidation
19 of the ordinance, multiple family 1000 foot ordinance, has
20 the City Council approved any multiple family housing that
21 would be closer than a thousand foot ordinance?

22 MR. TATIGIAN: Yes.

23 MS. JOHNSON: You have. Fine.

24 The last question is, Mr. Nagy, in his survey

1 of the citizens' input into the community development plan,
2 indicated that the citizens committee was established on
3 January 20th. That was the first meeting that was held,
4 correct?

5 MR. NAGY: Yes.

6 MS. JOHNSON: Then on February 4th there was
7 a meeting to draft the plan; on February 12, the plan was
8 finalized. Those are the dates you said?

9 MR. NAGY: Yes.

10 MS. JOHNSON: So within a period of three or
11 four weeks, in fact, that comprised the total activity of
12 the citizens committee as far as developing a plan and what
13 not.

14 Then the first that the residents of the
15 City of Livonia were presented with the completed CD
16 application was February 18th, in your open meeting?

17 MR. NAGY: Yes.

18 MS. JOHNSON: Okay. That was the citizen's
19 opportunity to see the community development plan as
20 finally constituted or prior to City approval and City
21 approval came the next day?

22 MR. NAGY: Yes.

23 MS. JOHNSON: Was there any change in that
24 plan as a result of the citizen input from February 18th to

1 February 19th? Any component of the plan changed?

2 MR. NAGY: No.

3 MS. JOHNSON: Thank you.

4 MR. RIENSTRA: I would like to get back to
5 the interpretation of the expected to reside requirement in
6 the Federal regulation. We have spoken about it earlier.
7 The Housing Assistance Plan is required to take count of
8 those who might be expected to reside in the community as
9 a result of present or future employment, and it is your
10 position, as I understand it, it was stated, it is not clear
11 what that really means or ought to be. HUD has not made it
12 clear. However, you tended to agree with Ms. Johnson a
13 while back in this hearing, where she referred to one of
14 your own statistics as 66 percent of your commutes in work
15 force earns less than \$10,000 a year, as a possible way of
16 getting at those who might be expected to reside.

17
18 However, then you responded by saying that
19 last year, in housing price ranges, that those levels of
20 income could afford, we had six hundred and some vacancies
21 that became available on the Livonia housing market.

22 Now, that would appear to be a response to
23 an apparent possible need, needs of about 66 percent, which
24 is a number of thousands of persons working here, not living
here.

1 My question is, do you think that is a
2 response to the question of who might be expected to reside?

3 Let me give you just a couple of examples
4 what expected to reside might require of a community. They
5 might be required to do a direct survey of the work force
6 which commutes into town; to make access actual housing
7 demands among the group of persons, the people commuting
8 in.

9 My question is simply this: number one,
10 have you, and this is for Mr. Nagy, Planning Director for
11 Livonia I think, considered what it would look like for
12 your department to do an actual assessment of housing
13 demands within the category of people who work here but
14 don't live here now?

15 If you have considered that, did you get to
16 the point of thinking what it would cost, for instance, for
17 Livonia to make that kind of an assessment, whether you
18 would have to add staff, how you might pay for it?

19 For instance, was the thought given to the
20 possibility of using the Federal money that could come
21 under various parts of this Act we are talking about to pay
22 for that kind of survey so that the town itself wouldn't
23 even have to use local funds?

24 It is kind of a three or four part question.

1 but it may be very simple to answer.

2 MR. NAGY: I will make an attempt at it.

3 Very early, of course, we attempted to survey
4 our needs, and that was one of the areas, of course, that
5 was tough to measure. To try to obtain a measure of that,
6 we did contact our City of Livonia Industrial Development
7 Commission, Industrial Development Coordinator. And we
8 did contact them to find out through their dealings in that
9 particular sector, of activity, had there ever been that
10 kind of activity, need or response revealed to them. They
11 knew of none. MILLERS FALLS

12 We also contacted our own local Chamber of
13 Commerce business committee, made up, of course; they knew
14 of none. They could not advise us. COTTON CONTENT

15 MR. RIENSTRA: Let me ask you this.

16 MR. NAGY: And finally we were told, in some
17 of the very early workshop meetings, that that could have
18 regional information. That that kind of thing should be
19 available at the clearing house and we should contact very
20 early in the program of procedure, clearing houses, if they
21 are really going to have meaning.

22 MR. RIENSTRA: Such as SEMCOG?

23 MR. NAGY: SEMCOG. If they are going to
24 have meaning for regional review requirements, should they

1 be able to give us some kind of handle on that.

2 MR. RIENSTRA: Who said that to you?

3 MR. NAGY: I ask that categorical question
4 of you.

5 MR. RIENSTRA: I see.

6 MR. NAGY: And we went to them and they could
7 not give us a measure of that.

8 So with that, we just went about our ordinary
9 business of trying to asses our needs. It was at that
10 point that we concluded that our needs with respect to the
11 existing housing and stock community as such.

12 MR. RIENSTRA: Back to the first part of your
13 answer, Mr. Nagy. You mentioned going to the Industrial
14 Development Commission, which, I take, is a City agency?

15 MR. NAGY: Right.

16 MR. RIENSTRA: As well as the Chamber of
17 Commerce?

18 MR. NAGY: Right.

19 MR. RIENSTRA: Have either of those agencies
20 initiated inquiries or did they report to you that they had
21 received no inquiries from others? Do you get the distinction?

22 MR. NAGY: We sought them out.

23 MR. RIENSTRA: You sought them? Had they
24 sought out, for instance, data on their own or basically did

1 they say? Nobody has given us anything.

2 MR. NAGY: No.

3 MR. LOBENTHAL: Just a quick question on the
4 same subject, and it assumes the difficulty in dealing with
5 what is expected to reside.

6 On December 19th, in the Observer & Eccentric
7 and I don't expect you to recall the article -- there was
8 an article on the transit program that was presented by
9 SEMCOG in 1950 on some expanded transit proposal which was
10 for the general area. And, at that time, according to this
11 article, Mayor McNamara, and I am quoting the article,
12 "Mayor McNamara along with several other representatives
13 of local government in the western Wayne County area felt
14 that the plan does not offer adequate transit especially
15 to persons commuting to area industry." That is the end
16 of the quote.

17 It strikes me, when you talk about 41 blacks
18 in the community and \$6,500 for a handbook which is going to
19 lay out the question of an affirmative action, contract
20 compliance for employment and a mayor who says what he is
21 really interested in, according to this article, is expanding
22 and improving the facilities for commuting, then what you
23 are really talking about is that having to put your eggs in
24 one basket or another, you are really talking about minority

1 persons coming into the community and leaving at 5:00 o'clock
2 and accommodating them and making more factual those means
3 of commuting in and out. But I don't see how you can ask
4 for employers, for example, to engage in non-discrimination
5 if, in fact, it appears that you are putting some stress on
6 commuting and then your expected to reside plans don't seem
7 to anticipate a large influx of minority members.

8 MR. TATIGIAN: Let me answer that, if I may,
9 please, Madam Chairperson.

10 Apparently I am as guilty as Ed Katz, because
11 I missed that article. But just based on what you just said,
12 you are saying what Ed McNamara said was that he favored
13 mass transit; is that what you are saying?

14 MR. RIENSTRA: No. He said that the proposal
15 that was presented was not good enough.

16 MR. TATIGIAN: What proposal?

17 MR. RIENSTRA: This mass transit proposal
18 at SEMCOG.

19 MR. TATIGIAN: Trying to establish --

20 MR. RIENSTRA: Something better.

21 MR. TATIGIAN: Are you suggesting because
22 he favors commuter service, that this is necessarily to say
23 then he is opposed to something else? Surely you are not
24 drawing that conclusion on assumption, are you?

1 MR. RIENSTRA: That's correct.

2 MR. TATIGIAN: How can you do that?

3 MR. RIENSTRA: No; your statement is correct.

4 MR. TATIGIAN: But how can you make that
5 kind of --

6 MR. RIENSTRA: I am sorry. I didn't make
7 myself clear. Your statement is correct. I am not saying
8 that.

9 MR. TATIGIAN: Well, you aren't? Would you
10 mind repeating your question again?

11 MR. RIENSTRA: What I am saying, given the
12 question that you indicated on expected to reside, given
13 that in at least some public places, seeing the evidence
14 of the need to improve facilities, and given at present, if
15 I recall what Mr. Nagy said, 41 blacks living in the
16 community, I am wondering where you see the affirmative
17 action contract compliance and non-discrimination occurring
18 except in terms of commuter workers?

19 MR. TATIGIAN: What has this to do with
20 commuter service? You see, what I don't understand, you
21 know, that expressway, for example, that is being built over
22 here. That goes two ways. Not only leads down to the
23 Ambassador Bridge, but it comes from the Ambassador Bridge
24 out here. I don't really look at those things just as you

1 are talking about commuter service here. And I still don't
2 understand your question.

3 Apparently -- let me try and rephrase it, my
4 understanding of your question. Apparently, you read this
5 article in yesterday's paper?

6 MR. RIENSTRA: No, no.

7 MR. TATIGIAN: Day before?

8 MR. RIENSTRA: December 19th.

9 MR. TATIGIAN: Oh, December 19th.

10 December 19, 1974 in the newspaper where
11 Mayor McNamara favored some improvement over a SEMCOG
12 program to establish a better form of commuter service.
13 Now from that you are drawing a conclusion that this means
14 that Livonia then is diametrically opposed to having people
15 that work in our town, live in our town; is that what you
16 are suggesting?

17 MR. RIENSTRA: That is what you said.

18 MR. TATIGIAN: Is that what you are saying
19 though? What are you asking?

20 MR. RIENSTRA: I am asking you a question.

21 MR. TATIGIAN: What is your question?

22 MR. RIENSTRA: My question is, where, if you
23 have in this handbook an affirmative action and you are
24 also struggling with the question of expecting to reside,

1 and you are also dealing with a population of 110,000 which
2 includes 41 blacks, what is it that is happening in terms
3 of increasing minority population?

4 MR. TATIGIAN: What has that to do with the
5 commuter service article that you mentioned? Are you
6 finished with that now? Forget it?

7 MR. RIENSTRA: No, I haven't forgotten it.

8 MR. TATIGIAN: Why not go back to that?

9 MR. RIENSTRA: How about answering that part
10 of the question?

11 MR. TATIGIAN: What part of what question?

12 MR. RIENSTRA: What is it Livonia is doing in
13 terms of either anticipating or attracting minority residents?

14 You see, what I am suggesting, and I think it
15 is a problem for all suburban communities, it may oftentimes
16 be more economically feasible and easier for a lot of ways
17 to say, "look, if we need to anticipate workers, one way to
18 deal with that, with the anticipation of workers, is to make
19 it easier for them to come and go."

20 Now, that is not then dealing with an expected
21 to reside. It is dealing with an increased work force that
22 gets people out at 5:00 o'clock.

23 What I am asking you, is what is it that
24 Livonia is doing in terms of anticipating those people not

1 leaving at 5:00 o'clock but, in fact, living in Livonia?

2 MR. TATIGIAN: I don't think we are doing
3 anything except making our town available. What do you
4 want us to do? Go over and bring these people here by guns
5 or what?

6 MR. RIENSTRA: We wouldn't advocate any
7 violence at all.

8 MR. TATIGIAN: What?

9 MR. RIENSTRA: We wouldn't advocate violence
10 at all. We wouldn't advocate violating the law.

11 MR. TATIGIAN: And we are not violating the
12 law. Our laws are being complied with and we are in full
13 compliance with all civil rights laws. If you are suggesting
14 otherwise, I think you are dead wrong.

15 Do you have a second part to your question?

16 MR. RIENSTRA: I think you answered it.

17 MR. TATIGIAN: Thank you.

18 CHAIRPERSON TERRY: Any other questions?

19 (No verbal response.)

20 CHAIRPERSON TERRY: Thank you very much.

21 (Witness was excused.)

22 CHAIRPERSON TERRY: Mr. Carroll.

23 STATEMENT OF

24 MR. RON CARROLL

MILLERS FALLS

RECORD

1 CHAIRPERSON TERRY: Would you please state
2 your name and position for the record?

3 MR. CARROLL: Yes. Ladies and gentlemen, I
4 am Ron Carroll, Chairman of the Citizen Advisory Committee
5 for Community Development of the City of Livonia.

6 CHAIRPERSON TERRY: Do you have a prepared
7 statement that you wish to present?

8 MR. CARROLL: Yes. I think it would be wise
9 at this time if we were to read the recommendations as set
10 down by our committee. Possibly it would answer a lot of
11 questions that would be in the minds of some of the members
12 up here.

13 I won't bother reading the preamble because
14 it explains the Act which I think we are all familiar with
15 now.

16 After several lengthy meetings of the City
17 Task Force on Community Development, the committee toured the
18 distressed area as designated on our structural condition
19 survey map. Residents with low income of \$6,100 or less
20 under the Act are eligible for grants. Those with low
21 income of \$9,600 or less are eligible for low interest loans.
22 The total amount of the Federal funds for 1975 is \$266,000.

23 This is the figure we are looking at when
24 we are basing our priorities. It was the concensus of the

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1 committee that the concentration for bringing selected
2 homes up to code should center in one specific geographical
3 area and we recommend the following: public meetings be
4 held for the residents of the selected area to explain
5 the Housing and Community Development Act of 1974 as it
6 pertains to them; code inspection with the objective of
7 eliminating unsanitary conditions, fire hazards, and other
8 problems of substandard housing.

9 Inspection verification: with the homeowner's
10 approval one or more committee members and a community
11 representative shall accompany inspectors on their first
12 call to individuals homes with spot checks later to verify
13 the quality of the repairs made.

14 Administration fees verification: the
15 committee questions the 15 percent allocation for adminis-
16 trative fees and specifically questions the need for
17 additional personnel. Inasmuch as we currently have 15
18 inspectors on the City staff.

19 I might add that the administrative fees have
20 been more accurately assessed and they now stand at five
21 percent.

22 Contractor modifications: to protect home-
23 owners and insure maximum usage of available funds. In
24 the event any contractor has demonstrated substandard work

1 in the past, should not be considered eligible for any of
2 the work to be done on this program.

3 Removal of deteriorated unoccupied structures
4 in residential zoned areas as recommended by a letter of
5 support from the superintendent of Livonia schools.

6 We would like to advocate the practice of
7 employing high school students in certain areas of this
8 redevelopment program. This would serve a twofold purpose.

9 Number one, it would derive the greatest
10 possible amount of work from limited amount of dollars.

11 Number two, it would be considered a greatly
12 needed community service inasmuch as these students will be
13 entering a currently depressed labor market.

14 The Citizen Advisory Committee feels obvious
15 needs must come before desire throughout the entire program.
16 We recommend that assessments still be made on an ability
17 to pay basis. We are very grateful for the overall coopera-
18 tion we received from the city task force in providing us
19 with community development specifications. We would like to
20 assure the property owners of Livonia, it is our opinion
21 they have gone above and beyond just the bare legal federal
22 requirements of the Act. Inasmuch as there exists several
23 target areas, our choices were based on the seven areas of
24 most critical needs.

1 It is our overall opinion that target areas
2 number one or number two should receive preference. However,
3 the needs in these two areas are so greatly similar, we can
4 take no exception as to which of these two areas the City
5 Council should elect as their target area number one.

6 We also feel that the Council should consider
7 the option of possibly combining other revenue sharing funds
8 for the purpose of maximum penetration in the proposed
9 target areas. We recommend that the City Council utilize
10 the Citizen Advisory Committee in the preparation of guide-
11 lines for the forthcoming program.

12 Those are the recommendations as submitted
13 to the City Council from the Citizen Advisory Committee.

14 I have here a copy of that, if you would
15 like it for your record.

16 CHAIRPERSON TERRY: Thank you.

17 MR. SCHRUPP: Thank you, Mr. Carroll. I see
18 that you have done what our Citizens Advisory Committee has
19 done to challenge some bureaucracy to the City officials on
20 the administrative cost. These are things we are constantly
21 challenged on. And we, too, had to cut down the advise of
22 citizen groups. It is a refreshing kind of challenge.

23 May I ask you whether in those distressed
24 areas, that your statement referred to, whether any members

1 of your committee were residents of any of those areas?

2 MR. CARROLL: Yes, as a matter of fact they
3 are.

4 Our committee was a very broad, general
5 concensus of the City. In all, I think age groups, I
6 believe I'm probably the youngest, and they go up to the
7 senior citizen category and ages in between. As previously
8 mentioned, at all income levels and, I think, at least two
9 that I know of and possibly three of the members of the
10 committee did live in the ultimately chosen target area.
11 But at that point, we had no idea what that area would be.

12 MR. SCHRUPP: Now, in working out your
13 activities, the emphasis was put in the series of questions
14 by our legal counsel before about the short period of time
15 that you had to do anything. The concentrated period in
16 which you had to go for the recommendation, every city has
17 suffered from this, I assure you.

18 Did you feel that you had an adequate, as a
19 citizens group now, an adequate picture of what the overall
20 purpose of the Act was and what the overall needs of the
21 community were in relation to this Act?

22 MR. CARROLL: Yes, sir, I think we did.

23 I believe we were provided with all the ample
24 information that would be required. Let's face it. In my

1 own business, I don't know what I would like to know. I
2 don't think any of us know all that we would like to know
3 about any issue. But with the time constraints that were
4 involved, I think we were as well informed as anyone could
5 expect to be.

6 MR. SCHRUPP: In the process that we went
7 through in Grand Rapids, let me just see if this echoes
8 here at all. The citizens task force felt that those of us
9 in the City's establishment, both elected officials and
10 the City Planner and others, all had our ideas before the
11 thing got to the citizens task force, and that we just
12 spoon fed them and led them into making a decision for us,
13 and sort of being a buffer to the community.

14 Did you have any of that kind of feeling on
15 your committee that you were being led by the City staff
16 or the elected officials?

17 MR. CARROLL: Not in the least. I don't
18 believe that any member of the committee would indicate
19 anything at all such as that. We conducted our own indivi-
20 dual meetings. Many of them or some of them without any
21 benefit of the City being present. The original recommen-
22 dations from the task force, City Planning Commission and
23 our own, at the original outset, we were quite widespread
24 on certain things that we felt as a committee should be done.

1 As a result of our unified meeting and discussions, we
2 ended up with a program which is very similar throughout
3 all the different communities, but it was a matter of
4 choice by each committee. There was no leading of any sort
5 done, no.

6 MR. SCHRUPP: I hope that happens in Grand
7 Rapids too.

8 But there was the tension and the accusations
9 that we were leading them.

10 MR. CARROLL: I might say at the outset,
11 there may have been suspicion on the part of some of the
12 commission members, because this is the sort of thing you
13 would expect.

14 MR. SCHRUPP: Yes, because the citizens,
15 of course, are amateurs.

16 Did you have an idea before the last three
17 or four weeks when you were making these decisions that
18 demolition was going to be a major thing that you would
19 recommend?

20 MR. CARROLL: Well, sir, I think the
21 demolition of the structure was probably started, the focus
22 on it started by myself. Upon learning that I had been
23 selected as one of the committee members, I spent a weekend
24 driving through the area, looking to see what I thought was

1 a most specific need there. I made a recommendation to
2 the meeting as a whole at our first meeting. That every-
3 one should drive through the area and see what I had had
4 an opportunity to look at rather than looking at figures
5 and maps.

6 At this point, the City graciously consented
7 to let us have the use of one of their buses. As a matter
8 of fact, their Task Force joined us in that tour and we
9 collectively drove through the neighborhood.

10 MR. SCHRUPP: What about the other legal
11 dimensions, you have been sitting with us through this
12 long afternoon about the requirements of providing under
13 the Housing Assistance Plan, the second part of your
14 application, providing opportunities for low and moderate
15 income families to have new or rehabilitated housing and
16 the expected to reside thing: did your committee discuss
17 any of that?

18 MR. CARROLL: There was not too much dis-
19 cussion relative to that. We were aware of that part of
20 the Act. We were well informed on Section VIII, Housing
21 money. We did not get into it because it was \$266,000,
22 what are you going to build? We tried to direct our
23 attention toward more long-standing existing community
24 needs.

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1 I might reflect back to something that was
2 said at the beginning of the day. I believe it was
3 Mr. Guggenheim that made reference to an income level of
4 \$12,700 as to commuters coming into Livonia.

5 We are directing our attention, sir, to
6 Livonia residents that earn \$6,100 and less, or half
7 almost of that figure.

8 MR. SCHRUPP: Now that is with respect to
9 the \$266,000 you are talking about?

10 MR. CARROLL: That's correct, yes.

11 MR. SCHRUPP: Now just to be perfectly
12 clear, are you saying that you and your committee were not
13 personally involved in making decisions about the Housing
14 Assistance Plan, how the Section VIII money was going to
15 be used?

16 MR. CARROLL: No, sir. I am not sure I
17 fully understand.

18 MR. SCHRUPP: Did you, for example, I
19 understood from Mr. Nagy's saying that that plan is being
20 drawn up, the Housing Assistance Plan, and that most of
21 the money will be going to housing for the elderly. Did
22 your committee specifically advise or recommend on that?

23 MR. CARROLL: We sat in on the particular
24 meeting where the presentation was made by the company

1 that was being considered.

2 MR. SCHRUPP: That was the company's
3 proposal?

4 MR. CARROLL: Right, right.

5 MR. SCHRUPP: I see. The expected to reside
6 thing, we have been talking about, I want to know one
7 question on that. Did you and your committee discuss that --
8 perhaps with some of the same frustrations we have had
9 here, because we have had similar frustrations on the
10 meaning of that -- but did your Citizens Advisory Committee
11 discuss that at all in any way and did you state opinions
12 on that and make any recommendations?

13 MR. CARROLL: Yes, the subject did come up
14 at different times during the course of the meeting. But
15 the attention was not really given to it because it was
16 obvious that our particular needs had to come first. Need,
17 I suppose, is relevant, you know. If you are broke and
18 would like to have \$5, I feel sorry for you, you know.
19 But if I am broke and need \$5, that is a need, and I think
20 communities are very much nothing more than a number of
21 individuals, and when you have a need in your own community,
22 probably where you are going to direct your attention is
23 there.

24 MR. SCHRUPP: Prior to your discussion, was

1 there any discussion as to what that thing seemed to be
2 was a federal conspiracy to get more minority persons in
3 Livonia? Was the resistance to it simply on the basis
4 that we really don't want to bother with that, we would
5 rather not have that kind of problem complicating our
6 federal application here?

7 MR. CARROLL: No, not in that actual
8 respect. I believe the general consistence was that we
9 felt we should be able to direct that money to our own
10 particular needs rather than being put into any other
11 channels at this point in the program.

12 MR. SCHRUPP: And there was no specific
13 discussion that if you did have to observe that, and
14 another interpretation of that, then you would be creating
15 a different kind of community problem, namely, higher
16 incidence of minority residents?

17 MR. CARROLL: I don't believe that the
18 minority influx into Livonia is as serious a problem as
19 the discussion here today tends to indicate.

20 I don't believe that anyone is opposed to
21 a minority race, or any race living in Livonia, providing
22 they come in the same way everyone else came in. We all
23 bought and paid for our homes, at the going fair price.
24 And I am sure anyone that would like to buy a home in

1 Livonia can do the same.

2 MR. SCHRUPP: Okay. But you are saying
3 then, in answer to my general question, that was not a
4 part of your Citizen Advisory Committee discussion, the
5 question of race or minority?

6 MR. CARROLL: The question came up relative
7 to a headline article that appeared in the Livonia Observer.
8 I had quite strong feelings about the
9 headline myself. I thought it was a little sensational.

10 MR. SCHRUPP: Living with headlines, I
11 sympathize with you.

12 MR. CARROLL: Members of some of the other
13 commissions shared that view, I believe.

14 MR. RIENSTRA: Was that headline of one of
15 your meetings or was that a separate interview?

16 MR. CARROLL: That was a separate interview.

17 MR. SCHRUPP: I believe it was the February
18 17th paper -- it was quoting why Carroll felt that Federal
19 funds shouldn't be used for racial integration and local
20 housing. Is that an accurate feeling of the committee?

21 MR. CARROLL: Yes, sir, I believe it was.
22 We discussed it at that particular meeting, and it was
23 my concensus when I left, I asked if anyone had any other
24 input other than what I had discussed as to a reply to the

1 newspaper article to make it known. There was none made.

2 MR. SCHRUPP: Did you convey that feeling
3 to the City Council?

4 MR. CARROLL: Did I convey that?

5 MR. SCHRUPP: Either written or verbal,
6 was that sentiment of the committee conveyed either to the
7 Planning Committee or the City Council?

8 MR. CARROLL: This article here?

9 MR. SCHRUPP: Relative to the feeling that
10 Federal funds should not be used for racial integration
11 in local housing?

12 MR. CARROLL: Yes. Not directly to the
13 City Council. I, as chairman of the committee, don't
14 feel that that would be quite proper. I made the state-
15 ment in our last open hearing.

16 MR. RIENSTRA: Let me return. I wasn't
17 quite sure about that. You are now saying you did make
18 some sort of statement of this sort as expressed in the
19 paper here at one of your committee meetings?

20 MR. CARROLL: No, sir. This was at a public
21 hearing.

22 MR. RIENSTRA: Oh, public hearing?

23 MR. CARROLL: Yes, sir.

24 MR. RIENSTRA: Were you conducting that

1 public hearing?

2 MR. CARROLL: No, I was not conducting it.
3 I was just speaking for the Citizen Advisory Committee.

4 MR. RIENSTRA: You were speaking for the
5 Citizen Advisory Committee?

6 MR. CARROLL: As to the priorities we had
7 turned in to the City Council.

8 MR. RIENSTRA: Subsequently, you checked
9 with the members of that Citizens Advisory Committee
10 and none of them dissented?

11 MR. CARROLL: There was a statement of
12 dissent made that night after the statement I made. But --

13 MR. RIENSTRA: It was only one of the 14?

14 MR. CARROLL: That's correct. And there
15 was no dissent on the meeting itself at the time that
16 discussed.

17 CHAIRPERSON TERRY: Anyone else?

18 MR. LOBENTHAL: I suppose I have two. I
19 was going to say one.

20 Dis you mention how long that you had been
21 a resident of Livonia? I am sorry.

22 MR. CARROLL: I have been a resident of
23 Livonia for three years. I owned a business in Livonia
24 for some seven years.

1 MR. LOBENTHAL: Do you have any idea how
2 long the other members of the committee have lived in
3 Livonia?

4 MR. CARROLL: I understand from different
5 conversations I have had with them, that it ranges anywhere
6 from 35 to 40 years.

7 MR. RIENSTRA: Mr. Carroll, you are the
8 chairperson of the Citizens Advisory Committee: is that
9 correct?

10 MR. CARROLL: Yes.

11 MS. BLEDSOE: Were you appointed or
12 elected to that role?

13 MR. CARROLL: I was elected by the members
14 of the committee itself.

15 MS. JOHNSON: Mr. Carroll, could I ask --
16 we have had indication from Mr. Nagy, and you also, there
17 is a committee parallel to the Citizens Advisory Committee,
18 the City Task Force made up of City Department heads.

19 MR. CARROLL: That's right.

20 MS. JOHNSON: And what not.

21 Now, in some of your meetings with, after
22 you developed, you met with your own committee; do I
23 understand the process correctly, that you had a joint
24 meeting then to discuss with each other the plan that you

1 were going to submit to the City Council?

2 MR. CARROLL: Not really. We had made our
3 priorities. At the point that we discussed them, passed
4 out copies to all the committee members, it was at that
5 point that Mr. Nagy submitted the preliminary priority of
6 the City Task Force and City Planning Commission.

7 We discussed them collectively after that
8 point.

9 MS. JOHNSON: So there were actually two
10 recommendations made to the City Council?

11 MR. CARROLL: No; actually three.

12 MS. JOHNSON: Three. The City Council's
13 final Community Development Plan, the one that was approved
14 last night, can you make any assessment of how much the
15 citizens component of that plan survived?

16 MR. CARROLL: I feel very, very -- I believe
17 that the City Council gave us very near 100 percent of it,
18 what the citizens recommended.

19 MS. JOHNSON: Did your citizens' plans
20 differ materially from what was proposed by the City Task
21 Force?

22 MR. CARROLL: No, it did not. No, it did
23 not. There were a couple of points we were differing on.
24 As I said at the earlier part of my statement, originally

1 there were areas that we were a little far apart on. By
2 the time the meeting had all been concluded and the recom-
3 mendations were made, it was almost as though one man had
4 sat down and wrote up all of them.

5 MS. JOHNSON: Can I ask you -- you just
6 indicated that you had a business in Livonia for seven
7 years. As an employer and person, we know, by the way,
8 from the background facts that have been given, that a
9 substantial portion of Livonia, its tax base comes from
10 its industry. It is fortunate in having a major industrial
11 component to its tax base.

12 Do you feel as an employer then, did you
13 experience any difficulty in employees with commuting
14 problems or problems of living near work, that sort of
15 thing?

16 MR. CARROLL: I didn't have any myself.

17 MS. JOHNSON: Do you know of any? Do you
18 know an industry that has problems, for example, that has
19 to provide transportation for its workers into the
20 community?

21 MR. CARROLL: I believe at one time there
22 was a company in Plymouth, Michigan, I believe, a rela-
23 tively large company that instituted a busing program, but
24 it was under some kind of Federal auspices.

1 MS. JOHNSON: But none of that goes on in
2 Livonia, to your knowledge?

3 MR. CARROLL: Not that I am aware of.

4 MS. JOHNSON: Do you feel industry has any
5 responsibility in this area of housing for its work force,
6 industry within the community, I mean?

7 MR. CARROLL: The way the current work
8 problem is today, I don't believe anybody has a problem.

9 I can see at times when someone may feel
10 that they might be eliminated from a job due to the fact
11 that they don't live relatively close to the plant, but,
12 you know, when you look at it in the overall, we have
13 residents of Livonia that drive to Toledo to work every
14 day; people that drive to Brighton. I personally drove to
15 Madison Heights for eight years. It is a matter of choice,
16 I believe, as to where you are working and where you live.

17 MS. JOHNSON: I understand. Your business
18 is not now located in Livonia?

19 MR. CARROLL: No. I have moved to Detroit.

20 MS. BLEDSOE: I have one final question.
21 I want to understand this thoroughly, Mr. Carroll.

22 Am I to understand that the Citizen
23 Advisory Committee believes that its recommendations were
24 positively acted upon by all of the other city bodies who

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had to act on them: is that right?

MR. CARROLL: I am sorry. Could you rephrase that?

MS. BLEDSOE: That the Advisory Committee believes that its recommendations were positively received by the other city departments that had to act on them, as you say the Task Force and the City Council?

MR. CARROLL: I will answer that. I hope it won't sound like a roundabout way.

Yes, I believe they were positively acted upon.

No. I don't believe our priorities had any affect on their priorities because we simultaneously exchanged lists at the particular meeting. All priorities were drawn.

MS. BLEDSOE: Do you believe that that concensus, that acceptance, includes the concensus point of view of the Advisory Committee that the dollars should be used in no way to facilitate the integration of housing in this community?

MR. CARROLL: At this point in the program, yes.

MS. BLEDSOE: Thank you.

CHAIRPERSON TERRY: Thank you.

1 (Witness was excused.)

2 CHAIRPERSON TERRY: Ms. Nancy Liddle.

3 (No verbal response.)

4 CHAIRPERSON TERRY: We will make this
5 adjustment and then he has a plane to catch.

6 STATEMENT OF

7 MR. ERNEST ERBER

8 CHAIRPERSON TERRY: Would you please state
9 your name and position for the record?

10 MR. ERBER: My name is Ernest Erber. My
11 position is Director of Research and Program Planning,
12 National Committee Against Discrimination in Housing,
13 which is a non-profit volunteer citizen organization
14 established to monitor programs of the government at all
15 levels and monitor actions by the building, renting,
16 other industries relating to discrimination in housing.

17 The organization was founded in 1950. We
18 are celebrating our 25th anniversary as a national resource
19 center for citizen efforts to improve equal opportunity
20 in housing for minority citizens.

21 I do have a brief statement. If I can put
22 that into the record.

23 CHAIRPERSON TERRY: Yes.

24 MR. ERBER: It is somewhat informal, as I

1 understand it is an informal hearing.

2 CHAIRPERSON TERRY: Right.

3 MR. ERBER: Madam Chairperson, Members of
4 the Advisory Committee. I wish, first of all, to extend
5 my appreciation for the invitation to appear here.

6 I understand I was asked to appear here
7 for a number of reasons. One: to relate the problems
8 immediately before your committee to the broader national
9 implications as to what might or might not be done under
10 the Housing and Community Development Act of 1974 here in
11 Livonia and suburbs of Detroit in the State of Michigan.

12 And, secondly, to the extent that I might
13 have any particular expertise as a consequence of having
14 made a rather thorough study of the Act and its regula-
15 tions which was preliminary to writing a handbook on the
16 citizens' advocacy of fair housing under the provision
17 of the new Act for citizen participation.

18 Briefly, I want to state that the National
19 Committee Against Discrimination in Housing, which here-
20 after I will refer to as NCDH, to enlighten your record,
21 NCDH regards the Housing and Community Development Act of
22 1974 as a radical innovation in the Federal role in
23 housing. The implications of which remain little under-
24 stood by many local officials. And certainly by most of

1 the public at large and, regretfully, by many of those
2 of low and moderate income and minority races who will
3 be directly affected by it.

4 The matter in which the Housing and
5 Community Development Act is and will be administered by
6 HUD and by local governments such as here in Livonia will
7 mark the crossroad in the nation's effort to become truly
8 one nation rather than "two nations, separate, and
9 unequal," as stated in the rather well known quote from
10 the Kerner Commission.

11 The Housing Community Development Act of
12 1974 places in jeopardy civil rights safeguards labori-
13 ously built into the Housing and Community Development
14 program which it displaces.

15 I want to stress it places in jeopardy.
16 It does not wipe them out. And which way we will go will
17 depend upon the actions of many agencies and many persons.

18 The battle lines in the struggle for equal
19 opportunity and use of Federal funds have shifted to the
20 local level, although our NCDH, for one, will not abandon
21 the struggle at the Federal level, even if HUD intended
22 that that it so be abandoned.

23 Livonia's application for a block grant
24 and Livonia's housing assistance plan are crucial to the

1 outcome of this particular struggle because how thousands
2 of Livonians across the country resolve this issue are
3 likely to influence racial and income patterns of resi-
4 dents for the next generation of Americans, both white
5 and black.

6 Now because of NCDH's deep commitment to
7 equal opportunity in choice of places of residence and
8 because of our awareness of the possible implications of
9 the Nixon Administration's Revenue Sharing Strategy for
10 Civil Rights Enforcement, NCDH carefully monitored the
11 legislative process that resulted in the Housing and
12 Community Development Act of 1974.

13 And similarly monitored the administrative
14 regulations as promulgated by HUD following the enactment
15 of that Act.

16 Our monitoring gave us insight that alerted
17 us to the dangers inherent in the Federal Government's
18 abrupt application of this traditional oversight role to
19 assure affirmative action by recipients of Federal funds
20 in broadening opportunities for minorities as a means of
21 closing the economic gap between the races. An economic
22 gap which is a consequence of three centuries of racial
23 oppression and discrimination.

24 We responded to this incipient danger by

1 calling for a national campaign of citizen fair housing
2 advocacy at the local level to offset what we considered
3 the delinquency of HUD in continuing a strict monitoring
4 and reviewing policy of applicants for Federal funds.

5 In furtherance of this campaign, we have
6 published a handbook for the citizen's fair housing
7 advocacy under the Housing and Community Development Act
8 of 1974. I think I have a bag there, I have copies of
9 this handbook. I have a dozen copies of it, of the hand-
10 book, which I will make available to members of the
11 commission.

12 For the record, I have them in a bag but
13 I wanted to show that it is not a carpetbag.

14 I think it's important for us to gain
15 some perspective on the nature of the community in which
16 we are meeting here. Because it can serve as a prototype
17 for thousands of communities like this in metropolitan
18 America. Some questions somewhere ought to be addressed
19 in your proceeding -- the question, "What is Livonia?
20 What is Livonia in terms of a socio-economic configuration
21 on the American landscape?"

22 It would be a misnomer to simply call this
23 a suburb because a suburb carries with it a connotation
24 of a place of residence which has taken shape in the

1 mental image of our American concept of a tree-lined
2 street with people of relative affluence who usually get
3 on a commuter train in the morning or by automobile
4 commute to a white-collar job in a far off place.

5 Now, that image of the suburb, like many
6 things, can be stored in the history books for reference
7 to what has happened previously. The Livonians of today
8 have been transformed as part of a total transformation
9 of metropolitan life. And I think that the significance
10 of this transformation is its quantitative dimensions.
11 In places like Livonia, we now find that more, that there
12 are more Americans residing there than either in Central
13 Cities or in small Hamlets and rural areas.

14 As of the 1970 census, the so-called
15 suburban belts of our metropolitan areas have, by far,
16 the largest number of Americans of the population of the
17 United States.

18 In a paper which I prepared for publication
19 in a book called "The Inner City" recently published both
20 in the United States and in England, I make the point that
21 the transformation of our metropolitan areas has brought
22 about what is in effect a new form of human settlement
23 which has completely altered relationships of housing to
24 employment in a manner to have some rather disastrous

1 consequences for the choices of residents and the choices
2 of employment for those citizens who have habitually
3 suffered discrimination on the grounds of race. And so
4 that while the Housing and Community Development Act
5 makes reference to problems of metropolitan growth in
6 terms of the isolation of those of low and moderate income
7 in central cities, this can also be translated into the
8 continuing concentration of those of minority race in the
9 inner cities of America.

10 In such concentration, they find themselves
11 at a great disadvantage to take advantage of the opportuni-
12 ties afforded by growth outside the central cities, in
13 what too, I think, for good reason, we might call the
14 outer city rather than suburbia, of which Livonia is a
15 typical example. Because it is in this outer belt, out-
16 side the central cities that we have experienced the
17 greatest growth in employment opportunities, in new
18 business opportunities, and improved educational facilities,
19 and by all projections, despite the energy crisis and
20 speculation as to its possible impact. I think we can be
21 assured that it is in this belt, outside the central
22 cities, that the continuing metropolitan growth will take
23 place.

24 And it is here where the opportunities are,

1 and it is here where I think Congress, in adopting the
2 Housing and Community Development Act, addressed itself
3 as a problem area which required the intervention of
4 Federal funds to increase the opportunities for those of
5 not only low and moderate income but particularly those
6 who have suffered in addition the disabilities visited
7 upon those of minority race.

8 I think that if you read the Housing and
9 Community Development Act with this thought in mind, you
10 will see that it reflects a kind of new Congressional
11 awareness that we have a changed metropolitan area, that
12 it is really a new form of human settlement. That the
13 reference to the metropolitan growth, to the isolation of
14 the poor are then carried over into technical definitions,
15 which, to my knowledge, for the first time, appear in any
16 Federal legislation.

17 For instance, the definition of the Metro
18 city, which is identified as the central city under the
19 definition of it, of a standard metropolitan statistical
20 area. The definition of the urban county, which is,
21 again, a new concept introduced, because we now have to
22 deal with questions of urban county, and further that
23 there is an awareness that we are not actually all living
24 on an island called "our own community" and that therefore

1 the Act addresses itself for needs for governmental
2 coordination in metropolitan regions through the
3 mechanism of the A-95 Review Process.

4 Now, the Federal Fair Housing Act of 1968
5 was a great step forward as a declaration of policy, as a
6 law enacted by Congress with the hope that this would
7 carry us much closer to what was said to be the policy
8 intent, namely, that there shall be fair housing in the
9 United States.

10 As a matter of fact, a great many Americans
11 today believe that the issue of fair housing was resolved
12 by the passage of that law and that we can administer the
13 Housing and Community Development Act of 1974 with the
14 assumption that fair housing is going to take place
15 because it was so decreed by Congress and signed by the
16 President in 1968.

17 I would like to read into the record a
18 statement which in the most bald way shocks us into a
19 realization of how little a Federal Fair Housing Act has
20 really affected the workings of the market in the
21 distribution of housing opportunities by race.

22 I quote from a HUD document which is
23 entitled "Evaluation Study of Affirmative Fair Marketing
24 in Region 9, 1974." This appeared in November, 1974,

1 prepared by the HUD Regional Office in San Francisco, and
2 looks into the affirmative marketing practices in the
3 San Diego area and in the San Francisco area.

4 I referred to this in an article I recently
5 wrote as HUD's concession of bankruptcy in fair housing,
6 and I quote from that HUD report. This HUD report gives
7 the results of their study of what has happened in their
8 administration of the Fair Housing Act, specifically an
9 affirmative marketing of housing so that both races have
10 equal access to housing. "The major results emerging
11 from these studies are that, one: data analyzed by
12 reliable statistical techniques indicate that affirmative
13 fair market has no firm noticeable influence upon the
14 racial composition of single family subdivisions or
15 multi-family subject to its regulations.

16 Two: Developers have done very little to
17 alter their practices in response to a fair marketing
18 regulation.

19 Three: Monitoring and enforcement by HUD,
20 as well as provisions of technical assistance to developers,
21 has been largely ineffective.

22 Four: The San Diego areawide agreement or
23 master affirmative marketing plan has so far not fulfilled
24 either the promise of its initial favorable publicity or

1 the goals established in the agreement.

2 The region wide impact evaluation indicates
3 very clearly that the presence of affirmative fair market-
4 ing has not affected the racial composition of subdivision
5 projects of any specifically significant way; rather it
6 identifies several other dominating forces at work, which
7 largely explain the racial composition of single and
8 multiple family developments.

9 The single strongest deterrent of racial
10 distribution within a single family subdivision or multi-
11 family project is its location, underlined in the original
12 HUD report."

13 "If a development is located within a
14 predominantly white area, its composition will be
15 essentially white; likewise, if it is located in a pre-
16 dominantly black or Spanish area, it will reflect the
17 composition of that area."

18 It goes on in that vein. The point I make
19 here is that we are a long way from assuming that fair
20 marketing will take place simply because we have a
21 Federal Fair Housing Law and that HUD is required to
22 administer the grants available to communities like Livonia
23 in keeping with that law.

24 And I believe that an awareness on the part

1 of Congress that this is, in fact, the situation, led it
2 to write into the new Act the requirement that there be
3 citizens' participation locally. So that within each
4 community citizens, especially those who are of low income,
5 moderate income, and especially those of minority race,
6 where such minority residents are already residents in
7 whatever numbers, have an opportunity to utilize their
8 role as citizens participants to monitor, to criticize,
9 to propose that the application for Federal funding of
10 this Act adhere to Federal policy with reference to fair
11 housing.

12 As I read the citations, I think by now
13 at this stage of the hearing, most people are familiar
14 with the requirements in the Act that the local applicant
15 for funds give satisfactory evidence that there has been
16 ample opportunity for citizen participation in the
17 preparation of that application.

18 Now I want to point out that the Act does
19 not say that there shall be an official citizens committee
20 appointed in each applicant's jurisdiction. It simply
21 says that prior to submission of its application, it has
22 provided citizens, in the plural, with adequate infor-
23 mation concerning the amount of funds available for pro-
24 posed community development in housing activity.

MILBERS FALLS
ERASE
COTTON CONTENT

1 The range of activity that may be under-
2 taken, and other important programs, requires public
3 hearings to obtain the views of citizens on community
4 development and housing and provides citizens ample
5 opportunity to participate in the development of the
6 application.

7 Well, to my knowledge, this is the first
8 time that any Federal legislation has had that specific
9 directive that there be citizen participation. I know of
10 many Federal Acts that require public hearings, but I do
11 not know of one that says there shall be citizen partici-
12 pation.

13 In our handbook, we say, "Never before
14 have the Congress of the United States or the President
15 so expressly stated that they want you, the citizen, to
16 have a voice in your community use of Federal funds."

17 There was no provision that there be a
18 committee appointed, a citizens committee appointed by the
19 mayor or anyone else in the government. There is nothing
20 against it. The mayor had the right to appoint a citizen
21 group. However, any other group has, under the Federal
22 law, exactly the same status in the eyes of the Federal
23 law as the citizen participant group. And if the citizens
24 don't like a citizen's committee appointed by the mayor

1 and wish to appoint their own, have their own committee
2 or two or three committees presenting different views in
3 the community, this remains a prerogative which the
4 citizens can exercise.

5 I point that out because I think there
6 has been a growing feeling, a misunderstanding across the
7 country in communities we have heard from, that citizen
8 participation can only take place through some kind of
9 official citizen committee appointed by the mayor or
10 sanctioned by the mayor. That has no basis in the Federal
11 statute.

12 I wish just to say that the whole question
13 of revenue sharing has cast a kind of a shadow of
14 misunderstanding over this Act. Revenue sharing was a
15 particular strategy of the Nixon Administration, which
16 passed in the form of general revenue sharing, passed in
17 the form of the first special manpower revenue sharing
18 Act, the first of the special revenue sharing Acts in the
19 manpower field. But that the Nixon Administration's
20 revenue sharing Act entitled The Better Community Act for
21 the area of housing was defeated in Congress, was rejected
22 and the bill we have is not a special revenue sharing act
23 and there were provisions written into it which the Nixon
24 Administration, the HUD spokesmen on the Hill, very

1 vehemently opposed. And above all, the provisions that
2 there be an application.

3 Now the significance of this particular
4 proposal is that the difference between revenue sharing
5 as originally conceived was that the money would be sent
6 out as entitlement checks without any application and
7 without any description attached except the adherence to
8 Federal law.

9 What we have now is an Act written by
10 Congress and finally accepted in the compromise with HUD
11 and signed by President Ford in August, which has a very
12 long and detailed set of requirements that a community
13 must meet in order to get this money.

14 And you will find them in the Act. They
15 cover almost a full page of rather fine print in
16 Section 104 beginning with "A - no grant may be made
17 pursuant to Section 106 unless the applicant shall have
18 submitted to the secretary in which the applicant,"
19 etcetera, etcetera, etcetera,"

20 Now this is preliminary to me making the
21 point of what happens to all this detailed information
22 that Congress said must accompany the application. Was
23 this arrived in the offices of HUD. This, I think, gets
24 us to the crucial point of where we are going to go in

1 the implementation of this Act.

2 And I raise this question here: Is HUD
3 and will HUD administer the Act in the spirit in which,
4 and they will, I hope, I'm sure it will, but in the spirit,
5 I think, which Congress wrote it with its concerns about
6 getting information from local applicants or will it be
7 administered in the spirit of their original Better
8 Communities Act.

9 That is, Nixon's no string revenue sharing,
10 which says, send in an application, if you fill out the
11 proper boxes, you will get your money and we will not ask
12 any questions unless someone in your community screams
13 bloody murder and says that Federal law is being violated.

14 I think in answer to that we can only let
15 HUD speak for itself.

16 I read into the record from one of the
17 directors from the Central Office of the United States
18 Department of Housing and Urban Development under date of
19 December 19, 1974 on the subject of how the applications
20 from local communities are to be reviewed. And the first
21 paragraph says, "Congress intended to limit the amount of
22 front-end review of applications." This word "front-end"
23 is part of Federal gobble-de-gook, which has the implica-
24 tion there would be a rear-end review, but having observed

1 their failure to be very precise in front-end reviews, we
2 have no faith in what will come later.

3 To go on with the quote from the directive,
4 "Consequently reviewers will for all practical purposes,
5 be scanning applications rather than conducting indepth
6 reviews to ascertain whether it is consistent with known
7 facts."

8 Now in reading the Act, and what is required
9 in the Act, Congress must be composed of greater idiots
10 than some people have accused them of if they have put all
11 these specific requirements in and then said HUD is only
12 to scan these, to see whether the proper boxes are filled.

13 I don't want to blame Assistant Secretary
14 Gloria Toote for a directive which would be of her own
15 making, because I think she is faithfully carrying out
16 HUD policy because in the directive of David O. Meeker, Jr.,
17 Community Planning Under-Secretary, he says that, "the
18 reviews of applications."

19 "The review of application" presents a
20 challenge to our restraint in not making judgment in
21 those areas where the letter or the spirit of the statute
22 require the cities get an unfettered try to do it their
23 way. It presents a separate challenge to our skill and
24 efficiency in promptly reaching those judgments we are

1 required to make.

2 Accordingly, I have decided not to develop
3 a detailed review process at the central office level and
4 require its use in all field offices. Instead, I am
5 asking that the regional offices and the area offices and
6 regional directors advise to carry out a review process
7 of their own.

8 Now I would say that what that would say
9 to the person at the regional office of HUD or the area
10 office is that if you get too fussy in looking at that
11 application, you are not really carrying out our wishes
12 from Washington, And it is on the basis of this that we
13 at NDCH raise the question again, is HUD implementing
14 this Act in the spirit in which Congress wrote it or is
15 it in the spirit of the initial Nixon special revenue
16 sharing of no strings attached, we will send you a check
17 on Monday, if we get the application on Friday."

18 And I think that this is important because
19 what is at stake here was stated by the board of NDCH at
20 a meeting of last October when they became aware of what
21 the Act and these regulations were indicating by saying
22 "HUD's enforcement role, especially its determination of
23 what constitutes local housing assistance plans, represents
24 a crossroad that will determine racial and economic

1 patterns of residents for decades to come. The battle
2 for exclusive or a separate society is joined in the
3 implementation of this legislation. The outcome will be
4 decided largely by the impact on HUD. The states and
5 localities of citizen advocates of fair housing, HUD
6 should be monitored to insure that its regulations con-
7 form to the equal opportunity aspect of the law, and that
8 its power to approve or disapprove block grants is not
9 abused.

10 Who is to challenge HUD's administration
11 of new acts should be explored. It should be recognized
12 that litigation is a slow process and its principal
13 benefit is to inform the public and lay the groundwork
14 for the citizens for remedial action. To say that at
15 NCDH have a fairly active law department and have sued
16 HUD before and we will look with great care as to how
17 this Act is being administered to challenge it in the
18 courts.

19 Now I made reference to our handbook. I
20 hope that this will be one of many similar handbooks
21 which will become available to guide citizens so that if
22 we do not succeed in getting the kind of monitoring and
23 regulation enforcement of civil rights guarantees by HUD,
24 that then we will have citizen spokesmen across the

1 nation making the appointment at the local level.

2 Let me just conclude by saying that we are
3 at a very late stage, relatively late stage in this fight
4 for equal opportunity in housing. We are a long way from
5 referring to fair housing as a dangerous social experi-
6 ment. That is a quote from the president of the
7 Metropolitan Life Insurance Company in, I believe, 1946,
8 which marks the origin of our organization, which started
9 with a group of citizens in the City of New York who
10 picketed the Stuyvesant Town project in Manhattan, saying
11 that since it was getting a special tax dispensation from
12 the City of New York, it was obligated to accept as
13 tenants white and black residents of New York. This fight
14 was carried to the governing body of the City of New York,
15 and testimony was taken there and the president of the
16 Metropolitan Life Insurance Company in 1946 said, "We are
17 a long way from using our policy-holders money to finance
18 dangerous social experiments in whites and blacks living
19 in the same project."

20 Since that time we have had court decisions,
21 Shelley versus Kramer, on the question of using the device
22 of deed restrictions to limit race. We have had Execu-
23 tive Orders under Presidents Kennedy and Johnson and Nixon,
24 we have had the 1964 Civil Rights Act; the Supreme Court

1 decision of 1968; and Mary V. Jones 1968 Fair Housing
2 Act, which I referred to; 1970 Shannon case, the court
3 interpreted the act by holding, the federal court, that
4 HUD could not use its money to assist the extention of
5 racial concentration in the ghetto but had to give those
6 who are low income and must live in subsidized housing
7 the opportunity to choose between the racially concentra-
8 ted or racially unmixed area, wherever they wished or
9 chose to live. So that in the end, we are really not
10 dealing today with social experiments. What we are
11 dealing with is a requirement in 1975 that finally we
12 have vigorous enforcement of all the laws of the land and
13 of the court order.

14 And I conclude by reading this: "The
15 Housing Community Development Act of 1974 can mark
16 another step forward in ridding this fair land of the
17 curse of racial inequality which has been a blight on our
18 otherwise open, generous and democratic society, and a
19 source of embarrassment for American spokesmen in the
20 family of nations where our sincerity as spokesmen of
21 democracy and personal liberty is always challenged by
22 reference to our racial segregated communities, and the
23 resultant implicit denial of equal opportunity to those
24 of minority race."

1 "If the Housing and Community Development
2 Act of 1974 is administered by HUD and implemented by
3 local government to expand the freedom of minorities in
4 choice of community of residence, all of us, both in
5 government and as citizen participants will take pride in
6 having made contributions to our American institution
7 and to having enhanced the American heritage to be
8 inherited by our children and grandchildren."

9 "If, however, the Housing and Community
10 Development Act of 1974 is administered by HUD and imple-
11 mented by local government to undo the progress we have
12 made toward racial equality in the past ten years, then
13 woe to those who will inherit the whirlwind whose seeds
14 we might well now be sowing."

15 That concludes my statement for the
16 record. With your kind permission, if your schedule per-
17 mits, I would be glad to respond to any questions.

18 MR. SCHRUPP: Thank you.

19 You made reference to a couple of things
20 which we have some copies of, and I assume we can enter
21 them into the record, Mrs. Toote's memo and Meeker memo.

22 In relation to the intent of Congress,
23 which I gather you have taken some time to assess, perhaps
24 you can shed some light into the subject we had some

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discussion about earlier; that is, the intent of Congress in relation to the expected to reside provision of the Act and whether that fits into the general framework that you have described, this Act attempting to break up some of the racial isolation patterns and, was that the intent of Congress or did they not intend that to be part of that?

MR. ERBER: It was obviously the intent. There is specific language which makes that clear.

I think that HUD is, in this case, faithfully carrying this over into the regulations. I am not always clear in my recollections of the reading of the Act. It is a tremendous document. It is a tremendously long document, as to whether certain language is in detail in the Act itself or in the report of the House and Senate Committees which met to adjudicate or to resolve the differences between the Senate version and the House version, because the Act was accompanied with a long report which is carried in this particular volume, added to the Act, and seeks to resolve the issues that were left, an issue that was debated between the House Committee and the Senate Committee when they were in Congress, and seeks to make clear what their understanding was of the language.

So that if this comes to a court test at

1 sometime, I think that in addition to what's in the
2 statute itself, the court also takes into account the
3 legislative intent. In this case, I think we have a
4 great deal of language in that report of the people who
5 wrote the Act as to what they agreed upon as to the intent.

6 MR. SCHRUPP: Can I get a quote?

7 MR. ERBER: I am not an attorney. I
8 wouldn't judge here, just how the two compare to each
9 other in terms of validity of statute, but I think in
10 court, they have, at least the report would have very
11 great weight.

12 MR. SCHRUPP: Just quoting from the report,
13 the House Report in terms of that legislative intent. It
14 indicates that the "committee wishes to emphasize that
15 the bill requires communities in assessing their housing
16 need to look beyond the needs of their residents to those
17 who can be expected to reside in the community as well.
18 Clearly those already employed in the community can be
19 expected to reside there." Is that your understanding of
20 the Act?

21 MR. ERBER: That is right, yes.

22 I should also say that between 1969 and
23 1971, I conducted a rather extensive study in the New
24 York metropolitan area on the relationship of employment

1 opportunities to housing opportunities for minority
2 citizens.

3 It was funded by the Carnegie Corporation.
4 We had extensive documentation of the fact that the
5 pattern of white employees is to eventually move close to
6 their jobs, and to the community in which they are employed.
7 But that this pattern is inhibited for black employees by
8 virtue of local attitudes or sometimes specifically actions
9 of local communities to discourage minority residents from
10 living in their midst.

11 So that I would say that this particular
12 stipulation in the Act seems responsive to our study and
13 many other studies that were published pointing out this
14 particular problem.

15 MR. SCHRUPP: You indicated generally, the
16 question in terms of HUD, whether it should, will adminis-
17 ter the Act in the spirit of the Act or simply in terms
18 of revenue sharing.

19 Have you any reading at the national level
20 as to how that is going to turn out at this time?

21 MR. ERBER: Well, we only get straws in the
22 wind. I, first of all, -- we do not know what the clear --
23 any clear directives from the White House itself because
24 in the last analysis, the spirit of the President and his

1 attitude on issues of this sort will prevade the whole
2 Federal establishment.

3 Secondly, there has been a new Secretary
4 of HUD just appointed, Corella Hills, and we do not know
5 what her own views are. So that we don't know whether
6 there will be any changes.

7 The answer to your question, specifically,
8 what we have seen to date is very discouraging. We have
9 not seen anything to give us reason to believe that HUD
10 will consider it encumbent upon its reviews of applica-
11 tions to make a vigorous investigation as to whether the
12 monies for which the community block grant will be used,
13 will in fact affirmatively increase the opportunities of
14 minority citizens.

15 And we read Federal Civil Rights law and
16 the Federal court opinions as requiring that of HUD.

17 And I think in the end, this will be where
18 the challenge must be.

19 MR. RIENSTRA: You spoke with some
20 enthusiasm about citizen participation. I guess I might
21 disagree with you on one point.

22 I believe that Model Cities Program had
23 citizen participation prior to this legislation.

24 MR. ERBER: Well, it is true. It was a

1 more narrowly defined, I believe, yes, the Model Cities
2 Act. It didn't leave it as broadly opened as any citizen
3 getting into the act. At least this is my recollection
4 of it. I may be wrong on that.

5 Here, I think it leaves it open. Any
6 group of citizens that feel they have cause to want to
7 look into the preparation of the application or may want
8 to make proposals of their own, seem at least under the
9 Federal Act, to have equal grounds for doing that.

10 You may be right on Model Cities, but my
11 recollection was there were questions here of residency
12 in the Model Cities area or other particular involvement,
13 but I may be wrong on that.

14 MR. RIENSTRA: Well, that does get to part
15 of the point of my ambivalent feeling about citizen
16 participation as an instrument to affect the kind of goals
17 you and your organization are wishing for.

18 Since the citizen participation is still
19 identified with a local community and, as in the case of
20 Livonia here, and presumably many other surrounding
21 metropolitan communities throughout the country, there are
22 very few minority residents and perhaps very few low and
23 moderate income persons having a citizen participation
24 possibility, is perhaps going to do nothing more than

1 reinforce the segregated characteristics of that
2 community. More than a mutual body or national body are
3 not going to be voicing the concern that you were ex-
4 pressing.

5 MR. ERBER: Well, regretfully, your
6 observation is true, that there are many, still many
7 Livonians in terms of the almost total absence of minor-
8 ity residents. I wouldn't serve that professional city
9 planning, I will then serve in the community which is
10 somewhat like Clifton, New Jersey --

11 MR. RIENSTRA: I grew up in Patterson.

12 MR. ERBER: -- that is between Passaic
13 and Patterson. They have a very large minority popula-
14 tion, and I had occasion, not too long ago, to make
15 reference to Clifton, in saying that they ought to do
16 like Ivory Soap does, the 99 percent white, because they
17 99.99 percent white, and this is a city of 92,000. So
18 that there are some cities like that, but I believe in
19 most suburban communities we do have more than just
20 substantial representation, and I hope they will avail
21 themselves of this right to be active under the citizen
22 participation aspect.

23 In addition to which, I, as of now,
24 would not grant that a broader citizen group, broader

1 than a particular community, should not be accorded voice
2 and participation in terms of their regional interest
3 based on language in the Act which emphasizes the regional
4 character of problems and the advantage of seeking inter-
5 governmental solutions so that if the coalition, which
6 was represented here in testimony by Mr. Guggenheim
7 earlier today, were to appear in a town, whether they are
8 not particularly residents, I would feel that there is
9 certainly some sanction in the Federal Act feeling they
10 ought to be able to speak as citizens.

11 Even in Livonia, I am sure you have many
12 people of the white race who are devoted to both to the
13 principals of equal opportunity and too certainly, to
14 rigorous enforcement of Federal laws.

15 MR. RIENSTRA: If I may, my experience in
16 another community and hearing the experience here of the
17 citizen participation is such though that whether offi-
18 cially or unofficially appointed or what, that the bodies
19 are probably going to be fairly representative of the
20 overall political character of the community.

21 And that, to me, has some of the old argu-
22 ment, you know, that citizen participation works very
23 good where the goals happen to majority, majority goals
24 of the community.

1 I feel sympathetic to the City Attorney
2 and City Planner here when they ask me, as a local elected
3 official, would you vote for something against the interest
4 of your community.

5 Well, I think under certain circumstances,
6 I would, but this citizen participation process merely
7 expands the base of community opinion and doesn't change
8 it, I don't think.

9 I don't see it as a real opportunity for
10 qualitative change. Increases qualitative.

11 MR. ERBER: Well, I grant that that is a
12 problem. I should say that I, long ago, was advised by
13 an elderly black civil rights leader, in response to the
14 cry for citizen participation to say that he wasn't all
15 that persuaded, that he grew up in the south, and the
16 first time that he had heard of a citizens committee
17 was a lynch mob. So that, because it has the word
18 "citizen" does not mean that it stands for progress in
19 race relations. COTTON CONTENT

20 However, I attach great significance to
21 the citizens participation provision in the Act because
22 it does give us handles even if the citizen committee
23 represents a small minority of a community. I have a
24 feeling that they have the handle. Once they are given

1 the right to know what is going on, the right to be
2 informed, they have the great leverage on their side for
3 speaking for the Federal law, and if the local officials
4 are on the other side of it, I think that leverage in the
5 hands of a few people can become a very powerful weapon.

6 Secondly, they can make the record, even
7 if they are out-shouted at a public hearing. If they
8 make the record of their criticism, that record can be
9 carried through the A-95 Process, through the regional
10 level. It can then be carried to the HUD regional office
11 and HUD Washington office and then, ultimately, to the
12 court.

13 So it is important that even a committee
14 of three get up in a town, make a record you might say
15 three just men, because I think you put the shole com-
16 munity to take the test and that record is one that will
17 stand up and be very valuable in legal proceedings.

18 MR. RIENSTRA: Thank you.

19 CHAIRPERSON TERRY: Does anyone else have
20 any questions?

21 MS. JOHNSON: Could I ask one question,
22 Ms. Chairman?

23 Do you feel that HUD is the proper agency
24 for the A-95 Review Process:

1 MR. ERBER: Well, I am sorry, to answer
2 your question, I would have to say that I could not
3 document this because this is only rumors that come to
4 us at internal discussions at HUD.

5 I would say that HUD is not too happy
6 with the existence of A-95, because they feel it is an
7 impediment to carrying out the application and review
8 process in the Act, but it is fortunately been written
9 into the statute in such a way that I don't believe that
10 HUD can really get around it, short of an amendment to
11 the law itself.

12 So that the A-95 Review Processes will be
13 there, to be used by those citizens who know how to use
14 it.

15 I think there again, is a lot of leverage,
16 although they have no final authority, I think that it is
17 a means of, again, making the record.

18 MS. JOHNSON: And then impediment or not,
19 do you feel that if it passed, that implied review process,
20 that that has been effective in any instances that you
21 know of?

22 MR. ERBER: Well, the one that I am most
23 familiar with, and has been effective, and that is in the
24 State of California. There is a special civil rights

MILLERS FALLS
ERASE
COTTON CONTENT

1 provision in A-95 Review which was put in the A-95
2 regulations by an amendment, without too much effort, to
3 let local clearing houses and local government know. And
4 we, in large part, took it upon ourselves to inform people
5 that this is there. And as a result, we informed the
6 state civil rights enforcement agency in the State of
7 California that they have the opportunity to review all
8 applications for Federal grants in the State of Califor-
9 nia.

10 They said they were understaffed to do
11 that and they conferred with our office in San Francisco,
12 to make those reviews for us. And I must say, our office
13 came up with some rather interesting observations which
14 went into the A-95 Review Process and shook up a lot of
15 people.

16 Again, observing the truth, the members of
17 your commission raise here, where political employment is
18 adverse to what you are trying to do, the A-95 Process is
19 not going to stand up against many local official wishes,
20 and so on.

21 But it is, again, a channel by which you
22 can air situation, get them into public print and, if
23 you get enough people aroused, if they are minority of a
24 community, when this application reaches a desk in

1 Washington with these attachments from the various people
2 who have reviewed and objected, I think that it often
3 can have an impact on how that application is acted on.

4 MR. RIENSTRA: Thank you, Mr. Erber.

5 We have to move on. We have a number of
6 people who are waiting.

7 MR. ERBER: Thank you for all this time.
8 I appreciate that.

9 MR. SCHRUPP: I appreciate your coming all
10 the way from Washington to be with us.

11 Ms. Nancy Liddle.

12 STATEMENT OF

13 MS. NANCY LIDDLE

14 MR. SCHRUPP: Would you state your name
15 and position?

16 MS. LIDDLE: I am Nancy Liddle, and I am
17 Chairperson for the Livonia Human Relations Commission.

18 MR. SCHRUPP: Do you have a statement?

19 MS. LIDDLE: Yes.

20 MR. SCHRUPP: Thank you.

21 MS. LIDDLE: The Livonia Human Relations
22 Commission became involved with the Community Housing and
23 Devvlopment Act early in January, 1975 through two different
24 channels.

1
2 First, at the Commission's monthly meeting,
3 January, '75, a questionnaire regarding the Act which had
4 been prepared by the Northwest Office of the Interfaith
5 Center for Racial Justice and was brought to our attention
6 by a member of our group who is active in the Interfaith
7 organization.

8 And, secondly, reports of questionnaires
9 regarding the City Planning Department Survey form came
10 to us again via a member of the Commission.

11 And then on January 9th, the city's
12 assessment form was printed in the Livonia Observer.

13 The Community Housing Development was
14 discussed at length at that January meeting and a number
15 of questions regarding it were raised. As a result, as
16 Chairperson for this Commission, I was directed to con-
17 tact certain city officials and agencies and seek answers
18 to our questions and concerns, and to have the questions
19 of the Interfaith survey answered.

20 With that direction, I talked with Mayor
21 McNamara; City Planning Director, John Mann; Chairman of
22 the Planning Commission, Dan Andrews; Chairman of the
23 Citizen Advisory Committee, Ron Carroll about our questions
24 which were:

- 1) What type of problem did the city

1 intend to tackle and solve with the
2 Federal grant?

3 2) Was the city complying fully with the
4 civil rights aspect of the Act?

5 3) Why were people who worked in Livonia
6 but don't live here not surveyed? What
7 consideration was being given to their
8 needs?

9 The first two questions have already been
10 answered by previous speakers, incidently.

11 The answer I got to the third question
12 regarding people who do not reside in the city was as
13 follows: It was twofold, and the answer, Livonia has
14 blighted areas of low income families residing in the city
15 and their needs must first be taken into consideration
16 before attention can be given to others.

17 And, secondly, the person with whom I spoke
18 did not feel that such a survey was required by the
19 Community Housing and Development Act.

20 Secondly, as a result of that, our dis-
21 cussions dealing with the questions was discussed with
22 the mayor and planning director, and these questions were
23 answered by John Nagy, Planning Director.

24 Thirdly, the Citizens Advisory Committee

1 agreed to expand its membership to include Human Relations
2 Commissioners as representatives of that group. The
3 Reverend William Ritter, pastor of New Berg Methodist
4 Church, presently serving in this capacity, to convey our
5 aid and concern to the Advisor of the Committee through
6 Reverend Ritter.

7 I received a different interpretation of
8 the feelings of the citizens of the Advisory Committee
9 than what is given to earlier by Mr. Carroll.

10 My understanding is that there was no
11 definitive discussion of the city's committees or the
12 Task Force on their position regarding racial discrimi-
13 nation in Livonia.

14 Dr. Don Frederick, who is also a member of
15 that citizen committee, has requested time to address you
16 later this evening.

17 At our February 4th Human Relations meeting,
18 the Community Housing and Development Act was then a major
19 item, and at that time we made three recommendations in
20 regard to priority.

21 They were: that attention be given to low
22 and moderate income families residing in Livonia, in addi-
23 tion to low and moderate income senior citizens; that
24 agencies and companies contracted to rehabilitate and

1 assist in low income areas be issued questionnaires; that
2 consideration be given to the needs of the persons who are
3 employed in the city but not currently residents.

4 The Human Relations Commission plans for
5 the future in regard to the Community Housing and Develop-
6 ment Act are:

- 7 1) To keep current on the development
8 regarding the Act through frequent contact
9 with and questioning of various city
10 officials and agencies such as, the Plan-
11 ning Director; Citizens Advisory Committees;
12 City Council and etcetera.
13 2) To maintain accurate membership and
14 participation in citizen surveys.
15 3) To make recommendations to the proper
16 persons as the need might arise.

17 Our new sense of purpose in determination
18 has developed among the membership of the Human Relations
19 Commission and there exists a high resolve to pursue our
20 goals for the future regarding the Community Housing and
21 Development Act in other areas involving Civil Rights.

22 Thank you.

23 CHAIRPERSON TERRY: Any questions?

24 MS. MYLES: Ms. Liddle, am I to understand

1 currently that you contacted the city rather than the city
2 contacting you? Is that a fair statement?

3 MS. LIDDLE: Yes, that is. I am not sure
4 just what the reason is. As you know, Mr. Nagy read a
5 long list of people who were informed and you may not have
6 noticed at that time but the Human Relations Committee was
7 not one of the groups that was informed.

8 The Livonia Citizens for Better Human
9 Relations were notified. Other commissions such as youth
10 commissions, drug commissions were notified. And I have
11 to believe it was strictly a secretarial error or oversight,
12 somewhere along the line.

13 I am sure that we were not intentionally
14 left off that mailing list.

15 MS. MYLES: With regard to the recommenda-
16 tions that were made, the two recommendations that you
17 made reference to --

18 MS. LIDDLE: Yes.

19 MS. MYLES: What is your feeling about the
20 current application? Does it meet those recommendations
21 as you see them?

22 MS. LIDDLE: I, personally, am satisfied,
23 yes.

24 The equal opportunity employers aspect of

1 it, I think that is something that has to be pursued yet.
2 But our first priority, as I gave them to you, was to
3 take care of the low, moderate income families currently
4 residing in the city.

5 Our third recommendation was that, you
6 know, people outside the city be given consideration also.

7 And I think that this first year and the
8 amount of money that is being talked about, that I
9 personally would have to agree with the positions that
10 have already been stated by the City Planners, that we
11 first need to take care of Livonia's blighted area.

12 MS. MYLES: And on the basis of that, if
13 I understand correctly, in relation to the small amount
14 of funds that are available?

15 MS. LIDDLE: Yes. Now, I think on a long-
16 term thing that this city is possibly going to consider
17 outsiders.

18 MS. MYLES: When you say that your organi-
19 zation is going to keep current and to make contact with
20 the agencies that are involved in this process, had your
21 group considered contact with the A-95 Review Agency in
22 any way?

23 MS. LIDDLE: As of now, no.

24 MR. SCHRUPP: Do you have any idea of the

1 amount of money that is available, when you made refer-
2 ence to Title II, the future, your second year funding
3 that you are going to anticipate as other needs, speaking
4 in terms of the amount that might be available?

5 MS. LIDDLE: Yes.

6 MR. SCHRUPP: What was that?

7 MS. LIDDLE: I understand the total, over
8 a six year period could be as much as 4.9 million.

9 MR. SCHRUPP: Is there any attempt to
10 clarify the Title II fund dealing with housing assistance
11 does not come out of that?

12 MS. LIDDLE: I did not understand that.

13 MR. SCHRUPP: You didn't understand. Okay.

14 MR. LOBENTHAL: I have a couple of questions.
15 Does knowing that the housing assistance
16 is not part of that 4.9 million dollars, would that change
17 your perspective on the three priorities you listed?

18 MS. LIDDLE: Yes, it certainly might.

19 MR. LOBENTHAL: Is the Commission an offi-
20 cial body of the City of Livonia?

21 MS. LIDDLE: Yes, we are. The Commission
22 should, by ordinance, consists of 15 members. At the
23 moment we have 14.

24 We are appointed by the mayor for three-

1 year terms and sometimes, depending on interest to par-
2 ticipation, reappointed to three-year terms.

3 The mayor, I feel, has tried to appoint a
4 cross section of people in the city. We have very, very
5 conservative people on the Commission. We have very
6 liberal people and many who would have to be considered
7 moderates probably, representing a lot of different
8 interests and viewpoints and philosophies.

9 MR. LOBENTHAL: May I assume it is racially
10 and sexually, aged mixed?

11 MS. LIDDLE: It is mixed about 50-50 as
12 far as sex, age. Our youngest commissioner is 18 or 19.
13 The oldest is probably about 60. We have Christians, Jews
14 and we have one Oriental.

15 MR. LOBENTHAL: One Oriental. Thirteen
16 what?

17 MS. MYLES: May I ask?

18 What kind of past experiences with racial
19 and sex discrimination-type concerns has the Human
20 Relations Commission dealt with up till now?

21 MS. LIDDLE: We haven't been a terrible
22 effective commission for a lot of reasons. And because
23 we haven't been effective, we aren't particularly well
24 known in the city. And as a result, we don't get a

1 tremendous amount of complaints brought to us.

2 We have had problems involving age. Youths
3 particularly, who feel they are discriminated against.
4 There was an incident a year or two ago with a man who
5 wanted to sell to blacks only, you know. There has been
6 that type of thing.

7 We haven't had any formal complaints brought
8 to us in any area.

9 MS. MYLES: Do you anticipate that the
10 future activities of the Human Relations Commission will
11 differ in any manner?

12 Do you anticipate that you will be receiving
13 complaints?

14 MS. LIDDLE: I think that we are in the
15 process of making ourselves better known in the community.
16 And I think once we are known, that it is conceivable that
17 we would have problems or complaints brought to us.

18 MS. JOHNSON: Did you make your three
19 recommendations officially to the mayer or to the city or
20 was this just resolutions of your group? Have you brought
21 them officially to the attention of the city, is what I
22 am asking.

23 MS. LIDDLE: Well, yes and no. We gave
24 them to the Reverend Ritter, who conveyed them to the

1 Citizens Environment Committee.

2 However, they were included in our minutes
3 and copies go to all the various city officials.

4 MS. MYLES: Let me just ask one question.
5 As Chairperson, what do you see the role
6 of the Commission to be, and do you feel that you have
7 adequate support? For example, staff support or something
8 of that kind to assist you?

9 MS. LIDDLE: Well, this is one of the
10 things then, I think we are beginning to take a new direc-
11 tion or grasp, make a new impact on Livonia.

12 In December, a secretary was hired as a
13 City Commission Secretary. She serves our Commission as
14 well as several others, I believe.

15 Well, with the addition of her help, we are
16 able to do different kinds of things than we ever were in
17 the past. I mean trivial things like making phone calls
18 and typing out letters. Other people are relieved of that
19 responsibility and can spend their time and energy doing
20 some of the more significant things.

21 So, hopefully, the addition of a secretary
22 will make a difference. There seems to be among the
23 commissioners a new determination to accomplish.

24 MR. LOBENTHAL: Can I just this statistic

1 question?

2 Do you happen to know how many Oriental
3 persons live in Livonia?

4 MS. LIDDLE: No, I don't.

5 MR. LOBENTHAL: Do you have any rough idea?

6 MS. LIDDLE: No, I don't.

7 CHAIRPERSON TERRY: Thank you very much.

8 (Witness is excused.)

9 CHAIRPERSON TERRY: Mr. Wagner, would you
10 come up here, please.

11 STATEMENT OF

12 DR. RONALD WAGNER

13 CHAIRPERSON TERRY: Would you state your
14 name and organization or affiliation for the record,
15 please?

16 MR. WAGNER: Yes. Ronald Wagner. I have
17 been a resident of Livonia for eight years, and for a
18 like number of years I have been a member of the Northwest
19 Inter-Faith Center for Racial Justice that the Chairperson
20 of the Livonia Human Relations Commission panel just spoke
21 to last.

22 My statement is very brief. I am hurrying
23 for time. My interest in this is that with the organiza-
24 tion and the support of Northwest Inter-Faith Center for

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Racial Justice, to support their philosophies. I further support racial integration in Livonia and I am not alone in this philosophy.

For the record, there is a petition that was taken a number of years ago, and there are a lot of other fellow citizens that are supportive of racial integration in Livonia.

Specifically, we are involved in the community development program. I am principally interested in twenty-some odd thousand people that live outside of our community and, I believe, work in our community.

They contribute to our community in working in the factories and stores, which they pay taxes in our community, and we know from their work and labors, but yet I believe we have some sort of economic barriers set up within our community that prevents those people from living in our community.

Livonia, for the record, is the most affluent city in terms of medium family income in cities over a hundred thousand in this country.

I find it somewhat discerning that a city with this statement of fact is soliciting funds in terms of 4.9 million dollars for housing improvements. I think that our community has a responsibility to the Detroit

1 community as a whole.

2 I am concerned as to whether or not this
3 4.9 million dollars might be spent in other areas, not
4 just Livonia citizens. Although I respect the priorities
5 of some of the immediate needs in some of the statements
6 that have been made previously this afternoon.

7 I think there is a concern over the people
8 outside our community.

9 I also personally am concerned with state-
10 ments made in the newspapers and here this afternoon and
11 in other public hearings, specifically by the Chairperson
12 of the Advisory Committee, Mr. Ronald Carroll, who states
13 that these funds will not be used for integrated housing.

14 I don't think that represents really the
15 total view of the citizenry of Livonia.

16 So that is my statement.

17 MS. MYLES: Do I understand correctly that
18 you feel that it might be even preferable for the
19 community to decline to participate in this Act in favor
20 of other cities which may have greater needs?

21 MR. WAGNER: Yes, but that is only a
22 personal thing.

23 MS. MYLES: What was your activity recently
24 with regard to this application? What kind of offer did

1 you have?

2 MR. WAGNER: I am not sure I understand
3 the question.

4 Do you mean whether I was involved in this
5 committee or the Advisory Committee?

6 MS. MYLES: Whether any of the activities
7 either with Inter-Faith --

8 MR. WAGNER: Just with the Inter-Faith
9 group. And I was a member of the commission that pre-
10 sented the questionnaire that Nancy Liddle spoke about,
11 that was presented to the mayor. Yes, I guess that was
12 the extent of my involvement.

13 I did that through the Human Relations
14 Commission as opposed to an individual citizen.

15 MS. MYLES: Is it your belief at this
16 point and time that the citizens to whom you refer, the
17 ones living outside of the area here are to be considered
18 in this planning this year or in succeeding years?

19 MR. WAGNER: They are not likely?

20 MS. MYLES: I am asking whether you feel
21 it is likely?

22 MR. WAGNER: I feel that it is not.
23 This question was presented by myself in
24 a public hearing two nights ago, and again personal

1 conjecture, the answers were very evasive as I thought
2 the answers were this afternoon, as to just what was
3 going to be done for these people.

4 MR. SCHRUPP: Those answered by the Plan-
5 ning Commission again?

6 MR. WAGNER: Yes, Mr. Nagy and the City
7 Attorney.

8 CHAIRPERSON TERRY: Thank you very much.
9 (Witness was excused.)

10 CHAIRPERSON TERRY: I would just like to
11 check in terms of -- we are now down to 4:00 o'clock.
12 Are the people listed on our schedule who are presently
13 here so that we can get some sense of what order to go
14 in, is there someone here from the United Automobile
15 Workers to speak?

16 (No verbal response.)

17 CHAIRPERSON TERRY: Mr. Saunders and Mr.
18 Bush, are you here?

19 (No verbal response.)

20 CHAIRPERSON TERRY: Mr Shelton, you are
21 here. Okay. Mr. Tucker will not be here. Okay.
22 Mr. Saunders and Mr. Bush, please.

23 ERASE
24 COTTON CONTENT

1 STATEMENT OF
2 LONNIE SAUNDERS
3 JAMES BUSH

4 CHAIRPERSON TERRY: Would you please
5 state for the record your name and position?

6 MR. SAUNDERS: My name is Lonnie Saunders,
7 spelled with a U. I am principal Supervisor at the
8 Human Rights Department, City of Detroit, in charge of
9 the Compliance and Hospital Division.

10 CHAIRPERSON TERRY: Do you have a presen-
11 tation, brief presentation you would like to make?

12 MR. SAUNDERS: Yes. It is, hopefully,
13 very brief at this late hour. It is a three pages focus
14 on one facet of the block grant issue that I believe has
15 been touched on to some extent, and we would like to
16 present it as the view of the Human Rights Department
17 relating to this particular issue and hope that you see
18 value in the setting of today.

19 On behalf of the Human Rights Department
20 and its Director, Reverend James Wadsworth, I submit for
21 the record this statement on the block grant matter.

22 There can be little doubt that ending
23 racial discrimination in employment should have the high-
24 est priority when the nation observes next year the

1 200th anniversary of that Declaration which set down as
2 its first principle, and I quote, "that all men are
3 created equal, that they are endowed by their Creator
4 with certain inalienable rights."

5 The indicators of the extent of racial
6 discrimination in employment are overwhelming:

7 1) the dollar gap between the median
8 income of white families and black
9 families increases each year.

10 2) black unemployment rates are more
11 than twice those of whites, and

12 3) the average earnings of blacks with
13 college degrees is below that of whites
14 without any college training.

15 In the face of such evidence, a nation
16 that does not address this problem in every program
17 certainly does not practice the principles in the .
18 Declaration of Independence.

19 In 1955, the Michigan Legislature passed
20 the Fair Employment Practices Act (Act 251 of the Public
21 Acts of 1955). Section 4 of this Act requires that
22 every contract for goods or services let by this State or
23 any of its political or civil subdivisions contain a
24 clause obligating the contractor or vendor to non-discrimi-

1 minatory employment practices.

2 Section 4 provides further that violations
3 of this clause by the contractor or vendor shall consti-
4 tute a material breach of the contract. There is no
5 indication that any county, municipality, school board
6 or any other political or civil subdivision of the State
7 has refused to insert the non-discrimination clause in
8 its contracts.

9 Since we must presume that the Legislature
10 acted in good faith when they inserted this section in the
11 Fair Employment Practices Act of 1955, we must also
12 presume that the Legislature did not intend for this section
13 of the contracts of the State and all the local govern-
14 ments to remain a "dead letter" for the next 20 years, or
15 to be ignored by government officials who have procedures
16 for supervising compliance with every other section of
17 their contracts.

18 Yet in 20 years, only five of the scores
19 of municipalities and school boards located in the Detroit
20 metropolitan area, have ever taken any steps to ensure
21 compliance with these clauses in their contracts. The
22 Michigan Civil Rights Department has a procedure whereby
23 it will inspect the employment practices of vendors or
24 contractors being used by any school board or municipality.

1 Yet, they are rarely called upon to perform this service
2 for any government or school board in southeastern
3 Michigan.

4 Thus, we can conclude that for most
5 governments and school boards in southeastern Michigan,
6 the non-discrimination clauses in their contracts have
7 been a "dead letter," -- the only part of their contracts
8 for which these governments do not have strict procedures
9 to ensure compliance and protection of the common good.

10 The singling out of these non-discrimination
11 clauses for non-supervision is in itself a policy of
12 racial discrimination. We are further forced to conclude
13 that such governments and school boards should not be
14 eligible for any Federal funding under Title VI of the
15 Civil Rights Act of 1964 which prohibits the flow of
16 federal funds to state and local governments which have
17 discriminatory policies and practices.

18 In addition, the General Revenue Sharing
19 Statute of 1972 specifically requires non-discriminatory
20 policies and practices on the part of recipient govern-
21 ments, Section 122 requires compliance with all govern-
22 ment, state and local law (Sec. 123 (a) (4)). Thus
23 most of the local governments in this area are most
24 probably ineligible for General Revenue Sharing funds.

1 We advocate that Community Development
2 block grants should be withheld from those local govern-
3 ments which persist in a racially discriminatory policy
4 of a singling out the non-discrimination clauses in their
5 contracts for non-supervision.

6 That is our presentation.

7 MR. RIENSTRA: May I follow through with
8 a few specifics?

9 Do you know for a fact whether the City of
10 Livonia is one of those five municipalities that does use
11 the Michigan Civil Rights Commission for contract
12 compliance review?

13 MR. SAUNDERS: I believe that is true.

14 Is that right, Mr. Bush?

15 MR. BUSH: To the best of our knowledge,
16 they have made only one inquiry to the Michigan Civil
17 Rights Commission to get a review of a contractor or a
18 series of contractors for one specific project, but that
19 they have no procedure themselves for reviewing their
20 contractors.

21 MR. RIENSTRA: They have no department
22 personnel responsible for that

23 MR. BUSH: Right.

24 MR. RIENSTRA: And I think your testimony

1 earlier was that the chief law officer of the municipality
2 indicated he had no knowledge of anything that they had
3 done to review any of their contractors, but that the
4 review of their overall contracts was in the hands of
5 their budget people.

6 The singling out, as you called it, of
7 these non-discrimination clauses for non-supervision is
8 relevant to our concern here today.

9 You are suggesting by your statement, I
10 take it, that because in addition to the kind of things
11 we have concentrated on up until now, the pattern of
12 housing segregation and whether their plans propose to
13 incorporate housing opportunities for low and moderate
14 income families living in the community, you are saying
15 your concern is relevant cause for both, for general
16 revenue sharing and also for this, they have chosed not
17 to enforce a civil rights letter?

18 MR. SAUNDERS: That's correct, sir.

19 MR. RIENSTRA: And you know this to be
20 true, not only for the city of Livonia but for many other
21 southeastern Michigan communities?

22 MR. SAUNDERS: Yes. I would like to amplify
23 a bit in the respect.

24 We feel that those communities which are

1 to be beneficial in the form of a block grant have a
2 responsibility, and one of the sections of the 1974 Act
3 so indicates, to do something more than what is minimal.

4 Non-discrimination is something that those
5 of us who have been in the civil rights field or paripheal
6 fields know is a very ineffective principle for achieving
7 the goal of equal opportunity in any area. Certainly
8 the housing area.

9 And, consequently, we feel that it is most
10 important for those who would receive Federal funds to
11 do something of an affirmative nature -- affirmative
12 action is the term that you called it -- do a little bit --
13 rather, not just a little bit, but somewhat more than
14 what is minimally required.

15 And then, of course, as this statement
16 suggests, even as to non-discrimination, that particular
17 sector, their contract is sort of buried and given virtually
18 no emphasis whatever compared to bonding requirements and
19 meeting of building specifications and requirements and
20 all of the rest.

21 MR. RIENSTRA: Would you briefly describe
22 how your department or another set up complaint department
23 with contractors? What have you done in your department?
24 What could a community do in this respect that would

1 reasonably be affirmative?

2 MR. SAUNDERS: Well, the community could
3 pass an ordinance, as was done in Detroit in 1966, I
4 believe it was, as the result of the discovery of the
5 non-delivery of equal opportunity to citizens, and on
6 the basis of non-discrimination, the non-discrimination
7 proceeding emanating from fair employment practice
8 ordinance.

9 The non-discrimination got one nowhere,
10 that for various reasons well known now, one had to
11 treat this as one would treat any other management
12 principle and proceed to do something that would have a
13 direct affect on the problem.

14 So there developed an outcry in the
15 community, outcry in 1966, that accentuated into the
16 passage of an Act that -- or ordinance -- municipal act
17 that defined affirmative action as a principle that the
18 contractor, the vendors that supplied the City of Detroit
19 with services or products, must demonstrate and define
20 those principles in clear and specific terms for your
21 areas, generally, and then held them to these principles
22 through the enforcement procedure set up in the Act or
23 ordinance as implemented by our staff.

24 So it is simply the passage of a municipal

1 ordinance that says to affirmatively address this matter
2 of equal opportunity and employment, we should do these
3 things. And all one would need to do in the community,
4 if one were committed to this principle, would be to
5 consult, in Livonia's case, with the Michigan Civil
6 Rights Department, which I would gladly, I am sure, give
7 it the technical assistance that would be required.

8 I am tempted to say we would also. However,
9 our jurisdiction is limited to the City of Detroit, but
10 we tend to respond to any inquiry in a way that would be
11 helpful when we can.

12 MR. RIENSTRA: So they could consult with
13 setting up such an ordinance, such a program for them-
14 selves, but they could also contract for the implementa-
15 tion of the program with the Michigan Department of Civil
16 Rights, couldn't they?

17 MR. SAUNDERS: I would think so. The
18 Michigan Civil Rights could best speak to that. Yes,
19 they could do that.

20 And I think further, even at the moment,
21 prior to the passage of such an ordinance, they could more
22 aggressively and more extensively utilize the services of
23 the Michigan Civil Rights Department which stands avail-
24 able to service them whenever requested.

1 MR. BUSH: Let me amplify that a little
2 bit.

3 We started inspecting our contractors in
4 1963 before we had an ordinance in the City of Detroit.
5 And we did that under the authority and under the obli-
6 gation of the Michigan Fair Employment Practice Act of
7 1955.

8 We were the first government in the State
9 of Michigan, that includes the state itself, that started
10 systematic inspection of the employment practices of our
11 contractors to see if they were, in fact, in compliance
12 with the non-discrimination obligation that was in the
13 contracts they signed.

14 And it has particular personal reference
15 to me, because back in the late 50's, after this was
16 inserted into all the government contracts, I was an
17 estimator for a contractor operating in the Detroit
18 metropolitan area, and I started noticing these non-
19 discrimination clauses in the contracts for which I was
20 preparing estimates and bids.

21 And I asked the contractor that I was
22 serving at that time, you know, what should I do about
23 this. Did he want this called to his attention whenever
24 I was preparing an estimate on a contract that would

1 contain the non-discrimination clause. He said, "Don't
2 worry about that. We have discussed that at our contrac-
3 tors association and we have been assured it means nothing."

4 And for many years, in Michigan, it meant
5 nothing. We started eight years after the clause was
6 inserted into the contract to start inspecting compliance
7 with that clause, the same way we inspected compliance
8 with every other clause in the contract.

9 It is now 20 years later and most of the
10 municipal and governments and county governments and school
11 boards in the State of Michigan still have not started to
12 inspect compliance with that clause on the same regular
13 strict basis that they inspect compliance with every other
14 part of their contracts with their contractors and ven-
15 dors.

16 MR. SCHRUPP: Mr. Bush, perhaps you can
17 state your name for the record.

18 MR. BUSH: My name is James Bush and I am
19 a member of the City of Detroit Human Rights Department.

20 CHAIRPERSON TERRY: Thank you.

21 MR. BUSH: I am the senior citizen on our
22 staff and that is why I remember things that happened
23 before Mr. Saunders started.

24 MR. SAUNDERS: As you will observe, only

1 in one sense is he the senior citizen.

2 MR. SCHRUPP: I understand from your state-
3 ment that you are suggesting regardless whether there is
4 an ordinance or not, that there is some capability within
5 any mobile unit of government to move ahead with some
6 administrative procedures to deal with the contract
7 compliance; is that correct, and that you are suggesting
8 unless those administrative procedures really result in
9 followup in terms of contract compliance, that it is cause
10 for us to question, or someone to question, whether the
11 block grants, for example, should be granted to those
12 communities; is that suggestive of what you are saying?

13 MR. BUSH: Very much.

14 MR. SAUNDERS: Very much so, especially
15 in the latter portion of your statement where you say
16 that this process should result in some followup, some
17 end results that would clearly be conceivable.

18 That is the ultimate judgment factor as
19 to whether compliance has been really achieved.

20 MR. SCHRUPP: I take it over the years
21 you have established a number of firms that you do not
22 do business with?

23 MR. SAUNDERS: We have a rather extensive
24 list that we have developed over the years. I might say

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1 that it is an eye-opening experience to just go out and
2 inspect or monitor or review the practices of a particular
3 contractor.

4 I did that when I came to the Commission
5 in 1967. And, as I said, it is very revealing that the
6 extent of the non-compliance that is not known until the
7 issue is confronted. But you stated it perfectly, I
8 believe.

9 MR. LOBENTHAL: May I ask, is that list of
10 employers not in compliance a public list or available to
11 other municipalities?

12 MR. SAUNDERS: I would certainly think so.
13 There is a rather extensive list of organizations, groups
14 that are interested in this kind of matter, agencies,
15 particularly.

16 MR. BUSH: NFC and myself who share this
17 interchange and it is public once the Commission has
18 acted to declare a contractor out of compliance or in
19 compliance. So, yes, I am sure that I could take that
20 position. This is true.

21 MR. LOBENTHAL: Do you know of any muni-
22 cipalities, for example, that are asked to share in the
23 list or have seen it?

24 MR. SAUNDERS: No, I don't. Since I have

1 been out of the contract compliance sector, it could be,
2 but I seriously doubt it.

3 MR. BUSH: We have shared them with Wayne
4 County Government. We shared it with the Highland Park
5 City Government. And, over the years, we have had contact
6 with the Highland Park schools on this issue.

7 MR. LOBENTHAL: I am very specifically
8 asking in terms of the block grant. If the issue is con-
9 tract compliance, number one, has Livonia discussed your
10 list and could they, if they desired?

11 MR. BUSH: Sure.

12 MR. LOBENTHAL: Sure what?

13 MR. BUSH: We would not only help them set
14 up a program but we would share our list. We would be
15 willing to consult with them on difficulties they would
16 have with different contractors.

17 MR. LOBENTHAL: But the discussion has not
18 taken place?

19 MR. BUSH: No.

20 MR. RIENSTRA: May I follow through slightly
21 on the availability of this?

22 Speaking out of the program we have in the
23 City of Grand Rapids, that which is publicly available out
24 of our program is the list of contractors and vendors that

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1 have been certified to be approved. It is only the
2 affirmative list that is available.

3 I am wondering if, in your case, it is, in
4 fact, both lists that are available. Those that you have
5 disapproved --

6 MR. SAUNDERS: The list of those we have
7 disapproved are sanctioned. Yes, that would be available.
8 That was really the list I was referring to initially
9 rather than a much more imposing list, because of the size
10 of our contract program.

11 MR. BUSH: The way we operate, all we do
12 is disapprove them. And I guess implicitly, you could say
13 anything we don't disapprove is approved. But we dis-
14 approve such a small fraction of the vast array of con-
15 tractors and vendors that are doing business with the
16 City of Detroit, that it would be well nigh impossible for
17 us to publish the list of those we approved.

18 MR. RIENSTRA: We don't publish the lists,
19 but it is available. But those who are certified to do
20 business with the city are vendors, contractors, it is
21 certified.

22 The point of it is that they have to have
23 inspection by some officer of the city or, in some cases,
24 agreement of the state. But we don't act, we don't have

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1 nearly as many contractors as you obviously.

2 We don't act on the contractor until he
3 has bid on something for the city, and then after that he
4 is reviewed, and before the award of the contract. But
5 then if he is certified and with continuous reviews, or
6 course, because we have to continue to monitor, but I
7 just want to be sure that you really did have a negative
8 program since we don't.

9 MR. SAUNDERS: We have had that for quite
10 some time.

11 MR. RIENSTRA: We do disqualify too.
12 Don't misunderstand me. But it is just that we don't
13 keep a list.

14 MR. BUSH: I think I should emphasize for
15 the record, we disqualify a contractor only after they
16 have had multiple chances to do good.

17 We go out and inspect them, we exchange a
18 lot of paper with them. We negotiate with them. We
19 make recommendations to them. We suggest places where
20 they can broaden their sources of recruitment.

21 We give them a public hearing. And then
22 it goes before our final commission appeal process. So
23 they have multiple opportunities to stay in compliance
24 and to stay, doing business with the City of Detroit.

1 MR. SAUNDERS: We not only have a list,
2 by the way, official list of those who have been sanctioned,
3 but when I think through, three other members published
4 this one, through the news media High-Life and I forget
5 the names of the other two, but it gets into the news
6 media from time to time, in addition to the list that is
7 physically mailed to certain groups.

8 CHAIRPERSON TERRY: Any other questions?

9 Thank you very much.

10 MR. BUSH: Thank you. We appreciate this
11 very much.

12 (Witness was excused.)

13 CHAIRPERSON TERRY: We are moving right
14 along.

15 MR. Shelton, please.

16 STATEMENT OF

17 DONN SHELTON

18 CHAIRPERSON TERRY: Will you please identify
19 yourself and your organization?

20 MR. SHELTON: Donn Shelton. I am Acting
21 President of the Metropolitan Fund, Incorporated. I am
22 having a running battle with laryngitis so I will keep
23 this very brief.

24 I have lengthy testimony which I have filed

1 with the clerk in multiple copies. For a number of
2 reasons, I will simply give this very brief presentation
3 and quote directly from that longer testimony in the
4 continuity.

5 By way of introduction, Metropolitan Fund
6 is a non-profit corporation concerned with research into
7 problems of regional dimension in this six-county south-
8 east Michigan, metropolitan Detroit, area.

9 In terms of that regional perspective, we
10 would want the record to clearly indicate that this testi-
11 mony is addressed to the general problems of our metro-
12 politan area and in no way is directed at the city of
13 Livonia's specific circumstances.

14 As an organization concerned with metro-
15 politan development in the southeast Michigan region, the
16 Metropolitan Fund has strong interest in the problems of
17 housing as they occur within the total metropolitan area.
18 There are many dimensions to the general subject of
19 housing which need to be viewed in a regional perspective.

20 Certainly the general land use patterns
21 of this region are impacted by the development of housing
22 and housing patterns. The costs of housing construction
23 are a regional matter, due in large part to the fragmented
24 and widely diverse housing codes and enforcement policies...

1 which often force a builder to erect a dozen or more
2 variations of the same home, thereby raising costs which
3 could be minimized by some area-wide standards.

4 There is little doubt that the patterns
5 of housing availability, in regard to both economic and
6 racial concerns, have contributed greatly to the extreme
7 polarization within this region, a polarization which
8 may be the single worst problem metropolitan Detroit
9 faces. Mass transportation is a demonstrated regional
10 concern, as is freeway development.

11 Yet, both of those problems are directly
12 affected by the patterns of housing in relation to job
13 location. Wide separation of employment centers and
14 housing requires...demands, even...that road and trans-
15 portation capacities be enlarged.

16 Thus, there is little doubt on the part
17 of Metropolitan Fund that housing is, indeed, a regional
18 problem.

19 In the past, much of the Fund's effort
20 toward resolving at least some of the housing crisis has
21 centered on the possible development of a new town con-
22 cept in southeast Michigan.

23 That effort included the proposal, several
24 years ago, that a paired new town be designed and built,

1 one community simultaneously developed on a central
2 city site and a suburban site.

3 In that proposal, careful attention was
4 paid to the very critical problems of viewing housing as
5 a two-stage process, the rehabilitation and/or redevelop-
6 ment of existing housing locations coupled with the
7 development of new housing sites. Again, that very two-
8 stage concern targets housing as a metropolitan-wide
9 problem.

10 It is in terms of land use that the prob-
11 lems of housing are usually cast, regionally.

12 One of Metropolitan Fund's new town
13 research reports noted that, "not only does poor use of
14 land exacerbate the polarization of this society, it
15 is often one of the very effective tools of those who
16 would maintain the segregation of the poor, the black,
17 and the disenfranchised. There can be little question
18 that poor land use can have significant effects far
19 beyond the realm of physical planning. Communities
20 ripped apart by streams of concrete ribbon...blocks that
21 offer only streets for children to play in...residential
22 neighborhoods of monotonous sameness, priced beyond the
23 means of many, and widely separated from places of
24 employment...these are two common examples of land use

1 mistakes with obvious and profound social rammifications."

2 The concept of community development funding
3 tied to general social progress is not new. At a
4 Metropolitan Fund conference several years ago, a con-
5 feree pointed out that, "When the people of the year 2000
6 look back upon us, I think they will find it incomprehen-
7 sible not only that we lack the will to deal with the
8 absolutely apalling problems of the black, the poor, and
9 the aged, but that we lack the minimum foresight to say
10 that growth between now and then should be controlled and
11 ordered for the benefit of all."

12 At the same conference, a noted economist
13 and member of the Kerner Commission pointed out that,
14 and I quote, "...programs that isolate the poor and the
15 black from the rest of the community don't work because
16 they can't get supported, and, in spite of the fact that
17 I completely agree that those are the people that are
18 most in need, the way to get the aid to those people is
19 to tie their aid to a program which also aids the
20 majority."

21 In the paired new town proposal, note was
22 taken of the regional dimensions of community development.
23 "Suburban communities are experiencing the same problems
24 that plague the central city; a rising crime rate, an

1 increase in the number of narcotics addicts, insufficient
2 tax revenues to support public services, restless youth,
3 traffic and transportation problems, creeping blight, and
4 the need for sweeping physical renewal programs -- these
5 are the dilemmas that are common to city and suburb
6 alike. They are the dilemmas for which we must find
7 answers soon if our metropolitan region is to bring order
8 out of fiscal and social chaos."

9 "It is not beyond the social imagination
10 or the technological capacity of our region to solve
11 these problems. But if we are to solve them we must have
12 a comprehensive policy for urban growth that incorporates
13 the goals, strategies, and timetable for rebuilding,
14 expanding, and re-vitalizing the entire metropolitan
15 region."

16 "Such a policy must seek a more balanced
17 distribution of urban dwellers and economic opportunity.
18 It must set forth authentic and practical ways for
19 citizens to be involved in the planning and the decision-
20 making processes. It must establish priorities and re-
21 define governmental relations in such a way that govern-
22 ment can and will respond to the needs and desires of
23 the citizenry."

24 To that point, a policy committee of

1 Metropolitan Fund Trustees, in that paired new town
2 report, said, and I quote, "An intelligent and reason-
3 able urban growth policy for the state of Michigan and
4 specifically for the southeast Michigan region would be
5 one based on a series of common destinies...common des-
6 tinies of this generation and its offspring, of the
7 city-dweller and his suburban brother, of the economi-
8 cally affluent and the economically underprivileged.
9 Such an urban growth policy would be, per se, a policy
10 of inclusion...of including all of the citizens, in
11 recognition of that inevitable sharing of destiny."

12 "It must never be allowed to become a
13 policy of exclusion, of turning the public will and
14 the public might to the exclusive benefit of any single
15 segment of the citizenry."

16 "An urban growth policy must be for-
17 mulated. There will occur, we know, urban growth...by
18 the year 2000, this region will have two people in it
19 for every one living today. Thus, we know that there
20 will be a growth in numbers. Determining the form that
21 growth will take is the fundamental purpose of a cal-
22 culated urban growth policy."

23 "Such policy formulation is a matter of
24 public and democratic prerogative. Taking a guidance

1 from the electorate, it is a responsibility of public
2 officials to...in large measure...shape our future. In
3 that process, those officials must identify the life-
4 styles desired by the people and make...today...those
5 decisions which will achieve such societal objectives
6 in the future."

7 "Implicit in such a policy is considera-
8 tion of where and how those citizen multitudes will
9 live...of how the land mass of southeast Michigan will
10 be used in the future in producing a desirable life-
11 style for its residents."

12 In addition to sharing with the Advisory
13 Committee our views on housing as a regional issue,
14 Metropolitan Fund has been asked to comment in this
15 testimony on its recent proposal to re-structure existing
16 regional decision-making processes.

17 Last year, the Fund published the results
18 of a two-year study of regional governance, under the
19 title of The Regionalist Papers. As with all Metro-
20 politan Fund studies, a policy position precedes the
21 total study, with each trustee able to vote for or
22 against the position. Each trustee is also permitted
23 the opportunity to include in the report a comment of
24 support or dissent. I believe we can most clearly state

1 the Fund's position relative to the current decision-
2 making process by reading into the record that policy
3 statement from The Regionalist Papers.

4 That statement says, and I quote: "Being
5 aware that the Southeast Michigan metropolitan area has
6 gradually evolved into a regional city form; and having
7 seen that other similar areas of this nation are devising
8 effective means of self-governance for this "new city";
9 and having established a working relationship with the
10 Michigan Legislature in studying the matter; this
11 Committee believes that it is time to devise the most
12 responsive, efficient, and equitable system of gover-
13 nance possible for our seven county area reaching from
14 Detroit on the east to Ann Arbor on the west and from
15 Monroe on the south to Port Huron on the north.

16 "Article VII, Section 27, of the Michigan
17 State Constitution authorizes such a plan. Accordingly,
18 we recommend that the authority granted by vote of the
19 citizens of Michigan be implemented by enactment of
20 legislation to provide for a carefully sequenced plan
21 of regional reorganization.

22 "We recommend a first stage which would
23 provide for reconstitution of the General Assembly of
24 the Southeast Michigan Council of Governments, coupled

1 with a regional charter study by that body within a
2 specified time span, perhaps three years...thus building
3 upon and utilizing our present regional governance
4 mechanism.

5 "In the second stage, the Legislature
6 would enact a permanent system of regional governance for
7 Southeast Michigan based upon the three-year trial and
8 upon the recommendations of the regional charter study.

9 "It is recommended that the reconstitution
10 of the SEMCOG General Assembly provide some balance of
11 direct representation and accountability along with the
12 existing participation by local governments.

13 "Specifically, it is proposed that there
14 be 41 members in the Assembly: 10 to be elected by the
15 seven County Boards of Commissioners in the region from
16 among their members; 10 to be elected by the Mayors and
17 Township Supervisors from their members in the seven
18 counties; and 20 to be elected directly by the public
19 from the existing 20 State Senate districts in the
20 region.

21 "The 41st member would be directly elected
22 by the public from the region to serve as Chairman of the
23 General Assembly.

24 "In geographically apportioning the members

1 elected by the city/township and county officials,
2 safeguards should be provided to protect the equity and
3 needs of the central city, Detroit...including, for
4 example, specific allocation of seats directly to the
5 city.

6 "In order that the agency may operate
7 during the three-year staging period, an annual budget
8 for operational expenses should be guaranteed on a per
9 capita basis by the Legislature from existing tax monies
10 collected and distributed within the seven-county region.

11 "The reconstituted SEMCOG...strengthened
12 and made more responsible...would, during the three-year
13 interim period, perform all of its present functions,
14 including maintenance of the regional plan and review
15 of local government applications for federal and state
16 grants.

17 "Most importantly, it would assume the
18 additional duty of conducting the regional charter
19 study process on behalf of the Legislature, presenting
20 its findings to that body by the end of the three-year
21 period to serve as a basis for legislation establishing
22 a permanent system of regional governance.

23 "In other parts of the country, we have
24 seen the negative effects, in wasted tax monies and

1 unnecessary disharmony, which years of debate can
2 produce in a search for the "perfect" answer. Rather
3 than duplicating that experience, we strongly recommend
4 that the Legislature embark on this sequential process,
5 through which progress can continue to be made in hand-
6 ling regional problems even while the region's leader-
7 ship is designing the most appropriate system of govern-
8 ance for the Southeast Michigan region, in the best
9 spirit of "local self-determination" and "regional home-
10 rule."

11 "Included in that study should be the
12 whole question of organizational relationships between
13 the regional policy body and the present and future
14 single-purpose regional authorities, such as the Sout-
15 eastern Michigan Transportation Authority, the Huron-
16 Clinton Metropolitan (Parks) Authority, the Metropoli-
17 tan Detroit Water and Sewer Board, the Southeast
18 Michigan Comprehensive Health Planning Council and the
19 Greater Detroit Hospital Council.

20 "The study should also address itself to
21 the question of local school board representation on the
22 Permanent Regional Council. The fact that this recommen-
23 dation does not provide for such representation in the
24 interim body should not be construed prejudicially.

1 "The Michigan Constitution clearly calls
2 upon the Legislature to provide urban areas of the state
3 with whatever form of governance are most appropriate.
4 The Supreme Court's support of the one-man/one-vote
5 principle similarly makes clear the need for some form
6 of direct citizen representation and accountability
7 throughout the overall chain of government.

8 "The persons and institutions who support
9 the concepts of "local self determination" and "home
10 rule" certainly have a case for consideration. Meanwhile,
11 the problems grow with awesome speed.

12 "Thus we call upon the Legislature of
13 Michigan to move decisively in setting up this sequence
14 of action, study and recommendation...providing for
15 today's needs and preparing logically for the future's
16 demands.

17 "While other states have spent yeard in
18 legislative debate over "how" metropolitan areas should
19 be managed, we believe that the press of urban problems
20 in Southeast Michigan is too great and too immediate to
21 allow the luxury of such debate without commensurate
22 action.

23 "Rather, this proposed sequence will
24 allow continuing attention to today's metropolitan

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problems, even while the necessary study and debate is being carried on.

"In addition, the proposal extends logically the concept of home rule by its locating of both study and debate within the Detroit region, among citizens of that region.

"Ultimately, of course, the Legislature will receive the report and act upon it, as authorized by the Constitution.

"The sequential proposal effectively couples regional self-determination with legislative responsibility and authority." End of policy statement.

I will, of course, be happy to answer any questions which you might have relative to either the housing or the regional agency matters.

MS. MYLES: With respect to your SEMCOG, Mr. Shelton, you made brief mention of studies made by the Metropolitan Fund, Detroit Regional Housing needs.

Can you give a brief capsule of what kind of recommendations those studies made indicated?

MR. SHELTON: Reviewing housing as a regional problem and one which might require regional funds. Metropolitan chose to examine specifically the points of new town development in the metropolitan

1 area.

2 In a series of some four research studies
3 and documents which were published, the Fund did, in
4 fact, examine the possibility in new town developments
5 in metropolitan Detroit in the process invented, I guess,
6 the idea of the concept of repaired new town, which would
7 have instituted, would have prepared simultaneously the
8 development of areas in the central city and in the
9 suburban community as a single entity, physically, socially,
10 governmentally, even while located on two geographical
11 areas.

12 As part of the recommendation in regard
13 to that Fund policy, the body did recommend to the
14 Michigan Legislature that it establish a state-wide
15 development commission, which would, in fact, make it
16 more possible to build new towns in Michigan and in
17 general in Southeast Michigan in particular.

18 Nothing has resulted from that recommenda-
19 tion.

20 MS. MYLES: With regard to the ex-economic
21 problems that were discussed earlier that may serve as
22 barriers to some groups of people in housing, did the
23 Fund make a study with regard to zoning ordinances in the
24 six-county region, and are there explanations regarding

1 the zoning ordinances and their affect on the cost of
2 housing?

3 MR. SHELTON: I am not aware of studies of
4 zoning ordinance. We have made a study of building code
5 ordinance and enforcement procedures which did indicate
6 that the fact that each community within the metropolitan
7 area has a separate and distinct and usually different
8 set of building requirements and goals.

9 It does measureably increase the cost of
10 housing and that a standardized building code and enforce-
11 ment process would lower the cost of housing throughout
12 the metropolitan area.

13 Currently it is possible that a builder
14 might have to develop as many as 12 or 15 versions of the
15 same model of house, because each of the 12 or 15 communi-
16 ties in which he is functioning would have different
17 requirements.

18 Sometimes minutely different but different
19 enough so that in fact he has to move to a higher scale
20 of economy.

21 MS. MYLES: Does the Fund have any other
22 information, work information regarding the urban suburb?

23 MR. SHELTON: We do not, as one of the
24 previous speakers indicated, the former Detroit Regional

1 Planning Commission and the Transportation Land Use Study
2 and all of that now combined at SEMCOG is the appropriate
3 repository for such information, if it exists.

4 The studies we have done have drawn upon
5 those sources of information rather than generating new
6 information.

7 MR. LOBENTHAL: I have two questions.

8 What is the official relationship, if any,
9 between the Fund and SEMCOG?

10 MR. SHELTON: The Metropolitan Fund
11 financed and approved staff support for a study some ten
12 years ago, into the general government of Southeast
13 Michigan, which produced a recommendation from the organi-
14 zation that a Council of Government be formed.

15 Out of that recommendation a commitment of
16 100 locally elected officials met over a period of more
17 than a year to, in fact, define a council of governments.

18 Again with funding established by
19 Metropolitan Fund, upon the legal incorporation of the
20 Southeast Michigan Council of Governments, all formal
21 relationship between the Metropolitan Fund and SEMCOG was
22 severed.

23 We are, in fact, a legal entity as they
24 are. We are, I suppose, a father-offspring relationship

1 but no continuing legal relationship.

2 MR. LOBENTHAL: Does your recommendation
3 for someone restructuring SEMCOG have any implication on
4 how you view SEMCOG as the A-95 reviewing body?

5 MR. SHELTON: Our recommendation that
6 SEMCOG be restructured, although sometime after originally
7 suggesting that SEMCOG be formed and reflect a view, as
8 we have watched both SEMCOG locally and other such agencies
9 nationally, that the voluntary approach as a body of
10 SEMCOG is not working either in Southeast Michigan or in
11 other parts of the country. And that, in fact, to guide
12 the development of metropolitan areas, something more
13 substantial in terms of implementation potential is
14 required on a purely voluntary process.

15 How that affects the A-95, I don't think
16 really it can be relevant because A-95 is simply an
17 advisory process. Even a council or even a metropolitan
18 agency without the voluntary nature, which SEMCOG has, has
19 no more than review power under A-95, and so the nature
20 of the agency I don't think really is nearly as relevant
21 as it is the fact that A-95 isn't as strong as it might be.

22 CHAIRPERSON TERRY: No more questions?

23 Thank you very much.

24 (Witness excused.)

1 CHAIRPERSON TERRY: At this time, I would
2 like to go back and ask again if some of the people we
3 quickly skipped over out of turn might be here now?

4 Is there anyone here from the UAW?

5 (No Verbal Response.)

6 Anyone here from the Coalition to End
7 Discrimination in Housing?

8 (No Verbal Response.)

9 Is Mr. Jerry Raymond here?

10 (No Verbal Response.)

11 We are now to 7:00 o'clock.

12 Just out of respect for Mr. Taylor, whose
13 fingers have been running here for about six and a half
14 hours, I think, you know, we have caught up sufficiently
15 in the last hour to take perhaps a ten minute break here
16 so that he can have a cup of coffee, you know, and not
17 be taking every word down, okay?

18 Let's take a ten minute break. We will
19 start back here at 7:30 again.

20 (Short recess was taken.)

21 CHAIRPERSON TERRY: Okay. We are going to
22 start back as though it were on time.

23 Mr. Jerry Raymond, please.
24

1 STATEMENT OF

2 JERRY RAYMOND

3 CHAIRPERSON TERRY: Would you please state
4 your name and occupation for the record?

5 MR. RAYMOND: Jerry Raymond and my occupa-
6 tion is Attorney at Law. I have an avocation of City
7 Councilman for the City of Livonia.

8 CHAIRPERSON TERRY: Okay.

9 MR. RAYMOND: I might say first, I am not
10 completely familiar with your procedure. I did have the
11 pleasure and opportunity of being with you for some of
12 your hearings during this afternoon. However, I didn't
13 hear the commencement of anyone's testimony, so I don't
14 know exactly what pattern you follow.

15 I understand that perhaps I am in error,
16 if you interrupt me I'll understand that I was invited
17 to appear here and that I might make a statement, a
18 brief statement regarding my views on a matter which is
19 being considered by your committee.

20 And then, if I might, reply to some
21 questions that might perhaps be submitted to me.

22 I assume for all practical purposes, within
23 reasonable limits, I will not be prevented from wandering
24 from the very narrow specific subjects which might be

1 before us.

2 I might say, just to give you a bit of
3 background, I have resided, our family has resided in
4 Livonia for exactly 25 years. We came here in 1954. We
5 came here just two weeks prior to Brown versus the Board
6 of Education. So we are not runaways from the City of
7 Detroit.

8 We came here because this was the situation.
9 I had married a farmer's daughter and we were determined
10 that we would further enjoy living on the land, having
11 lived on the land for more than a hundred years in our
12 family.

13 So it was quite proper for us to be in the
14 community where there were large lots. I live on a
15 reasonably large lot. Our piece of land is an acre and a
16 quarter, just a bit larger than an acre and a quarter.
17 But coming here some 25 years ago that was not a large
18 piece of land but it was most comfortable to raise a large
19 family. That is what we produced. We are proud to have
20 ten grandchildren and, just to keep the record straight,
21 we are particularly proud, among our grandchildren, to
22 have a full-blooded Korean grandchild. So that you know
23 this.

24 My participation in the community has been

1 in a number of civic affairs, and among them I have been
2 reasonably active in the American Civil Liberties Union.
3 And my earliest membership, as I was able to check back,
4 in the NAACP was in 1942. I wonder how many member of
5 your committee will be able to top that one?

6 My efforts on behalf of minorities in this
7 community and other communities post date and antedate
8 any activity you might have. I have been most concerned.
9 But my concern has been rather with the real question
10 that I do believe we are faced with, and that is the
11 question of low paid or low income and low, low income
12 peoples. COTTON CONTENT

13 It would seem to me that the problem that
14 this community faces, where I understand it, is I might
15 believe the statistics that have been available to me are
16 reasonably correct. I have been given to understand that
17 out of the total number of non-residents who work in
18 Livonia, that 60 percent of those non-residents have in-
19 come of an amount that would classify them in the low
20 income category or less than \$10,000.

21 I believe that the question when we talk
22 about providing housing for those kinds of people, I
23 think perhaps we should address ourselves to the fact
24 that those people almost exclusively are employed by

1 General Motors Corporation are employed by Ford Motor
2 Company are employed by Allied Super Market and are
3 employed by the larger employers who employ the people who
4 work in the city.

5 And the problem that we face is not a
6 problem of not having adequate housing for our people, but
7 the fact that we have people who have low incomes.

8 Now, that would not be true if we had four,
9 five or six hundred, but when we are told that 60 percent
10 of the 18,000 of them, then perhaps we have a matter that
11 should be approached on an economic basis. And perhaps
12 the answer to providing better housing for these good
13 people is not to consider creating low income ghettos,
14 but rather considering what might we do so that they have
15 more substantial income.

16 We think this is a good community. We
17 think that the homes and the residences that we have here
18 are good enough for anyone to live in, even the low
19 income people.

20 We think the problem, at least I do, that
21 the problem that we have is not a problem of building
22 cheap housing, so that the people who have no income can
23 live in them, but either to do something about their in-
24 come or subsidizing the rentals so that they can live in

1 the housing that we have.

2 I think that it is in the front and our
3 rights to even suggest that something should be done of
4 lowering the standards of the type of houses that we have
5 in this community.

6 We do think that something should be done
7 for the people who cannot afford to live here. When you
8 tell us, or the statistics tell us that -- or other
9 governmental agencies tell us that our workers in this
10 town who don't live here, can't live here because the
11 wages that are paid to them by their employers is in a
12 category that you classify as insufficient. Not to live
13 in a high cost town, but so low that it requires subsidy.

14 We think that that is the real problem.
15 Now, further, that is the big problem and that is where
16 the attack should be made. I might say that this is a
17 very interesting community.

18 When I came to this town with Racene and
19 the family, we were a population of 16,000. And in 1970
20 we had a population of 110,000 and now in my capacity of
21 Livonia's representative to the Southeast Michigan
22 Council of Governments, that our population has gone down
23 or did last year to 104,000. So we have a declining
24 population in this area.

1 So what made our population? The popula-
2 tion didn't come here for the same reason. Everyone
3 didn't come here for the same reason. Racene and I came
4 here. Most people came here because this was a good heck
5 of a place to buy a house without costing much money.
6 Because the very agency, the very people who talked to us
7 about a problem that exists here are the same people
8 that created the problem that exists here, cheap financing,
9 F.H.A. and V.A. home financing did more to create the
10 situation that exists in Livonia and the run-away from
11 Detroit than any other thing, because it was possible to
12 move into this community and to have a very, very fine
13 home and to put up practically no money to do it, and the
14 loans were all guaranteed by the Federal Government.

15 But while the Federal Government was doing
16 that, and when I speak with you good people, and I am not
17 speaking to you as individuals, but I speak with you, I
18 really speak to the same people, because I am really
19 speaking to another agency of another year of another
20 department but of the same government.

21 No provisions were made to make sure that
22 communities did develop to encompass people of various
23 income levels. Rather, you approved, and only would
24 approve, and for years, the mortgage companies and the

1 loan associations would not approve loans to certain
2 categories of people including blacks and including
3 people of particular low income.

4 So it has been the policy of our government,
5 which has encouraged the development of run-away suburban
6 communities, running away from the larger cities.

7 It would seem to me that the problem is not
8 as great as it is attempting to be built up here. It
9 would seem to me that inasmuch as most private housing,
10 most private housing depends on government-insured loans
11 or insured loans that indirectly have government blessings
12 upon them, that some limitations can be put on those loans
13 for home construction.

14 Limitations requiring the developers of
15 multiple housing units to provide that within those multi-
16 ple housing units X percent, ten percent, fifteen percent,
17 who knows, be subsidized housing units. And that within
18 any subdivision development X percent, who knows, ten
19 percent, fifteen percent, be subsidized housing. So that
20 integrated throughout the community and not segregated in
21 one ghetto within a community, we might have people of
22 all levels of our society. For that's where they belong.

23 The idea of just putting up houses and
24 homes for people of the low and below income, I scream

1 loudly against. But to bring them into a community and
2 provide adequate housing for them, the same as the rest
3 of the people in our community live in, either by assuring
4 that their incime is sufficient or by assuring that they
5 have subsidies to pick up the difference in the required
6 rentals.

7 That is the kind of program that I might
8 say that I have not just presented here but I have ex-
9 pressed at the meeting of the Livonia City Council. And
10 I believe that some of you on this panel tonight have
11 heard me make thos expressions.

12 My position has been that now is the time
13 to move forward, that in this community and within our
14 community is six miles square. We are a full township.
15 We are six miles square. And if you stand in the center
16 of our city which is at the corner of Five Mile and
17 Farmington Road, and you go four miles in any direction,
18 perhaps five, which would be going as much as one mile
19 outside of our city, but including many within our city
20 as well, there are several hundred vacant apartments and
21 vacant homes available today.

22 We have apartments in this town where the
23 signs are out, Apartment for Rent. They have been out.
24 They have been out for several months. We have condo-

1 miniums where the signs are out, For Sale. They have been
2 for sale for several months at \$25,000 and \$29,000 for two-
3 bedroom apartments. And that's not bad, comfortable prices
4 in our rediculously high market.

5 I have advocated and I do believe that it
6 would be proper for us to take some of the funds that
7 might be available in future years. They are not avail-
8 able to us now. I asked and I inquired and I am told, no,
9 they are not available for us now. We have \$266,000 now.

10 I will tell you how we intend to do it. I
11 have no objection. I have proposed, and I do think, that
12 after considerable study the idea will be accepted with
13 some fear that funds be used for the purpose of existing
14 properties.

15 Builders have stopped construction. They
16 have been authorized to construct, but they have stopped
17 constructing because they are not selling, and there is
18 no reason why the government can't come in, if they want
19 to provide housing, and buy up those properties and rent
20 them out. Fine and dandy. They are here. They are here
21 now.

22 I am not talking about five years from
23 now. You want to know what we are going to do? We are
24 going to see what you are going to do. We have some

1 \$260,000 that is an infinitesimal sum. It is so small
2 we can't possibly scratch the surface. Our committee,
3 our council, while differing in some minor ways in the
4 application of the expenditures will not substantially --
5 basically, I thought a little bit more should have been
6 used for immediate remodeling and that we should have
7 immediate loans, and then we should only tear down non-
8 repairable buildings within a given area.

9 Of the members of the council, while con-
10 curring with all other expressions, felt our total dif-
11 ferences, they felt if there was some real bad dangerous
12 section of the city, perhaps we should use a little bit
13 of the money for that too. There was really no grave
14 differences.

15 But what I am saying, gentlemen, and
16 ladies, and apologies, is to say Committeeperson, and I
17 do apologize, is that we are a unique city. We are a
18 product. We didn't make this city as it is. We came
19 about it. We had no blacks in our citizens committee
20 and that is a sad thing. But it is merely a reflection
21 of the financing of home construction in the City of
22 Livonia. That's what it was about.

23 And I am of the opinion that if the policies
24 of the Federal Government were changed to require that

1 wherever federal funds are used on home construction
2 mortgages not individual cases where there are subdivisions
3 built and where there are multiple dwellings built, that
4 there is a requirement for covering the insuring of those
5 mortgages be that a percentage be set aside for low low
6 income and people of minority groups.

7 While I consider senior citizens, our senior
8 citizens who live in Livonia, as low income persons I do
9 not generally hold them in that category. Otherwise, what
10 we are saying, and I am prepared to join what I would
11 assume that your committee is not saying, what are we
12 going to do for the several thousand now, tens of thousands
13 later, who will be social security risks, etcetera.

14 Although obviously unless they have resided,
15 would come in the low or low income category. I am talking
16 about people in Tyman's Corner and private employment.
17 And if we have people in private employment in this town
18 where 90 percent of those who do not live here work for
19 General Motors and Ford and the large suppliers of those
20 companies and Allied Super Markets and Kroger Super Markets,
21 which have their large warehouses and their bakeries here,
22 if the salaries they pay those people are so low, that you
23 good people called to our attention that their earnings
24 do not allow them to even come within the low income

1 category, then perhaps we should focus in on income and
2 on earnings, and perhaps a bit of the problem will
3 resolve itself.

4 MR. LOBENTHAL: Let me begin the questioning
5 just with some items for the record.

6 Can you describe for us the form of city
7 government that you have and how active the Council is?

8 MR. RAYMOND: I will attempt to.

9 We have a rather unique form of city
10 government, whether there is any other city government
11 constituted as we are, we don't know. Probably the
12 closest thing to how we are constituted is that of the
13 City of Detroit.

14 We are not constituted as any other smaller
15 city anywhere. We have a strong mayor, strong council
16 type of government, if you can figure out what that means.
17 That means we have a mayor who has executive authority and
18 he has single item veto power on the budget, which is a
19 very, very strong power. Single item veto.

20 He has total veto but he also has single
21 item veto.

22 We have an active council which conducts
23 many of its -- I might say I have served on the council
24 for ten years. Those people who attend our meetings, and

jt
t'
(1) 1 we are well attended, our meetings, will tell you that we
2 meet, our council meets regularly in official meetings
3 twice a month. However, we average four meetings a week.
4 Sometimes we meet six times a week.

5 Now, on occasions we may have two meetings
6 in one day. All of the members of our council are fully
7 employed. I am a senior partner of the law firm of
8 Wilson, Deere, Moye and Raymond. And other members of
9 the council are Mr. Robert Bishop, who is a supervisor in,
10 I believe, design at Ford Motor Company; Mr. Peter Ventura,
11 who is a plumbing contractor and a developer of small
12 shopping centers; none of which have ever been developed
13 in the City of Livonia; Mr. Robert Hash, who is in charge
14 of the Driver Education Program in sections of the City
15 of Detroit, not one school, a number of schools in the
16 City of Detroit; Mr. Jerry Brown, who is also a supervisor
17 at Ford Motor Company; Mr. Robert McCann, who broke his
18 leg in four places two weeks ago and who will be in surgery
19 tomorrow morning.

20
21 MR. LOBENTHAL: May I interrupt, please,
22 to offer my condolence to Mr. McCann.

23 We are in a time. We have a certain time
24 problem, and I don't know how big the City Council is.

MR. RAYMOND: Seven.

1 MR. LOBENTHAL: And I just was really
2 looking --

3 MR. RAYMOND: There are seven members. I
4 just want you to get the background.

5 Mr. McCann is a Principal in one of our
6 schools; Mr. Robert Bennett, who is the last member of
7 our council. We have a seven member Council. We are
8 elected at large.

9 Mr. Bennett is an employee of the Bell
10 Telephone Company. And we are elected at large.

11 The Mayor is elected to a two-year term.
12 The Council are elected, there are four councilmen up
13 for office every two years. Three of them, the highest
14 three votes serve four-year terms, the fourth one serves
15 a two-year term and therefore he runs again.

16
17 We meet in committees. We are broken down
18 into, each councilman heads up, chairs of committees and
19 serves on two other committees. Most matters are referred
20 to study meetings where we have broad and wide particip-
21 ation by the public on all subjects.

22 We have a rule in our Council that any-
23 one can get any subject on the next study section agenda
24 merely by sending a memo asking to have it placed on the
agenda. It doesn't matter what the subject is. Any matter

1 will be placed on the agenda of the Livonia City Council
2 if a request is made and they are not put off for a month,
3 believe me, from the meeting.

4 MR. LOBENTHAL: That really says --

5 MR. RAYMOND: What do you want to know
6 about it?

7 MR. LOBENTHAL: I may know more than I
8 needed to.

9 MR. RAYMOND: We hold no closed meetings.
10 Either committee study or regular.

11 MR. LOBENTHAL: I just wanted to get a feel
12 for what it was.

13 Do you recall when the City Council first
14 began considering the community development grant?

15 MR. RAYMOND: I can't give you exactly the
16 time, but obviously no one got a whole lot of information
17 on it. That was one of the problems we faced. And it
18 came upon us suddenly, and when it did come upon us,
19 perhaps one of the reasons that it came upon us suddenly,
20 perhaps it had been there, but either because of failure
21 on our part or failure on the part of some of the govern-
22 ment agencies, we learned little about it until not too
23 long ago.

24 We responded because of the short time,

1 by retaining an outside consulting firm, which we were
2 advised was more familiar with the plan.

3 Further, so that we might come within the
4 program and comply with the requirements of the program
5 and not run into problems that uninformed people might
6 always run into, that they would not run into it, we
7 determined to retain outside help. Though our most
8 capable Planning Staff might have been able to handle
9 it, if they had six more months to figure out what it was
10 all about.

11 MR. LOBENTHAL: Was the role of the con-
12 sultants assisting you procedurally or was it assisting
13 you in making substantive determinations as well?

14 MR. RAYMOND: It almost, as far as I am
15 concerned, I am not saying that the professional people
16 who we retained did not discuss the matter with us, but
17 I do not recall even so much as one argument pro or con
18 on one of the substantive questions that we made, unless
19 a specific question was put to them.

20 Their assistance was exclusively procedural.

21 MR. LOBENTHAL: Did the Council --

22 MR. RAYMOND: Except to the extent of tell-
23 ing us what type of programs to be considered, not for
24 arguing in favor or against any particular item.

1 MR. LOBENTHAL: I see.

2 My next question I ask with a great deal
3 of empathy for both the purveyors of the Act itself and
4 also for the time limitations that obviously were pro-
5 posed in the preparation of the application.

6 Was the Council's role responding in some
7 way to the recommendations of the Citizens Advisory
8 Committee and the Mayor's Task Force, or did the Council
9 have its own role in developing priorities and so on?

10 Earlier in your testimony, I don't know
11 whether you heard or not, somebody said there were three
12 reports, three positions, and I don't know that we ever
13 clarified what the third one was.

14 MR. RAYMOND: I think -- let's say this.
15 We did not, members of the Council, learned after some
16 substantial time that the Citizen's Task Committee, the
17 Task Force, I assume is the professional staff of the City
18 of Livonia. The Citizens Advisory Committee report --
19 the Council had also been studying the matter. I don't
20 want anyone to get the idea that there was a professional
21 study and a citizen's study on the side, and the Council
22 was not studying.

23 The Council did study and there was some
24 original expressions.

1 Now on our Council we have very, very
2 many expressions before we draw conclusions. In fact,
3 expressions are made, sometimes even by members of our
4 Council like me, that we may not necessarily be support-
5 ive of the very expression that we make, but we throw
6 them into the discussions so that we may survey the entire
7 thing.

8 Our position is what we finally decide.
9 That is what our position is. Our position is not nec-
10 essarily what was thrown into the book to reach the
11 conclusion that we reached.

12 It is true that there was some other views
13 by some of the members of the Council. There were some
14 members of the Council who thought that we should imme-
15 diately, and I am not completely against the idea but I
16 don't think it fulfills the requirements of this particu-
17 lar Act, and we should immediately do something about
18 some of the horrible street conditions and some of the,
19 what might be classified in the low or low-low income
20 neighborhood, if there is such a neighborhood in our
21 community, and I don't really think there is such a total
22 neighborhood.

23 But whether there are, the general feel-
24 ing being is that if there is anything that perks up

1 peoples' morale and encourages them to do things, fix
2 up their home, let them know that people care, pave their
3 streets, put in some lights, so they begin to feel like
4 we know they exist.

5 But that was the kind of discussions that
6 were made when we then met with the Citizens Committee and
7 heard their recommendations and considered their wisdom
8 and in the broad scope of their structure in being cogni-
9 zant of what Dr. Jakes tell us, "Listen to what the people
10 say."

11 We did listen to what they said, what the
12 community said, for the most part. We did not adopt
13 their program. But we did say, yes, there may be some
14 street cleaing up in some of those areas. We may sue
15 some of those funds. We may use some city funds. We
16 may use some special assessments. We may use some of
17 them. We will not do it this year. That will come
18 under the future programs. Basically, yes, the answer
19 is, members of the Council did not understand completely,
20 and I suppose even members of your committee don't under-
21 stand completely even now exactly what the Act says.

22 And when they became cognizant of the
23 fact the real purpose of the Act is to do something now,
24 as soon as possible about adequate housing for low and

1 low-low income persons. We tried to focus in on the
2 grants, improvement grants, complete grants and low or
3 no interest loans for the upper category for most of our
4 money.

5 We are talking about what? 160, 170, 130
6 or 150,000 out of 256? That just went up.

7 In addition to that we received a setaside
8 some \$76,000 for removing non-occupied, decrepid, rundown
9 not repairable houses. Perhaps it would be better if
10 we turned to the other now.

11 But we are not yet equipped. We don't know
12 how. We are not equipped. We have to learn. We must
13 crawl before we talk.

14 MR. LOBENTHAL: Do you have any dies, sir?

15 MR. RAYMOND: On the idea of going ahead
16 and buying up occupied but substandard housing and
17 relocating those persons to start in with. This Act does
18 not provide us the money to do that with. And we don't
19 have the money to do that with. We have got to learn a
20 little bit about that and to get into that kind of housing
21 business is something that we are not familiar with and
22 we weren't prepared in the very short time that we have,
23 to make a report, to even make something that we really
24 could put our teeth in.

1 It is something that we are studying. It
2 is something that I would hope would be included in next
3 year's, some of it in next year's proposals.

4 MR. LOBENTHAL: May I just ask two other
5 questions and I am sure my colleagues have some questions
6 as well.

7 What do you see Livonia looking like five
8 years from now?

9 MR. RAYMOND: Well, you ask me what is going
10 to happen with the balance of payments, you know. If
11 you could give me a certain assurance that the economy--
12 that question you are asking me is one that should have
13 been asked a year ago or two years ago when everybody
14 was saying, you know, this economy is just going to go
15 on forever and ever.

16 Really, I don't know what the community
17 will look like. If the economic conditions continue,
18 then the community will suffer greatly because we have
19 among our residents a very, very substantial number of
20 skilled, semi-skilled employees in the automobile indus-
21 try, both in the big Two and in some places, many of
22 them, particularly in the executive, in the junior execu-
23 tives; most of them who think they are, they are not
24 really executives. Many of them already are on layoff,

1 and I don't know what this community is going to face.

2 If you are saying if the economy recovers,
3 now we are talking hypothetically. I would think that --
4 I don't know if you are aware, but there are now approved
5 and waiting for someone to say you will do it, and I can't
6 give you the exact number, perhaps Mr. Nagy, our City
7 Planner has the figure and did quote it, we have a number
8 of parcels of land of reasonable size, small parcels
9 that have been approved for multiple dwellings. That
10 is apartments.

11 We have under construction now a project
12 that includes the construction of 1700 multiple dwellings.
13 I think that concentrating 1700 multiple dwellings in
14 one project is not good for any community. When you have
15 1700, you don't put it in one place.

16 If you are talking about seven or eight
17 hundred, fine, but you don't put 1700 in one place. You
18 don't build a city within the city, whether it is ghettos,
19 in apartments, or what.

20 So that I would think that the kind of
21 houses that you live in, the same rule will follow, just
22 as financing determines the kind of homes that the people
23 in that city live in, so financing is going to determine
24 the kind of homes that people will live in in the city.

1 And I would think there will be an ever
2 greater inclination to go, and I hope it doesn't get too
3 big, toward multiple housing. Only because the cost of
4 housing becomes over and beyond the moderate income level.

5 The house that costs \$20,000 when my son
6 bought it nine years ago now sells for \$43,000.

7 MR. LOBENTHAL: This, I take it, when you
8 respond that you don't know, has not been the subject of
9 any discussion with the City Council?

10 MR. RAYMOND: Well, only to the extent
11 that we have before us, which has not been approved,
12 it has not been approved because one of the reasons is
13 that we objected to focusing in on specific parcels of
14 land rather than areas.

15 A total city-wide land use study which
16 sets forth a very, very substantial number of parcels
17 of land, as I say, we object to designating a specific
18 parcel and part. But Council prefers to stay within this
19 given area, see, in designating a reasonable area that
20 will encompass a number of parcels and, say any of them,
21 without rewarding some particular landowner with increas-
22 ing the value of his land, that encompasses a number of
23 apartments or multiple dwellings, I might say that far
24 exceeds, and the study is available for your consideration,

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1 that far exceeds what is recommended by any planning
2 organization, by any planners, as good planners.

3 I am talking about the total, if built,
4 would encompass between 20 and 25% of the total popula-
5 tion of this city. And if it is adopted in some form,
6 that would be the master land use plan of this city.

7 MR. LOBENTHAL: But it has not been?

8 MR. RAYMOND: It has not, and it has not
9 been. It is still being studied. I wouldn't say that
10 I am certain that a plan will be adopted and that it will
11 not vary too far from what it is, but, no, that plan has
12 not been adopted.

13 MR. LOBENTHAL: My last question, I suspect,
14 is a question which is near and dear to your heart from
15 your earlier comments.

16 I wonder if you would want to speak some
17 more about the question of the industrial base in Livonia
18 and how that affects housing considerations and how
19 responsive the industry has been to the question of hous-
20 ing in the City?

21 MR. RAYMOND: Well, I would think that
22 industry has ignored the question of housing for their
23 employees. It has not been of their concern.

24 It would seem to me that it might be proper

1 for the government to address itself to either through
2 direction of agencies or through legislation, the
3 requirements that where industry receives government
4 contracts or subsidies on government contracts, that
5 it is part of their responsibility to see to it that
6 their employees are provided adequate housing within a
7 reasonable proximity of their place of employment.

8 What I have been trying to say is that
9 the responsibility for all of this really can be placed
10 on that very delicate part of peoples' anatomy known as
11 their pocketbook.

12 And both the pocketbook of industry and
13 the pocketbook of the developers, and they both can be
14 told that if you have government contracts, and Ford
15 does and General Motors does and so do most of the other
16 employers, that it is part of your responsibility. And
17 to say to developers that if you expect to sell these
18 homes that you are building with F.H.A. or V.A. or what-
19 ever, X, Y, Z Program, we might have at any given time,
20 then within that 140 or 160 unit development there is
21 going to have to be 10% or 15%.

22 So I am giving you the same answer. They
23 are not responsible at all.

24 Let me give you an example. We are most,

1 most, most enthusiastic over the fact that the General
2 Motors Company decided to move the Cadillac engine plant
3 to Livonia. Welcome to it. We never got a phone call
4 saying, "Hey, what are you going to do about the 4,000
5 people who are going to be working in our plant?" Not
6 one. Not one. They are not concerned.

7 CHAIRPERSON TERRY: Mr. Rienstra?

8 MR. RAYMOND: I might say I did not get
9 a call from my dear friend in the Union.

10 MS. BLEDSOE: Could you tell us whether
11 or not your colleagues on the Council share your view of
12 corporate responsibility?

13 MR. RAYMOND: Every member on our Council
14 is an individual himself.

15 I would be unfair to my brothers of the
16 Council if I said, so-and-so does and so-and-so does not.
17 I might say, in answer to your question, and this is not
18 a criticism of your committee but it happens in all
19 kinds of things, I don't even know if our members of the
20 City Council were contacted by your committee. Were they
21 all contacted? They weren't even contacted.

22 Perhaps other members of our Council would
23 have been speakers as well. I understand I was contacted
24 because someone suggested my name. Suggested that I be

1 contacted, and so here I am.

2 Members of the Livonia City Council are
3 most capable. My brothers on the Council, I would
4 recognize, are most capable people. We serve on the
5 Council, I suppose, because it gives us an opportunity
6 to participate in our little way. Because it is just a
7 very little way, in making government, rather than
8 standing on the sidelines trying to criticize.

9 That's all.

10 We perhaps have different views, but I
11 would have to let them speak for themselves.

12 MS. BLEDSOE: I have one final related
13 question.

14 As this application was prepared, was there
15 any initiative from the vantage point of view on the city
16 to the principal employees in this community as it re-
17 lated to the implications in this grant application?

18 MR. RAYMOND: I am not sure that I have
19 your question, and please forgive me if I don't. If I
20 find your question -- I am not trying to avoid it, I
21 missed your question.

22 MS. BLEDSOE: I understand.

23 MR. RAYMOND: We have \$266,000. Perhaps
24 we should have approached this thing broadly and said,

1 here, we are going to tackle the whole thing only one
2 time. We did not. We had only a short time to work. In
3 the middle of it, Mr. McCann broke his leg. So he broke
4 his leg. It interferred with some of our meetings. But
5 it must not be considered. That is not an excuse in any
6 way because I don't think we have anything to excuse for.

7 We had \$266,000 and we have \$266,000 to
8 spend. You can only focus in on a couple of very minor
9 matters.

10 MS. BLEDSOE: Sir --

11 MR. RAYMOND: We have only scratched the
12 surface. We have an awful long way to go.

13 MS. BLEDSOE: So the answer is that, to
14 your knowledge no contact was initiated by the City?

15 MR. RAYMOND: To the companies?

16 MS. BLEDSOE: Right.

17 MR. RAYMOND: There would be no reason to
18 because we are not in that stage of doing something. And
19 I would have to ask the question back respectfully, so
20 that I understand your question.

21 What would we ask them about? We know how
22 many of them I carry in my pocket. I know how many of
23 them work here, how many employees there are in the city.
24 I know how many do not live in Livonia. I know how many

1 live in Wayne County but not in the City of Detroit. I
2 know how many live in the City of Detroit. I know their
3 salaries. That is what I have been talking to you about.

4 MS. BLEDSOE: You have answered. You have
5 spoken to it.

6 MR. RIENSTRA: Mr. Raymond, may I ask you,
7 beyond the Council's involvement with preparing the appli-
8 cation for the \$266,000, what has been the Council's
9 involvement in preparing the Housing Assistance Plan?

10 MR. RAYMOND: May I, and I suppose, as long
11 as it is, it would be appropos to say, let me let down
12 my hair and say I don't know what you mean.

13 MR. RIENSTRA: Okay. There are two titles
14 under the Act that we are talking about. And you have to
15 submit two parts of an application simultaneously: the
16 first one is how you plan to use the amount of grant under
17 the Title I, the \$266,000.

18 Exactly parallel to that, however, and
19 submitted at the same time has to be what is roughly called
20 housing assistance plans in which the community has
21 allocated a number of units or amounts of money for a
22 number of units.

23 MR. RAYMOND: We don't have that money.

24 MR. RIENSTRA: Oh, yes, you do. The

1 subsidizing housing that you plan to spend in the first
2 year, and it is precisely in that housing assistance plan
3 that the goals that you stated rather well for the commun-
4 ity, of having rental subsidies for housing assistance
5 for low and moderate income families is available to the
6 City of Livonia.

7 And this afternoon your Planning Director
8 told us that you are submitting a housing assistance plan
9 which includes the components not only for senior citizens,
10 and not for the family assistance subsidy, rental subsidy
11 that is available to the community.

12 MR. RAYMOND: I do think, on the housing
13 assistance plan, we are talking about, under the Title 8?

14 MR. RIENSTRA: Yes, Section 8.

15 MR. RAYMOND: Section 8 money.

16 MR. RIENSTRA: Are available under Title II
17 of the Community Development Revenue Sharing Act of 1974.

18 MR. RAYMOND: The answer to your question
19 is, I understand, if you are referring to the \$266,000,
20 that is not the money to which you are referring?

21 MR. RIENSTRA: No. That is the first part
22 of the application.

23 The second part, at the same time, has to
24 be bound together with it for the first year, of how you

1 plan to use housing assistance money.

2 MR. RAYMOND: What housing assistance
3 monies are available?

4 MR. RIENSTRA: Section 8 monies.

5 Your City Planner knows the monies that
6 are available. I don't know what specifically is involved.

7 MR. RAYMOND: I am very interested to
8 learn that some additional funds are now available to
9 us because it is entirely possible that I have had my
10 ears closed and didn't hear when such things were said.
11 But I might say that I heard no such suggestion made.

12 MR. RIENSTRA: If I may, it is precisely
13 with these monies that the whole concern of these hearings,
14 with the availability of housing for those who are not
15 residents of the community, could be provided. That is
16 what we have been talking about.

17 MR. RAYMOND: I appreciate that. Why I
18 particularly appreciate it is because a member of your
19 panel this evening sat in our meetings and when asked
20 for comments, went around the room and asked would you
21 like to comment, would you like to comment, would you
22 like to comment, and with all due respect to my good
23 friend who sits with you, we received no comments on this
24 very question from members of your panel.

1 The purpose of the meeting was to inform
2 us of what was going on.

3 MR. RIENSTRA: I am very sympathetic with
4 you, Mr. Raymond.

5 MR. RAYMOND: And I might say, we beg for
6 sympathy, because if we didn't know, apparently members
7 of your panel didn't know.

8 MR. RIENSTRA: I am sure that most people
9 on this panel certainly knows about the two parts of
10 the Act.

11 But if you were having a hearing only on
12 Title I, it might not have been relevant at that point,
13 but there is Title II monies that is available to every
14 community that makes the application, and they have to
15 state in the first year's application how they intend to
16 use all of the Section 8 money for subsidy for their
17 first year.

18 And we heard this afternoon, which is the
19 experience of Grand Rapids also, from your Planner, that
20 apparently HUD isn't requiring a three-year plan.

21 MR. RAYMOND: That is exactly what we
22 were told.

23 MR. RIENSTRA: Although I can show you
24 what you would have to file the first year. I have the

1 forms here.

2 MR. RAYMOND: I don't question what you
3 say but --

4 MR. RIENSTRA: The third year --

5 MR. RAYMOND: Apparently Grand Rapids, your
6 home town, received the same information as we received;
7 that is our Council has received, that we only had to
8 file for one year.

9 MR. RIENSTRA: Yes. But that is what I
10 am asking you. How did you participate in the filing
11 for one year?

12 MR. RAYMOND: All we participated, as far
13 as I know, was consideration of the expenditure of
14 \$266,000.

15 MR. RIENSTRA: No, that is only half of
16 it.

17 MR. RAYMOND: I appreciate what you are
18 saying to me. I appreciate what you are saying.

19 MR. RIENSTRA: There is another first year
20 component which is the Housing Assistance Plan, which
21 is the money to either build or purchase or rehabilitate
22 housing in the community.

23 MR. RAYMOND: What do you do to get those
24 funds?

1 MR. RIENSTRA: You have to apply on these
2 same forms. I will give them to you as soon as you leave
3 the table.

4 MR. RAYMOND: Very fine.

5 What is apparent -- I think was apparent
6 here and apparently what was apparent in the situation
7 in Grand Rapids is that there really has been very, very
8 bad communication, not by the people but bad communication,
9 and we spend a lot of time apparently discussing some of
10 the matters not all inclusive. And I cannot tell you
11 what our conclusions are on a subject that we really
12 didn't delve into.

13 MR. RIENSTRA: Okay.

14 MR. SCHRUPP: I think we went into it this
15 afternoon with the testimony from the City Planner this
16 afternoon. It did indicate that the Housing Assistance
17 Plan was discussed and that distinction was made between
18 the types of money, both in terms of the City Council
19 as well as the city knows the whole process.

20 But I am not sure where the lack of
21 communication is.

22 MR. RAYMOND: To that extent, yes. But I
23 have no awareness whatsoever of the current availability
24 of funds for that purpose.

1 MR. SCHRUPP: There is no current avail-
2 ability of funds.

3 MR. RAYMOND: There is none, is there?

4 MR. RIENSTRA: That is why there is a
5 Housing Assistance Plan, to anticipate funds.

6 MR. RAYMOND: And apparently based -- I
7 think it is correct that what you are saying is -- I
8 think I grasp what you are saying. There is no money now.
9 We are talking about the future, but we want to know
10 what plans you might have for the future. That is what
11 you are saying.

12 What I am saying is, perhaps we were
13 supposed to get that ready for you at this stage. It
14 was the opinion of the members of the Council that that
15 was to be presented to you in the second year plans, not
16 the first.

17 Perhaps it is wrong. I think that we are
18 correct, that there are no funds available. You are
19 talking about if funds are available, what would you do,
20 and that is so difficult to talk about. I suppose we
21 will go back and talk about it and then come up with --

22 MR. SCHRUPP: That is not.

23 MR. RIENSTRA: There is one. You have
24 to have many.

1 MR. RAYMOND: For your information, that
2 is going to be most difficult. I leave for Moscow on
3 Saturday morning.

4 MR. SCHRUPP: Could I ask a couple of
5 questions?

6 One: Do you have any statistics in terms
7 of the numbers of FHA and VA homes that have been built
8 in the City of Livonia?

9 MR. RAYMOND: No, I do not have the actual
10 statistics, but because of my slight knowledge with the
11 real estate history, and because many of my clients have
12 purchased homes and many of them have sold homes in the
13 City of Livonia, and because among one of my clients at
14 one time, though I do not represent now, was a small
15 mortgage company, I would say that the vast majority of
16 homes that were built in Livonia from the period of 1956
17 or 1957 up through 1967 or 1968 were FHA and VA homes.
18 And that would mean probably 85 or 90% of the population
19 of this town.

20
21 MS. MYLES: Just a little bit on the
22 communication thing, just one step further.

23 Did I understand from your previous remarks
24 that it was your understanding that if funds were avail-
able for construction of housing that that housing would

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1 have to be concentrated in ghettos, as you said?

2 MR. RAYMOND: No, no. I didn't say it
3 would have to be. I just said I want to make it very,
4 very clear, I oppose doing that.

5 I would prefer concentrating -- not
6 concentrating them -- I prefer and I urge spreading them
7 throughout the community, and particularly putting them
8 in non-subsidized housing projects as a requirement of
9 the financing.

10 CHAIRPERSON TERRY: Thank you very much.

11 MR. RAYMOND: In other words, we are now
12 considering a project that would encompass 1700 units.
13 Assuming it is finally settled, that there are 8 or 9
14 or a thousand units. I think it would be appropos if a
15 federal government requirement was placed on that, that
16 10% of them, or 15% of them, probably 10% for low-low
17 income and additional five or ten per cent be required
18 to senior citizen occupancy.

19 I think that that would help in the
20 development of our community as a whole much better
21 than segregating them.

22 MR. LOBENTHAL: Just one.

23 CHAIRPERSON TERRY: It is critical.

24 MR. LOBENTHAL: I am just wondering,

1 Councilman, what role you saw the local government in in
2 imposing some of these?

3 MR. RAYMOND: In what?

4 MR. LOBENTHAL: In imposing some of these
5 requirements on your developers, inasmuch as the developers
6 have to come before the City Council?

7 MR. RAYMOND: We cannot impose them. The
8 only one who can impose those are your other hands, namely,
9 the other branches of the federal government. They can
10 impose those requirements, not us.

11 We may not impose a proposal. I don't
12 know how we can, but you can.

13 CHAIRPERSON TERRY: Thank you.

14 (Witness excused.)

15 CHAIRPERSON TERRY: Mr. McMahon, please.

16 STATEMENT OF

17 BOB McMAHON

18 CHAIRPERSON TERRY: Would you state your
19 name and position, please?

20 MR. McMAHON: Bob McMahon, Housing Program
21 Manager, Southeast Michigan Council of Governments.

22 CHAIRPERSON TERRY: Do you have a brief
23 position paper that you would like to share with us?

24 MR. McMAHON: Yes.

1 CHAIRPERSON TERRY: Great.

2 MR. McMAHON: Item I, Summary of the A-95
3 Review is the article that appeared November, 1973 in the
4 Newsletter that SEMCOG distributed every four months.

5 Another item is A-95 Review Process that
6 was provided by HUD, exactly A-95 Review's Process en-
7 tails the community development plans.

8 Now the Southeast Michigan Council of
9 Governments is a voluntary association of local govern-
10 ments consisting of elected officials representing
11 communities in Southeast Michigan.

12 The organization's principle function is
13 to develop and coordinate long-range region-wide planning
14 for transportation, for recreation and open space, water
15 supply, sewer disposal, storm drain off, manpower develop-
16 ment, housing and other regional needs.

17 SEMCOG also provides an opportunity for
18 member governments to identify and discuss regional issues
19 and explore ways to resolve mutual problems.

20 Southeast Michigan regions served by SEMCOG
21 includes Counties of Livingston, Macomb, Monroe, Oakland,
22 St. Claire, Wayne and Washtenaw.

23 SEMCOG has been designated as the regional
24 clearing house for Southeast Michigan. The role of SEMCOG

1 is to clarify A-95 and the A-95 Review Process is
2 basically two procedures or processes.

3 First it is coordinated process, most easily
4 identified by the term clearing house. It is the respon-
5 sibility of the clearing house SEMCOG to notify all gov-
6 ernmental agencies in the immediate area of the project
7 under review and to coordinate the resulting comments,
8 since these agencies must respond within a thirty day
9 time limit.

10 We have provided those agencies 40 days
11 to respond to SEMCOG. This allows SEMCOG 10 days to
12 consider the comments and to forward comments, review
13 comments, to the funding source.

14 The complexity of the larger metropolitan
15 areas, particularly Detroit, has led SEMCOG to delegate
16 a portion of its clearing house responsibilities to the
17 seven county planning commission: Wayne, Oakland, McComb,
18 Monroe, St. Claire, Livingston and the Detroit Planning
19 Department.

20 These planning agencies are notified by
21 SEMCOG, who in turn contact local concerns, counties,
22 municipal agencies for comments regarding proposed pro-
23 jects, committees submitted for review.

24 The resulting comments are then forwarded

1 to SEMCOG, as I mentioned before, to be inserted into our
2 letter.

3 Other public agencies, in addition to the
4 general public, local governments are notified, federal
5 assistance projects by SEMCOG, area enforcement, agency
6 for civil rights matters, the Detroit area, Michigan
7 Department of Civil Rights is provided an opportunity
8 to comment on all proposed projects.

9 The Council solicits comments from its
10 departments for all projects submitted for A-95 Reviews.
11 This has been the case certainly since early 1972. I
12 suppose that is contrary to the case that was cited this
13 afternoon, in the State of California, but this has been
14 a case in the State of Michigan, in Southeast Michigan.

15 Other public or governmental agencies
16 will be contacted concerning the project, proposed project.
17 If the comments would be of assistance to SEMCOG in pro-
18 viding a thorough review of the project; for instance,
19 how many planning commissions in Southeast Michigan? All
20 commenting agencies are listed in a review letter and
21 their comments are submitted into the funding source.

22 The second basic process performed by a
23 clearing house is an area-wide review of the proposed
24 project, by the competence of area-wide planning agencies

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and in this case it is SEMCOG. This review function entails evaluation of the proposed projects as it relates to area-wide plans and programs.

At SEMCOG the A-95 office routes each project for review to the appropriate review area office on transportation, land use, environmental housing, public safety commission for detailed review, which involves the relevant plans or programs of that office, as well as the overall SEMCOG general development plans of those subjectives.

The A-95 review letter is prepared after agency comment. The comments are of a critical nature.

SEMCOG may call conferences involving the parties, the Michigan Department on Civil Rights, and other particular agencies. We would call a conference between the Michigan Department of Civil Rights and the applicant to discuss the problem.

In the event that the problems do exist, after that conference, there is an appeal procedure which has been provided within the review process.

If the funding agency often views the clearing house comments for input in making the final decision because of the importance placed on the project reviews and a desire to involve locally elected officials,

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SEMOG has created a regional clearing committee, RC-2. This committee clearing all projects for A-95 which results in negative comments or negative review when a review agency, County Planning Committee, Michigan Department of Civil Rights or my staff.

Membership on that committee is composed of nine elected officials. They have the authority to overrule any A-95 Review comments the staff might have.

And therefore, providing an appeal mechanism for the applicant. Normally an application would be submitted in two stages to the clearing house. The first being a notice of intent; the second, the final application.

The review for both stages is similar to the one that I went through in that process, the thirty days. The conference and appeal procedures may extend the review care beyond thirty days. That is why it is important to the applicant. It is to the applicant's best interest to submit a notice of intent prior to the accompanying application. So that any problems can be uncovered and, hopefully, resolved prior to the expenditure of time and money on the applicant's part in preparing the application for the funding agency.

Following review of Notice of Intent, the

1 clearing house has the option of reviewing completed
2 applications. In the review letter ensuing from the
3 notice of intent, will indicate whether or not the
4 applicant will be required to submit the complete appli-
5 cation for review.

6 Immediate application review takes thirty
7 days. An applicant for any development fund must certify
8 that he has complied with A-95 and that he has submitted
9 the application for review timely and has considered the
10 omments and recommendations received from the reviewing
11 agency and has attached all comments to the final appli-
12 cation.

13 A notice of intent is not required this
14 year. Next year it will be required, but this year it
15 is not required. SEMCOG has, however, a maximum review
16 period of 45 days to review the full application. SEMCOG
17 received 39 applications within Southeast Michigan. Two
18 applications of urban county and several applications
19 for discretionary funds. Most of these applications
20 will be reviewed by SEMCOG during the month of March. We
21 are talking about a total of between 45 to 50 during one
22 month.

23 In order to meet the deadlines imposed by
24 the Regulations, in light of this time limitation, the

1 Council has initiated the following review procedure for
2 reviewing the community development applications.

3 The clearing house review:

4 1) Upon receipt of the full application,
5 the Council notifies the appropriate planning commission
6 in the Michigan Department of Civil Rights.

7 2) The clearing house review will be
8 limited to 20 days. If a time extension is required,
9 SEMCOG must receive in writing a request from the appro-
10 priate agency stating the reason for the request and the
11 length of time requested to complete the review.

12 3) The comments received will be considered
13 and transmitted to the applicant at HUD with the proper
14 A-95 letter. Comments from other agencies and organiza-
15 tions which will be transmitted to the applicant in HUD.
16 The area wide review upon receipt of the full application,
17 the Council will initiate their staff review. And that
18 would take 20 days.

19 Now if the clearing house for the area wide
20 review has not identified any problems or concerns, a
21 review letter will be mailed to the applicant within 30
22 days.

23 Unfavorable comments are made on the
24 application, a meeting of the regional clearing house

1 review committee will be held within 30 or 45 days. All
2 applications will be reviewed and commented on prior to
3 the 45 days. It is a very tight timetable, to say the
4 least.

5 In order to expedite this review process,
6 we are asking the following: That the applicant is re-
7 quired to contact the Council of his intention to apply
8 for funds as soon as possible, to supply the draft appli-
9 cation. When an application is received, the Council
10 will contact the Michigan Department of Civil Rights
11 and the County Planning Commission.

12 In order to expedite their review, the
13 applicant is requested to submit comments directly to
14 the Michigan Department of Civil Rights when it is sub-
15 mitted to the area agency.

16 And third, that the applicant shall submit
17 a full application, and that is the one year program,
18 three year plan, housing assistance plan and a proposed
19 project to the Council in advance of the required deadline.

20 And we will not start a review unless
21 that entire package has been submitted for review. This
22 review, however, there is a 15 day letter of attack, pre-
23 application 15 days and 30 days for the application.

24 Now HUD has provided an agency, A-95 agencies,

1 a framework for reviewing community development applica-
2 tions. I handed that in for the record.

3 There is basically two types of comments.
4 One, first type, A, SEMCOG is of the opinion that the
5 applicant's activities that are ineligible under the Act,
6 or SEMCOG is of the opinion that the applicant's descrip-
7 tion of the needs or objectives are inconsistent with
8 the general available data.

9 Three, SEMCOG is of the opinion that the
10 activities proposed are inappropriate. These are very
11 similar through the criteria for the application. And
12 the second time would be with all other comments that
13 the area agency feels should be part of the record, and
14 submitted to the area office for there to be put on the
15 record.

16
17 MR. LOBENTHAL: I have four very quick
18 questions.

19 First, does SEMCOG fall under the federal
20 frame of information provision?

21 MR. McMAHON: I would say yes, but I don't
22 know. I would say yes.

23 MR. LOBENTHAL: The second question, you
24 mentioned the appeal procedures. There was within SEMCOG
review, there were appeal procedures. Those are appeal

1 procedures within the SEMCOG apparatus or external to it?

2 MR. McMAHON: Within.

3 MR. LOBENTHAL: Sir?

4 MR. McMAHON: Within the agency.

5 MR. LOBENTHAL: If you are adjudicating
6 a dispute between the Department of Civil Rights and a
7 particular applicant, the adjudication occurs within the
8 SEMCOG process?

9 MR. McMAHON: Well, yes. Correct.

10 MR. LOBENTHAL: And the premise is if you
11 do not resolve that, you append that as a comment?

12 MR. McMAHON: Correct.

13 MR. LOBENTHAL: Well, following from that,
14 what are the implications of an adverse determination
15 by SEMCOG?

16 MR. McMAHON: You really have to ask
17 the funding agency. All we can provide is the comments.

18 MR. LOBENTHAL: Okay.

19 MR. McMAHON: And the area difficulty. They
20 can reject it. They can consider it. That is up under the
21 O&B Circular. All they have to do is consider the comments.

22 MR. LOBENTHAL: So if you find adversely,
23 you simply forward that as your comments in this case to
24 HUD?

1 MR. McMAHON: Right.

2 MR. LOBENTHAL: The last question I have
3 is, how do you currently view this whole question "expect
4 to reside"?

5 MR. McMAHON: Like everybody else defines
6 exactly what that means. I think there is a lot of ques-
7 tions, if you go through the regulations, even the applica-
8 tion part, it is a number of questions, the chances are
9 it would not be answered this year. The chances are they
10 wouldn't be answered until next year. It is new to the
11 area office; it is new to SEMCOG; it is new to the
12 applicant, and it is new to the citizens.

13 I think some of the questions will end,
14 as mentioned this afternoon, will end up in court.

15 MR. LOBENTHAL: SEMCOG doesn't have its
16 own definition?

17 MR. McMAHON: No.

18 MR. SCHRUPP: Do I understand by that, the
19 communities saying to SEMCOG, "We don't understand the
20 expected to reside; therefore, we have filled out nothing
21 in those communications"?

22 MR. McMAHON: No. They have to fill out
23 the housing assistance plan. They have to submit the
24 application.

1 Now let's say, in the community there is
2 6,000 people that reside outside of the community, that
3 work within this community, let's say live. Okay. What
4 percentage of those 6,000 are expected to reside? I
5 really don't know.

6 If that is the question, what percentage
7 of the 6,000 are expected to reside?

8 MR. SCHRUPP: The question has to do with
9 how you would like it if nothing is put down.

10 MR. McMAHON: I think they have to put
11 something. But like everybody else in housing assistance
12 plans, the community can support or document how they
13 arrived at those figures. That's about all they have to
14 do. You know, we can go through the regulations. The
15 community defines their needs. If they can substantiate
16 the definition of need and the goals and objectives,
17 that is their case.

18 MR. SCHRUPP: Is the information in the
19 Journey to Work Report suitable information to base some
20 estimates on?

21 MR. McMAHON: I think, yes. The 1970
22 Census?

23 MR. SCHRUPP: Yes.

24 MR. McMAHON: For 1970, yes.

1 MS. JOHNSON: Just to clarify this; in
2 this first year you will be reviewing applications, not
3 letters of intent? I mean you don't anticipate, you do
4 anticipate looking at the full applications?

5 MR. McMAHON: The only thing that is
6 similar to a letter of intent re application is discre-
7 tionary guidelines, that is similar to letter of intent.

8 MS. JOHNSON: But SEMCOG will ordinarily
9 not be looking at that pre-application? You will be
10 looking at the full application?

11 MR. McMAHON: Under the guidelines, the
12 applicant has to submit the pre-application to SEMCOG.
13 SEMCOG has 15 days to review the pre-application and
14 then they have a deadline to submit the discretionary
15 plan. . And SEMCOG again has the opportunity to review
16 that.

17 MS. JOHNSON: And in the future years then
18 when they will be required to submit the letter of intent,
19 the reviewing agency has the option of what, requiring
20 them --

21 MR. McMAHON: Under the A-95 they have
22 the option --

23 MS. JOHNSON: Right.

24 MR. McMAHON: -- but I doubt if we would

1 exercise it with the Community Development Act. We would
2 want to review both the letter of intent as well as the
3 full application.

4 MR. STEINER: I asked the City Planner on
5 direct examination in response to the question regarding
6 assessment of potential housing of non-resident workers.

7 He said that he had requested of SEMCOG
8 information from a reasonable level or reasonable source
9 such as you, which would give them a sense of, for in-
10 stance, how many of the workers commuting to Livonia
11 would be expected to reside here.

12 He didn't get the information, you didn't
13 have it. You couldn't give it. Do you remember that,
14 having been requested, what the circumstances were?

15 MR. McMAHON: We have an information center.
16 Chances are the request went there. But I can't document
17 he contacted us or what we told him. However, I do know
18 we have the 1970 Census. We have the Journey to Work
19 document. We have had it for a couple of months, if not
20 a year. That information is available to us.

21 One of the functions that SEMCOG has
22 identified in the whole community development is to
23 provide assistance to the unit in filling their application
24 under the Act. We have been providing information not only

1 to governmental units but also consultants in preparing
2 applications. The information has been available. Now
3 there could have been a mixup. I really don't know.

4 MR. STEINER: Can you say anything at the
5 moment about what we understood to be an unreleased regional
6 housing plan?

7 MR. McMAHON: No. It is in the committee.

8 MR. STEINER: In the committee. I see.

9 CHAIRPERSON TERRY: Thank you very much.

10 (Witness excused.)

11 CHAIRPERSON TERRY: Mr. Bennett, please.

12 STATEMENT OF

13 FRANCIS P. BENNETT

14 CHAIRPERSON TERRY: Would you state your
15 name and position for the record, please?

16 MR. BENNETT: My name is Francis P. Bennett.
17 I am Planning Director of the Wayne County Planning
18 Commission.

19 CHAIRPERSON TERRY: Do you have a brief
20 statement that you would like to share with us?

21 MR. BENNETT: Nothing prepared in advance
22 other than a note or two having to do with our role in
23 the A-95 Process.

24 As he correctly stated, SEMCOG has involved

1 the services of all seven County Planning Commissions in
2 assisting in performing A-95 responsibility. The agency
3 of the county chosen by SEMCOG to use in this capacity
4 has been the Planning Office of each county, and in our
5 instance we involve our Commission itself in this process.

6 So that when we receive, whether it be a
7 letter of intent or an application, from any community in
8 Wayne County or directly from SEMCOG, and we are obliged
9 to get communication from both, and they may come the same
10 day or they may come in sequence, but either one preceding
11 the other.

12 But as we get this and it is analyzed by
13 the staff and the contacts are made, the data is gathered
14 and then it is put on the agenda of the next Planning
15 Commission meeting, at which time the application's
16 representative is asked to appear, as well as the staff
17 makes a presentation.

18 And it is the action of the Planning
19 Commission itself that is then transferred to SEMCOG by
20 way of our completing the role on that particular appli-
21 cation, as we are involved in the A-95 process.

22 I would be happy to do my best to answer
23 my questions that you may have on what went down and
24 how it works.

1 MS. BLEDSOE: Mr. Bennett, has your
2 Commission made any assessment of the need of low and
3 low moderate income housing in communities such as Livonia?

4 MR. BENNETT: Not as a separate item.
5 We have the Planning Commission of Wayne County, have
6 for the last three years made a firm recommendation to
7 the Board of Commissioners of Wayne County that the
8 County Housing Commission be assessed. And we have docu-
9 mented the reasons, to the best of our ability, and I
10 think with some persuasiveness, because there appears
11 to be some prospect of us now reaching a point of decision.

12 One of our reasons for making this recom-
13 mendation is that the performance or the expertise
14 necessary to do what you have just asked here, we have
15 done. It is really a specialized field. And we feel that
16 it takes an agency or county government equipped with the
17 expertise to do a responsible job in that particular
18 arena.

19
20 And that the best way to get that done for
21 the service of citizens of Wayne County is through the
22 creation of Wayne County Commission. There are a few,
23 principally in the Upper Peninsula of the County, that
24 have created Housing Commissions subsequent to the enabling
legislation, which goes back to 1970, that made this

1 function a legislative function of our county.

2 And one of the requirements under that
3 enabling legislation, I must point out, is for a county
4 Housing Commission to engage in a program within an
5 incorporated area such as the city; that it must do so on
6 a contractual arrangement with that community. So that
7 there are limits as to what Wayne County, even with the
8 Housing Commission, would be permitted to do under the
9 Michigan Legislation.

10 But we have felt it extremely important
11 that the County be in the business of knowing the facts
12 about housing and be in a position to do something about
13 those facts.

14 MS. BLEDSOE: Can we take that to mean
15 that you believe that the present A-15 Review Process
16 is an inadequate for this purpose?

17 MR. BENNETT: Yes. I would certainly state
18 that it is. I don't believe that it is the purpose. I
19 don't believe that its performance would fill the bill
20 or provide what you have asked for, what you have asked
21 about.

22 I listened to Bob McMahon describe the two
23 basic roles that our designated regional review agencies
24 perform, and one of them being that of coordination and

1 the clearing house role. And the other being that of
2 applying an application of substance to the regional
3 overall development program. A development program.

4 We are involved in that clearing house
5 function as a part of A-95. And we are not involved
6 since we are not a regional agency, we are a county
7 agency. We are kept informed and we contribute to the
8 whereof, but we are not a part of the process that Bob
9 was describing as his second responsibility or SEMCOG's
10 second responsibility.

11 I would endorse fully the purposes of
12 the A-95 process. It is an important process and works
13 the coordinating role quite well, but I would, in no
14 way, assume that that is an adequate tool to get compre-
15 hensive planning done or to see to it that social issues
16 are dealt with in a physical plan. That sort of thing.

17 MS. BLEDSOE: I have no further questions.

18 MR. SCHRUPP: Just a couple of questions.

19 Will the Planning Commission use those same
20 criteria that Mr. McMahon spoke of before, ineligible,
21 inconsistent, inappropriate criteria for looking at the
22 application and making a comment on them?

23 MR. BENNETT: Well, you are speaking now
24 specifically of the Community Development --

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MR. SCHRUPP: Yes.

MR. BENNETT: -- application that arrived?

MR. SCHRUPP: Yes.

MR. BENNETT: Yes. What we must do, and I have a little additional information or point of view to add to Bob's on this subject, because Wayne County is just currently being declared eligible to perform as an urban county in the process. So under that, not under A-95 but under that obligation we must submit the Housing Assistance Plan and then under A-95, as well as under our County Housing Assistance Plan we must be able to state that the Housing Assistance Plan of local units of government that come to us through A-95 are within the envelope of the county Housing Assistance Plans.

So there is that role that we will play, which is different from the one that SEMCOG has played since we will be an applicant ourselves. If HUD will ever give us the information that is necessary.

MR. STEINER: I have one question with two parts.

We have heard some testimony today about two dominant patterns in land development in a town like Livonia, Livonia not being the only example of it.

One is that land development tends to be

1 homogenous in terms of use and in terms of price in a town
2 like Livonia. There seems to be an assumption also that
3 multiple family developments are less of a benefit in
4 terms of taxes and they don't even pay their own way
5 taxwise. So the question is in two parts. What is your
6 view on the relative, shall we say, tax benefit costs
7 of multiple families as opposed to single family devel-
8 opments, and secondly, do you believe it is feasible,
9 economically, to develop mixed income developments, say
10 where X percentage of units were subsidized?

11 MR. BENNETT: Let me answer the last que-
12 stion first because what I am going to offer I regret
13 now I didn't bring with me.

14 Our offices this past fall produced what
15 amounts to county sets of master plans on future or
16 comprehensive planning recommendations under the title
17 of a development strategy rather than the title of a mas-
18 ter planning.

19 But in that document, which I should send
20 you, if you are willing to receive it --

21 MR. STEINER: Yes.

22 MR. BENNETT: -- because we cover quite a
23 few of these things, including our rationale for the
24 necessity of mingling housing titles.

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Also a segment of that report dealt with some of the illusions that are held about the value of property taxes and what they will pay for, what they will not pay for. You know, in terms of, does a given use pay its way, putting it in that context, if you will.

We deal in that same report with a philosophy which is a guiding philosophy of the Wayne County Planning Commission. That our role, being a part of the government of structure, in terms of planning the future, is to concentrate on maximizing the options available to the entire population in housing, education and recreation and occupations.

I think the report would be a guide to you as to what my office is recommending to the Wayne County Commissioners with respect to housing and with respect to economic and minority representation.

We have touched on quite a number of social issues as well as purely physical development.

Now it is certainly true that a number of our traditional tools, zoning being one of them, and financing practices being another, tend to favor the notion of single uses clustered together.

The history of zoning has been very strong in discouraging mixed uses. And it is only very recently

1 that that has been challenged and very seriously challenged
2 now.

3 But there is no question about the fact that
4 much planning has been based on the premise that it was
5 bad to mix uses. Not only uses in terms of housing ver-
6 sus industry, and so forth, but types of density and
7 categories of houses.

8 Our report does not support that philosophy
9 but as a planner I have to admit that is -- historically
10 it has been practiced.

11 MR. STEINER: Thank you.

12 CHAIRPERSON TERRY: Thank you.

13 (Witness excused.)

14 CHAIRPERSON TERRY: Mr. Cohn.

15 STATEMENT OF
16 AVERN COHN
17 DON BAUDER
18 JAMES BLAIR

19 CHAIRPERSON TERRY: Mr. Cohn, please state
20 your name and position for the record, sir.

21 MR. COHN: I am Avern Cohn, Chairperson of
22 the Michigal Civil Rights Commission. I am appearing
23 here this evening in that capacity.

24 Sitting with me is Mr. Don Bauder, Director

1 of Program Services of the Commission, and James Blair,
2 Executive Director of the Commission is in the audience.

3 CHAIRPERSON TERRY: Do you have a brief
4 position paper that you would like to share with us?

5 MR. COHN: I have a paper that I would
6 like to share with you. I am sorry it is not brief. I
7 tried to edit it a little bit, considering the time; as
8 I told you, I appear here this evening in my capacity
9 as Chairperson of the Michigan Civil Rights.

10 Your notice of hearing issued by the
11 Michigan State Adviosry Committee indicares that the
12 purpose of the hearing is to explore three questions
13 relative to the Housing and Community Development Act
14 of 1974.

- 15 1) How has citizen participation been
16 structured and how has it functioned in
17 the development of priorities and plans
18 for the use of community development and
19 housing assistance monies under the program?
20 2) Is the unit of government in full com-
21 pliance with existing State and Federal
22 Civil Rights requirements?
23 3) Has the unit of government accurately
24 measured the housing needs of "lower income

1 persons...either already residing in the
2 community or expected to reside in the
3 community as a result of planned or exist-
4 ing employment facilities," as required by
5 federal regulations?

6 While I am not in a position to comment on
7 the specific responses to these questions with respect to
8 any individual communities, I will outline for the Committee
9 the dimensions of the role of the Michigan Civil Rights
10 Commission in relationship to the Civil Rights Compliance
11 aspects of Public Law 93-383 (Housing and Community
12 Development Act of 1974.)

13 The Michigan Civil Rights Commission through
14 its staff recognizes the major responsibility that it
15 must assume throughout this state that the Civil Rights
16 requirements of the law are met.

17 The Commission is the only agency adequately
18 staffed to carry out this legislatively mandated respon-
19 sibility. The Commission assumes this responsibility
20 with full recognition of the import of the Housing and
21 Community Development Act of 1974 for expanding housing
22 opportunities throughout the state and meeting a range
23 of other community needs.

24 The Commission also wishes to make clear to

1 this public forum that it is carrying out a function
2 mandated by the legislative representatives of the people
3 of this state and country, as well as the Constitution
4 of the State of Michigan.

5 Sections 109 and 111 of Public Law 93-383
6 (Housing and Community Development Act of 1974) require
7 that the law be administered on a non-discriminatory basis
8 and require that compliance with non-discriminatory pro-
9 visions of the Act be carried out as a requisite for
10 funding under the Act. The Michigan Civil Rights
11 Commission will fairly, but rigorously, carryout its
12 mandated responsibilities.

13 I would point out that the Commission
14 already has begun to carry out these responsibilities.
15 A program has been developed and is in the process of
16 implementation which provides for the systematic review
17 of all committees which are eligible for funding under
18 the 1974 Law. This systematic review will provide
19 specific answers for individual units of government
20 to the three general questions posed by the State Advisory
21 Committee, as well as a range of additional data pertinent
22 to the Civil Rights Compliance Provisions of the law.

23 The reviews will be conducted by the Housing
24 Unit of the Commission's Program Services Division for

1 units of government actually applying for funding, as
2 well as those eligible and contemplating applying for
3 monies under the law.

4 The review process will be conducted under
5 the close scrutiny of the full Commission and its
6 Executive Staff.

7 In addition to this initiated program
8 component, the Commission is also in the process of
9 carrying out its responsibilities under the A-95
10 Review Process in relationship to the Housing and
11 Community Development Act as provided for under Section
12 104(e) of Public Law 93-383, which states:

13 "No grant may be made under this Title
14 unless the application therefor has been
15 submitted for review and comment to an
16 areawide agency under procedures estab-
17 lished by the President pursuant to Title
18 II of the Demonstration Cities and
19 Metropolitan Development Act of 1966 and
20 Title IV of the Intergovernmental Coopera-
21 tion Act of 1968."

22 The specific requirements for the reviewing
23 and commenting process have been defined by Circular A-95,
24 issued by the Federal Office of Management and Budget in

1 July, 1969 and revised in March, 1972, to provide official
2 Civil Rights Agencies with an opportunity to review and
3 comment upon application by state and local units of
4 government for federally-funded projects. While the
5 Housing and Community Development Act of 1974 does not
6 alter the A-95 Review Process, it does clearly outline
7 legislative intent that the process be adhered to in
8 the consideration of funding under the Act.

9 The Michigan Civil Rights Commission has
10 been carrying out its responsibilities routinely under
11 the A-95 Review and comment process. Since May, 1973,
12 for example, the Commission staff has completed over
13 100 A-95 Reviews, covering a wide range of applicants
14 for federally-funded projects. In the context of these
15 reviews, conferences were held with appropriate local
16 governmental officials in those instances in which it
17 was necessary to attempt to resolve differences pertain-
18 ing to civil rights matters.

19 In all but two instances, such differences
20 were resolved at the local level as a result of these
21 conferences. In the remaining two cases, negative comments
22 were forwarded to the clearing house with recommendations
23 to the federal agency for denial of funding until the
24 Civil Rights issues were resolved.

1 Under the Housing and Community Development
2 Act of 1974, the A-95 Review Process assumes additional
3 significance. It provides a legislatively mandated
4 mechanism for evaluating the extent to which local communi-
5 ties have complied with the Civil Rights Provisions of
6 the law in advance of funding.

7 With the increased discretion which local
8 communities have over the disbursement of monies once
9 funded by the Federal Government, it is essential that
10 the non-discriminatory administration of the programs
11 be assured. The A-95 Review Process provides the only
12 opportunity in advance of the actual funding to review
13 and comment upon the Civil Rights implications of a given
14 community's application.

15 The Commission is well aware that the
16 major burden for carrying out this review process falls
17 on its staff. The reality is that other official human
18 relations agencies at the local level are not adequately
19 funded or staffed to carry out the reviews, except in a
20 few instances. However, the Commission hopes to establish
21 working relationships with local communities in which there
22 is an existing official civil rights agency so that there
23 is no duplication of effort during the review and comment
24 process.

1 In short, the Michigan Civil Rights Commis-
2 sion is vitally concerned with the implementation of the
3 Housing and Community Development Act of 1974 and the
4 securing of compliance with all civil rights provisions
5 of the law. At the same time, the Commission also wishes
6 to point out to units of government which have applied
7 or are contemplating applying for funding under the Act
8 that the Commission sees its role in reviewing the comm-
9 enting upon applications in the most responsible of terms.

10 The Commission is well aware of the great
11 housing and community development needs in this State
12 and across the Nation. I can assure this body and all
13 Michigan communities that the Michigan Civil Rights Com-
14 mission is not interested in impeding the application
15 process for any units of government.

16 The Commission believes that every community
17 in the State which is eligible for funding should receive
18 its fair share of monies under the Housing and Community
19 Development Act of 1974. The Commission also assumes,
20 however, that such cities, as a condition of funding, will
21 meet all the criteria outlined under the Act as well as
22 the procedural rules established by the Department of
23 Housing and Urban Development.

24 Toward this end, the Michigan Civil Rights

1 through its staff is committed to assisting those govern-
2 mental units which do apply for funding in fulfilling
3 their civil rights obligations under the law.

4 Thank you for extending the invitation to
5 share these thoughts with you as you carry out your fact-
6 finding mission. And I and Mr. Bauder are prepared to
7 answer your questions.

8 MR. RIENSTRA: We appreciate your statement.

9 Did I correctly distinguish there are two
10 points that are the basis of your activity; one, the
11 Michigan Constitution and Legislation and, number two,
12 the A-95 Review Process?

13 Do you have a way of distinguishing between
14 the relative effectiveness of those two basis or do they
15 just merge in your activity?

16 MR. COHN: They do not merge.

17 Our constitutional and legislative
18 responsibilities obviously occupy a majority of our time.
19 In those areas we have enforcement powers. For example,
20 in the A-95 Review Process, we are merely advisory.

21 We also have the problem of most public
22 agencies; that is, the need to divide our resources among
23 our multiple responsibilities. And our primary responsibility
24 is to fulfill those responsibilities imposed upon us by

1 the Constitution of the laws of this State. And that is
2 in the enforcement directly or compliance. Excuse me,
3 I shouldn't say enforcement, I should say compliance.

4 MR. RIENSTRA: I, as a government elected
5 official, have always had difficulty with words. I am
6 never quite sure where I am.

7 Then you are saying in particular respect
8 to the object of this hearing that you do not have en-
9 forcement or compliance powers, but you do have review
10 and comment powers on, for example, Community Development
11 Block Grants or Housing Assistance?

12 MR. COHN: Yes. We expect that out of
13 A-95 processes we will exercise the prerogative allowed
14 us and we will review them and make recommendations. There
15 are some rather severe time limits, and you have to get
16 your hands on the application, and you have got to review
17 it and you have to get it back.

18 We also expect, in that regard, while that
19 is primarily a staff function to, in those instances
20 where appropriate, assure ourselves that the Commissioners
21 and Executive Staff is always involved, so that the
22 communities in this State which they are going to have
23 to go through that process, can feel confident that they
24 will be treated fairly.

1 MR. RIENSTRA: I heard from the SEMCOG
2 representative a moment ago a figure of 39 potential
3 communities in this part of the State that are making
4 application. Do you or Mr. Bauder have a gross number
5 for this State overall of how many communities may be
6 applying under the Community Act?

7 MR. BAUDER: No, I don't have. It would
8 be a comprehensive figure, because that is still evolving.

9 MR. RIENSTRA: It is going to be additional
10 staff pressure on you and particularly the time.

11 Do you have any 10, 15 days; is that
12 correct?

13 MR. BAUDER: Well, that is through SEMCOG.
14 We have roughly 20 days.

15 MR. RIENSTRA: 20 days?

16 MR. BAUDER: To act. And the procedures,
17 in terms of other clearing houses have not been spelled
18 out, but the principle thrust will be through SEMCOG.

19 MR. RIENSTRA: I take it SEMCOG procedures
20 are the best established in this State, is that right?

21 MR. BAUDER: Yes.

22 MR. RIENSTRA: And the others, you may or
23 may not get the things with any degree of accurate time
24 to do the comments?

1 MR. BAUDER: I would also point out that
2 I think that SEMCOG's procedures are probably one of
3 the best set of procedures in the country.

4 MR. RIENSTRA: Do you -- maybe it is calling
5 for a conclusion or an opinion, and we have been trying
6 to avoid those kinds of questions -- do you have any
7 experience in -- maybe I can put it that way as a factual
8 question -- do you have any experience in A-95 on any
9 HUD applications to know whether your review and comments
10 activity there would be taken fairly seriously?

11 MR. BAUDER: Yes. We have forwarded nega-
12 tive comments to, first of all the applicant, and asked
13 for conferences.

14 MR. RIENSTRA: Yes.

15 MR. BAUDER: And if the issues cannot be
16 resolved in those conferences, and in a few instances
17 those comments were in turn forwarded by SEMCOG to HUD
18 and HUD in turn informed the applicant unless those
19 issues were resolved, the application would not be given
20 favorable consideration.

21 Two of those instances the applicant with-
22 drew the application.

23 MR. RIENSTRA: Have you at this point today,
24 February 20th, received any community development applications?

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1 Have you seen any of your staff working on any, to get
2 housing assistance plan? Do you have some in hand at
3 this point that you are beginning to review?

4 MR. COHN: We have two.

5 MR. RIENSTRA: You have two.

6 MR. BAUDER: That process of review has
7 commenced.

8 MR. RIENSTRA: Well, let me put it this
9 way. I know we are here to ask questions, but I am
10 very encouraged that you are and that you have a grasp
11 on this problem because I think we share, as our mutual
12 agency here, a concern, and we recognize that you have
13 compliance and comments and responsibilities that we up
14 here don't have. We wish to encourage you.

15 MR. COHN: Let me suggest that because of
16 some local newspaper comments, not in this county but
17 in a neighboring county, we have been particularly
18 sensitive to our role in the review process.

19 We have already been accused of coming to
20 conclusions on applications we haven't even seen.

21 MS. BLEDSOE: Do you anticipate difficulties
22 in other regions of the State where the procedures are
23 perhaps assigned by someone?

24 MR. COHN: I think Mr. Bauder --

1 MR. BAUDER: My experience has been, in
2 terms of the A-95 Process over the past two years, that
3 once you get outside of the Detroit metropolitan area,
4 and particularly those applications that come to us from
5 the State clearinghouse, that the level of difficulty
6 increases in terms of getting information on a timely
7 basis, to be able to respond, to get it to our field
8 people for evaluation. The whole process is very cum-
9 bersome at that point.

10 MS. BLEDSOE: Despite the plan to economic
11 outlook, if you could get additional resources to un-
12 boggle that, what would be required by way of additional
13 resources?

14 MR. BAUDER: Well, I would say, you know,
15 doubling of staff at the minimum to do a specific job.

16 MR. COHN: Some small portion, I should
17 think, of the block grant monies should be devoted to
18 the review and the compliance processes in the same
19 fashion that we believe that some small portion of the
20 revenue sharing funds received primarily at the State
21 level, should be devoted to this purpose.

22 What, in effect, happens, I believe, is
23 that responsibilities are given, Congress points out
24 the rules and then expects them to be enforced in some

1 considerable measure out of resources that they don't
2 provide.

3 MS. BLEDSOE: One final question. You
4 mentioned the possibility of delegating to those communi-
5 ties which have local Human Rights Agencies or the
6 equivalent, some portion of the review responsibility
7 are not to designate. What criteria would be applied
8 in the selection of those agencies?

9 MR. COHN: The portion of my statement
10 that I struck out would perhaps answer that, in which
11 I said -- "The reality is --" I didn't say that, but
12 I have written down here, "--the reality is that often
13 other human relations agencies at the local level is
14 not adequately funded or staffed to carry out the reviews
15 except in a few instances. Only those that were ade-
16 quately funded and staffed."

17 MR. LOBENTHAL: I have two quick questions.
18
19 There was some comment earlier this after-
20 noon about the contract compliance services offered by
21 the Commission. Can you comment on the experience with
22 communities, municipal governments asking for during
23 contract compliance review of their contract?

24 MR. BAUDER: Well, it really comes in a
variety of ways, some local communities or school districts

1 will ask for a list of contractors which the Commission
2 has found. The other communities or institutions of
3 higher education and secondary education systems have
4 actually asked for our contract compliance program and
5 then set up procedures. Other institutions and municipal
6 governments have asked the Commission to monitor their
7 contractors. So that has happened in a variety of ways,
8 and the Commission has responded as much as possible,
9 given the limitation of resources in those instances.

10 MR. LOBENTHAL: In the case of Livonia,
11 do you happen to know what the experience has been?

12 MR. COHN: No.

13 MR. LOBENTHAL: The other question I had
14 was, inasmuch as we have also spent some time -- this is
15 now on the question "expect to reside," does the
16 Commission have a working definition of that?

17 MR. BAUDER: Well, at this point, at the
18 staff level, and I can only speak at that level, we are
19 looking at the work force. We are looking at some
20 previous studies, one that was published in House and
21 Gardens that indicated the housing preference of
22 minority residents and those housing preferences were
23 very similar to the homes that you find in suburban
24 communities.

1 At this point, staff is making an assump-
2 tion if you have a sizeable minority working force and
3 you have a fairly significant commuting distance, that
4 somewhere along that journey to work there are some
5 expectations about eventually residence in the community.

6 So we are looking at the work force as
7 being a critical factor in that whole process.

8 MS. JOHNSON: Rightly or wrongly, HUD has
9 interpreted its capability at the evaluation of monitoring
10 statements of the Housing Development Act as being much
11 stronger than in the application review stage.

12 What role do you see for Michigan Civil
13 Rights Commission at that portion of it?

14 MR. BAUDER: Would you repeat that, please?

15 MS. JOHNSON: What I am asking is, you
16 described your role in reviewing applications for hous-
17 ing and community development. However, the Equal
18 Opportunity Division for Equal Rights Compliance Division
19 provision of the Act became stronger during monitoring
20 and evaluation process.

21 What is the role of the Michigan Civil
22 Rights Commission at that point?

23 MR. COHN: As far as I know now, we would
24 have no official role. We cannot take to our responsibility

1 beyond those provided by the Constitution or by statute.

2 If the statute doesn't give us any rights
3 to do something, I fear, as a state agency we would be
4 considered as an interloper.

5 There are though obviously, there will be
6 occasions in the future in which we could review in the
7 sense of trying to gather the information simply dissemin-
8 ating it to the public.

9 Early in March we will, March 11th, we will
10 be holding a public hearing, for example, on the role
11 of the state agency in school desegregation cases in
12 Michigan. It will be an information kind of public
13 hearing, the results of which will be published.

14 CHAIRPERSON TERRY: Given publicity hope-
15 fully for action by others.

16 We have, for example, asked the Governor
17 to publish an Executive Order which would give us
18 responsibility to monitor revenue sharing. And I found
19 it interesting that in your Federal Civil Rights enforce-
20 ment efforts in which you discuss enforcement, you make
21 no Michigan Civil Rights mention, so far as I know, the
22 only state agency that has specifically asked for that
23 authority from its Governor.

24 The Governor, in his wisdom, has not yet

1 responded.

2 MR. BAUDER: I would like to also add to
3 that, we are talking about six fiscal year process. So
4 that, if we can assume that this first fiscal year, the
5 application is going to be processed rather hurriedly,
6 that the second year process, both the letter of intent
7 and the application process will be a checking point
8 for reviewing and commenting agencies, and if there have
9 been significantly civil rights violations that become
10 apparent, then that record will be filed accordingly.

11 I understand that there will be representa-
12 tives of HUD here this evening.

13 I think this question about monitoring
14 features through the Department of Housing and Urban
15 Development would be a very pertinent question to ask.

16 CHAIRPERSON TERRY: Any others?

17 Thank you very much.

18 MR. BAUDER: I have left copies of the
19 statements.

20 (Witnesses excused.)

21 CHAIRPERSON TERRY: At this time, let me
22 ask if there are any witnesses here who were previously
23 scheduled to give testimony and who were not here when
24 we called their names?

1 Is there a previously scheduled -- your
2 name?

3 MR. FREDERICK: Don Frederick.

4 CHAIRPERSON TERRY: You are not previously
5 scheduled. You will be heard right after HUD. You are
6 our very last but not least.

7 There is no one here from UAW or from the
8 Coalition. Okay.

9 We have officials from the United States
10 Department of Housing and Urban Development in at this
11 time, please.

12 STATEMENT OF:

13 LOU WATSON

14 RICHARD PAUL

15 SAM RILEY

16 RUTH FEATHERSTONE

17 CHAIRPERSON TERRY: Would you each please
18 state your name and position so that we can get that on
19 the record?

20 MS. FEATHERSTONE: Ruth Featherstone, curr-
21 ently the Acting Director, Equal Opportunity Commission
22 of the Detroit Area Office.

23 MR. RILEY: Sam Riley, Regional Citizen
24 Participation, Advisor for the HUD Department.

1 MR. WATSON: Lou Watson, ARA for Equal
2 Opportunity, Department of Housing and Urban Development
3 Regional Office.

4 MR. PAUL: My name is Richard Paul and I
5 am Acting Director of Community Planning and Development
6 in the Detroit Area Office of HUD.

7 CHAIRPERSON TERRY: Do any of you have a
8 position paper or a statement that you would like to
9 share with us?

10 MR. WATSON: I might have a preamble to
11 some questions that should be answered, I suspect from
12 the group here.

13 For the record, we did not come prepared
14 with a written text, but by and large we are quite com-
15 fortable to answer any questions that might come up from
16 you and the audience.

17 The HUD Community Act of 1974 announces a
18 new approach. More responsibility has been placed on
19 the local municipalities to carry out their own housing
20 and development decisions, including the formulation of
21 an adequate response to the needs of minorities, women,
22 elderly, and other segments of the low income population.

23 The requirements pursuant to Title I of the
24 Act effective November 13, 1974, require avenues to

1 applicants to show through certification to the Department
2 that all activity will be conducted in accordance with
3 Section 109 of the Act, the Non-Discrimination Clause;
4 Title VI of the Civil Rights Act of 1964; Title VIII of
5 the Civil Rights Act of 1968; Executive Order 11246 and
6 11003; and Section 3 of the Housing and Urban Development
7 Act of 1968.

8 With that in mind, I think, unless the
9 group here wants to make an opening presentation, we would
10 be ready to answer any questions you might have.

11 Wait just a moment.

12 As stated, Stan is a Citizen Participation
13 Advisor for the Regional Office.

14 Stan, before you go into that, may I explain
15 some things here? Unlike some of the other participants
16 that you have had here today, the Department of Housing
17 and Urban Development has two layers of government. One
18 of which is the local area office layer that is managed
19 by a Director, Mr. Binford, in the case of the Detroit
20 area office. And we have a regional office that is run
21 by Mr. George Bablus, the Regional Administrator.

22 The primary function of the regional office
23 is, one, to interpret and determine policy; two, to lend
24 technical assistance and support; three, to see to it

1 that the guidelines and the statutes are followed as
2 closely as possible in the administration of all our
3 programs.

4 MR. RILEY: As Mr. Watson started pointing
5 out, I started making one of my long speeches. Tonight
6 we are not going to make speeches, but I would like to
7 perhaps make a few comments.

8 Citizen participation is nothing new. It
9 predates the system of government under which we live.
10 One does not need to be counted in advance situations,
11 conditions over which the idea of citizen participation
12 could, such an accounting is indeed the properties of
13 all learned citizens of our day.

14 The responsibility for increasing partici-
15 pation of Americans and the fears of their government has
16 for a long time rested with federal government. The
17 Housing and Community Development Act of 1974 passes
18 the mantle of that responsibility unto you, the local
19 community.

20
21 Future historians will record how well
22 we respond to this new challenge. I have no doubt that
23 this record will be guardian and instructive, not only
24 for their contemporaries but also for all people for
all time.

1 In order that the object and the purpose
2 of the Act be met, the Department has established a
3 number of performance standards, performance standards
4 or operational requirements.

5 Among the various performance standards
6 for the citizen participation provisions which requires
7 that a local citizen participation plan has been developed
8 and made public.

9 Recipients shall specify in the plan how
10 they intend to reach the citizen participation requirement
11 of this point, inclusive of the timetables specified:

12 1) When and how information will be dis-
13 seminated concerning the amounts of funds available for
14 projects that may be undertaken along with other important
15 program requirements.

16 2) Plan in the intial stage of the planning
17 process public hearings will be held.

18 3) When and how citizens will have an
19 opportunity to participate in the development of the
20 application prior to submission.

21 4) When and how in a technical assistance
22 the recipient may choose to provide, will be made available
23 to citizen participants to understand program requirements
24 such as the David Baker environmental policies, equal

1 opportunity requirements, relocation provisions and the
2 like requirements and the present application process.

3 5) The nature and timing of citizen
4 participation in the development of any future community
5 development program amendments including the reallocation
6 of funds and designation of new activity or locations.

7 A local process has been developed which
8 permits citizens likely to be affected by community
9 development in housing activity, including low and
10 moderate income persons, to articulate needs, express
11 preferences about proposed activities, assist in the
12 selection of proper investigation, and otherwise parti-
13 cipate in the development of the application, have
14 individual and other complaints answered in a timely
15 and responsive manner.

16 Applicant may wish to provide bilingual
17 opportunities for citizen participation, if feasible,
18 where significant numbers of non-English speaking persons
19 are likely to be affected by community development activity.

20 Whether or not this shift away from federal
21 control to local control is a marked improvement for
22 urban communities is still being debated. Clearly though,
23 the Housing and Community Development Act of 1974 was a
24 new game entirely. And to be effective, community

1 organizations must get involved at once.

2 Thank you.

3 MR. SCHRUPP: Thank you. Were there other
4 statements?

5 MR. WATSON: No.

6 MR. SCHRUPP: Just a couple of questions.

7 We have been carried through a process
8 of looking at the application through SEMCOG and the A-95
9 process. Perhaps one of you could just briefly go
10 through the process of the application after it reaches
11 the HUD office, after SEMCOG forwards that.

12 MR. PAUL: First of all, that came up in
13 Michigan. We have 72 entitlement communities and we
14 expect to receive approximately 110 million dollars.
15 Now our process on these applications proceeds as follows:

16 The first thing, of course, the application
17 is received and it is screened for completeness, to
18 insure that the A-95 review is attached to that applica-
19 tion.

20 Also, we want to make sure that the appli-
21 cation is totally responsible to all the requirements
22 on the various forms that the certifications are in fact
23 attached, et cetera.

24 After that step, which can take a maximum

1 of five days, we then review the application for another
2 five days to determine whether the activities requesting
3 are eligible. These are calendar days, not working days.
4 Whether the activities requested are eligible. If so,
5 it goes into our full stage review process which consists
6 of reviews by equal opportunity section, our economists.
7 We have an economic and marketing section. These are
8 the people that basically have the statistics on the
9 housing data that has been discussed considerably here
10 today.

11 Reviews by our planners. Our legal section
12 gets involved in some of the cases, and I don't have the
13 whole process spelled out before me, so I may be missing
14 one or two, but basically there are about five or six
15 different technical specialists that are involved in the
16 review of this application, our financial people and
17 et cetera.

18 At the end of the ten day process we develop
19 a joint position, and if the application is approveable,
20 then it can be forwarded to the area director for approval.
21 If it is not approveable, the defects are pointed out
22 on it to the applicant and the applicant has then prob-
23 ably about a 20 day period to respond and then it will
24 go back into our review process.

1 Now Congressionally, in the Act, we are
2 faced with two different types of requirements. There
3 is a time requirement imposed upon us, a maximum of
4 75 days clock in which we must complete actions or the
5 application is assumed to be approved.

6 Also there is the requirement that we
7 give the applicant the maximum opportunity to correct
8 any defects, and it is for that reason that we anticipate
9 arriving at our first position that the applicant takes
10 25 days into the clock, so that every applicant would
11 have at least, you know, one 25 day period in which to
12 correct deficiencies in that process prior to the 75;
13 giving us additional time to review it prior to the 75
14 day clock running out.

15 Now I don't know if you want to get into
16 the other area, but the other area of review that Congress,
17 of course, stipulates, is the substantive area of
18 review. This is the first federal program that I know
19 of where the language is such that the agency shall
20 approve it unless, and in this case we are under the
21 stipulation we must approve the application, unless, first
22 of all, the applicant's statement of needs is inconsistent
23 with known needs and data that we have.

24 In other words, he did not correctly --

1 is plainly inconsistent, he did not correctly identify
2 the needs, must have had some very, very obvious and
3 blatant needs.

4 The second area in which we turn down an
5 application is if the activity are plainly inconsistent
6 with the needs. In other words, he may have identified
7 the need in a proper fashion but the activity don't match
8 those needs at all.

9 And the third area is if the application
10 does not meet any aspect of the law, proposes ineligible
11 activity or fails to meet other federal laws.

12 So these are the areas that we are restricted
13 to.

14 MR. SCHRUPP: Just to complete the picture.

15 If there is a rejection at the area office,
16 the procedure then is that it goes elsewhere, right?

17 MR. WATSON: Mr. Paul indicated that they
18 would get back to the city and the city had 20 days to
19 either recorrect or to challenge the area office's inter-
20 pretation of the application.

21 If the city chooses to challenge that
22 interpretation then, of course, the application is sent
23 to the regional office to see if they can resolve the
24 difficulties.

1 most difficulty with has been the phrase "expected to
2 reside" and I was wondering whether you might have any
3 understanding that you can share with us. It has been
4 particularly relevant to this particular community where
5 there are a number of people who work in the community
6 but who do not reside in the community, and I believe
7 these regulations indicate that the housing needs of low
8 income people who work in the community but who do not
9 reside in this community should be taken into consider-
10 ation in the Housing Assistance Plan.

11 I wonder if you could explain that a
12 little bit to us?

13 MR. WATSON: That is very difficult to
14 interpret, outside of the interpretations that have been
15 given here today.

16 I think a better definition of that would
17 be the correct reading of the statute itself. For the
18 sake of understanding it states in Section 2, under
19 Paragraph 570.303 of the Act, "estimate" and it is talk-
20 ing about cities now, "that they must estimate the
21 housing needs of lower income persons including lower
22 income persons who are elderly and handicapped persons,
23 large families and persons displaced or to be displaced
24 either already residing in the community or planning or

1 expected to reside in the community as a result of
2 planned or existing employment facility."

3 Let me go over that again because I think
4 it is quite clear. I don't understand why you need a
5 definition of it.

6 It states here, "or expected to reside in
7 the community as a result of planned or existing employ-
8 ment facilities."

9 "The assessment of housing assistance
10 needs for lower income persons should take into consid-
11 eration and summaries any special needs found to exist
12 in any identifiable segment of the total group of lower
13 income persons in the community."

14 MR. SCHRUPP: I think I sense that you
15 mean it means that you think it means exactly what it
16 says.

17 MR. WATSON: You are quite right on that.

18 MR. SCHRUPP: One other question that seems
19 somewhat unclear in terms of some of the reports we were
20 getting today, and that is the relationship of the
21 Housing Assistance Plan and the monies that might be
22 available through that, to the monies that would be
23 available for the Community Development program in the
24 first year funding.

1 Is there, for example, in terms of the
2 City of Livonia, we have approximately \$266,000 made
3 available under Title I to the City of Livonia, but we
4 also have a Housing Assistance Plan. Perhaps you could
5 explain to us a little bit more the relationship between
6 the monies that might be available to meet the needs of
7 that Housing Assistance Plan and the monies that are
8 coming in the first of the year dealing with the
9 Community Development Program.

10 MR. WATSON: There is a financial relation-
11 ship and Mr. Paul will answer that. But there is more
12 so a programmatic relationship that I think needs to be
13 added here today. And that is all cities, municipalities
14 or independent governments, states, whatever they are,
15 if they are going to make application for the community
16 development funds, they must, in addition to the community
17 development activity, develop a housing assistance plan.
18 Okay?

19 There should be a relationship between the
20 Housing Assistance Plan and the Community Development
21 activity that is expected to take place in that given
22 community.

23 But as it relates to the funding of how
24 much monies have been appropriated and allocated to

1 Livonia and different municipalities, I don't know that
2 at this time.

3 Mr. Paul can answer that, I am sure, more
4 specifically.

5 MR. PAUL: Okay.

6 We have two separate programs which are
7 supported. We have the Community Block Grant Program,
8 which can provide one set of tools. And we have the
9 Housing Program, of course, which provides another set
10 of tools.

11 In many cases, they are trying to get at
12 the same type of community development problem. Now the
13 Housing Assistance Plan, of course, has four parts to
14 it: structural, survey and then the needs in which, you
15 know, include "expected to reside," and the basis, on
16 the basis of those two previous tables the goals are
17 established.

18 And then there is locational considera-
19 tion given.

20 At the time this Housing Assistance Plan
21 is being made, cities do not at this time have a firm
22 idea on how many Section VIII units they will have to
23 carry out the Housing Assistance Plan, because those
24 appropriations and allocations, down to the field level,

1 have trailed the actions in the first part of the legis-
2 lation.

3 So they are developing it based upon, you
4 know, whatever best estimate they can pull together.

5 Now we have recently received for the State
6 approximately 32 million dollars of assistance for the
7 Section VIII Program, which means approximately 10,500
8 units for the State of Michigan, if it were all constructed
9 with new construction.

10 Now it may be more than that because the
11 Section VIII Program does give emphasized priority to
12 existing housing.

13 Now of this 10,500 units approximately
14 6,500 are being sub-allocated to the State Housing
15 Agency, which is the Michigan State Housing Development
16 Agency, in HASDA, so they will be forthcoming this year,
17 playing the major role in the handling of the Section
18 VIII unit. Okay?

19 The Housing Assistance Plan is put
20 together. Now the only aspect to the Housing Assistance
21 Plan that can be carried out with Community Development
22 money is rehabilitation of existing housing. The use
23 of a block that blocks that new housing is prohibited.
24 You must program Section VIII housing. If you want new

1 construction, as I understand it, it isn't required, but
2 if you want to get into new construction you must
3 obviously use Section VIII unless you are in the rural
4 area and you have a farmer home program area available.
5 So we will be looking at these plans as they come in.

6 Now the next step on this 10,500 units,
7 the State got their 6,500 units and they are not subject
8 to the same guidelines we are. We will take our 4,000
9 units, split them up into the various metropolitan areas,
10 based to statistical areas and residual for non-metropolitan
11 areas also.

12 We will take our half plan and say it is
13 possible in some larger communities, we may allocate
14 some units down to specific uses but you have to think
15 in terms of 10,000 units, that is about one unit per
16 1,000 population. 1.2 units population per unit in the
17 State. So we are not talking about a lot of units for
18 any particular locality.

19 So probably we will be grouping, we will
20 be grouping the competitive levels by counties, and we
21 anticipate advertising say, for Wayne County, and maybe
22 western Wayne County, four or five hundred units, what-
23 ever it happens to turn out in those advertisings. Half
24 plan will be part of the package. So that private

1 developers who want to develop in a particular community,
2 they will be aware of what that particular half plan
3 calls for.

4 Also, if that community has a local
5 Housing Commission, the local Housing Commission could
6 compete in that process.

7 Once we go through the competitive process,
8 we send back the proposal, say two proposals come in from
9 Livonia, we would send those proposals back to the Chief
10 Executive and he would have 30 days to review them as to
11 whether they were consistent or not with the Housing
12 Assistance Plan.

13 Now if they are consistent, we are in good
14 shape. We can proceed with it. If it is not consistent,
15 we could not proceed with that program unless we determined
16 that the locality's finding was incorrect relative to
17 their own half plan. So the half plan is a very import-
18 ant document as far as guiding the use of Section VIII
19 money. It doesn't, in and of itself however, necessitate
20 that the community will receive Section VIII money, nor
21 does it for the many communities submitting the Block
22 Grant Program. They don't have to go through the Block
23 Grant Program to participate.

24 So this is the relationship between the

1 two programs.

2 MR. RIENSTRA: When did you notify
3 Michigan cities or urban counties of the figures that
4 you were just giving us here?

5 MR. PAUL: These figures were -- this is
6 figures released in a press release last week.

7 MR. RIENSTRA: When did you inform the
8 city directly?

9 MR. PAUL: We didn't inform the city
10 directly. We put it out in a Press Release, AP Wire.
11 It has not been cut up by metropolitan areas, so this
12 figure in and of itself would not help cities plan
13 their program, unless you say, well, one unit per thous-
14 and population of the State. So if everything was
15 distributed equally, you could come up with your esti-
16 mate. If you are 200,000, maybe you would come up
17 with 200 units. Excuse me. 2,200 units. Excuse me.

18 We have not at this time, taken the next
19 step in cutting up the money among the various metro-
20 politan areas. So the cities do not know. There is no
21 way the cities could know at this point in time how
22 much money it is going to receive.

23 MR. RIENSTRA: There must be something
24 wrong with the way I am formulating the question then,

1 because everything you have said here we knew in Grand
2 Rapids about a month ago.

3 Am I incorrectly asking the question?
4 For example, what, was that formula about one unit per
5 thousand population announced in cities?

6 MR. PAUL: Well, I could say as soon as
7 your appropriation came out you can do a guestimate on
8 that. We were willing, you know, give people guesti-
9 mates based on the national share of 300,000 units.

10 MR. RIENSTRA: Oh, I see.

11 ERASE
12 MR. PAUL: So 200 million population, we
13 could do that back in October. So for a rough estimate,
14 you know, we can do those out. But there is nothing
15 official as far as, you know, formal allocation process
16 available even at this time.

17 MR. RIENSTRA: When was Michigan notified
18 that they had 6,500?

19 MR. PAUL: About three weeks ago, I believe.
20 Two or three weeks ago.

21 MR. RIENSTRA: And when would it have
22 been possible, for example, for the Wayne County Planning
23 Department to have contacted your office and come up
24 with an estimate of the number of units that would be
available to it?

1 I mean, not specifically your office, I
2 mean, Mr. Paul, but the Detroit office and --

3 MR. PAUL: Only on a rough per capita
4 basis. The same type estimate I would give you, you
5 know, looking at a national appropriation and the number
6 of people nationally. We do that all the time, but
7 they are on a rough basis.

8 MR. RIENSTRA: It is true these applica-
9 tions have to be finished by March 1st, don't they?

10 MR. PAUL: The applications have to be
11 submitted to us by April 15th, and they must go thorough
12 the A-95 Process, which is a maximum of 45 days.

13 Now it is not impossible that the city
14 and the A-95 agency, both State and Regional Agencies
15 could agree to a shorter process, but we cannot shorten
16 the process ourselves. They are guaranteed 45 days.

17 So, in effect, unless they have got this
18 type of agreement that it should be done by March 1st
19 in order to make that 45 day clock.

20 MR. RIENSTRA: Then the assistance has to
21 be based on realistic funds available, right?

22 MR. PAUL: Yes. Yes, but since we haven't
23 provided them the direct assistance, we will allow them
24 to adjust the Housing Assistance Plan at the point and

1 time that the estimates are firmed up. You know, the
2 point in time they are released, because it is not fair
3 to tell the city, because they have not had the firm
4 figures on the Housing Assistance Plan, because the
5 housing aspect of the program has lagged somewhat behind
6 the community development in the implementation.

7 You have to remember, I guess, at the
8 start of the several federal programs, it is very un-
9 usual to be in a full phase implementation six months
10 after the law is enacted. So we do have a lot of things,
11 if they are working simultaneously, to try to get the
12 funds out. Since we have been in a two or three year
13 transition period, it was felt very important that
14 the program get implemented immediately.

15 MR. RIENSTRA: Let me put the question
16 in the negative and see if I am asking it correctly.

17 Would your own office have informed local
18 communities that there is no way that they could esti-
19 mate the amount of money or units that they might have
20 for Housing Assistance Plan because there is no money
21 appropriated for that? Would your office have informed
22 them of that?

23 MR. WATSON: No. But I do think we are
24 going at the resolution to the problem the wrong way.

ERASE

COTTON CONTENT

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Most of the information that I read here indicates that a locality must formulate a program or Housing Assistance Plan based on needs.

In addition to that, they have three years under which to carry out this plan. Okay? What we call the ballpark figure may be needed for a discipline, a real fine type plan coming up. It doesn't prohibit a locality from developing Housing Assistance Plan based on the regulations that is out, Section VIII and based on their needs.

Now again, plans are not cast in concrete. When we think the two would like to get together to amend those plans, meaning the locality and HUD, then there is ample opportunity within a three year period to either add, subtract or negate the plan altogether.

MR. RIENSTRA: Yes. May I just follow up on that one thing and then I am going to turn it over to my colleagues.

If, for example, naturally we recognize, I believe -- well, let me say it this way.

It is my opinion, naturally, that the amount of money proposed in the new Act for direct housing assistance is so totally inadequate to the housing needs of this country, that each community is

1 forced to, if at all, file a plan that then realisti-
2 cally will meet no more than a tenth of the existing
3 needs. And we have been informed, I thought we had
4 been informed by your Department that that is where we
5 should be. We should be realistically planning in
6 terms of the federal appropriation.

7 There is no sense in saying, we need 10,000
8 units of housing when we know there is no possibility
9 in the State of Michigan, that the whole State is going
10 to get more than 10,000.

11 Now how are we being advised of what is
12 a realistic plan?

13 MR. WATSON: I agree with you. I also
14 agree that within your area you have the capacity to
15 develop X-amount of units per year. You have a track
16 record as evidenced by the Housing Authority there, by
17 developers that work in and out of Grand Rapids, and
18 by your own experience with the slowness of the bureau-
19 cracy, whether it is in the federal government or in
20 the city.

21 Secondly, any policy question in reference
22 to inadequate reference resources, I can't respond to
23 that. You know that.

24 MR. RIENSTRA: I didn't know. I know that

1 that is why I make that --

2 MR. WATSON: I still think a local can
3 develop a percentage, whether it is 10,000 units. Okay?
4 And within that development itself or within the program
5 itself priorities, with reference to this local capacity.
6 Okay? And if you give me one locality in Michigan that
7 can build 10,000 units, sir, I will find it for you.

8 MR. STEINER: That is a record.

9 MR. SCHRUPP: What impact might the past
10 history of being turned down for funds by HUD have on
11 community applications? Specifically, there was testi-
12 mony this afternoon that the City of Livonia had been
13 turned down two years ago for a grant, I think on sewer
14 construction, \$1.5 million, and that the reason for that
15 was because of the City's refusal to include any lower
16 income housing for anyone other than elderly people. That
17 was in 1972. Are we in a new ballgame? Is there a
18 history, and if there is a history, what impact does
19 that play as to the Review Process?

20 MR. WATSON: You are in a completely new
21 ballgame.

22 In the case of Livonia, they were turned
23 down based on inadequate plans. That's history. As far
24 as the approval of an application or Community Development

1 application under the 1974 Act, if that application
2 meets the legislative requirements therein, okay. Now,
3 what does it do in reference to a monitoring activity?
4 It might play quite an important role, based on the
5 scheduling of certain activities from the city that
6 is evidenced in the plan, and we want to look at it
7 because of past history.

8 We want to keep it in mind and keep them
9 under close monitoring because of past history. That is
10 one of the roles. But the negative action, for the
11 record, the negative action or reaction in the past
12 is negated now. It has nothing to do with a city coming
13 in at this time. They will be treated as all respected
14 cities equitable as relates to the 1974 Community
15 Development.

16 MR. STEINER: I assume there may be a
17 distinction made in that general question between
18 a sort of previous finding, rejection, disapproval,
19 whatever, to two possible sources I can think of: one,
20 an administrative disapproval of the grant location on
21 the one hand, which appears to have been the case of
22 Livonia; and on the other, perhaps such as Chicago
23 Housing Authority's public housing case in the City
24 of Chicago where we understand, at least in the reports

1 of the media, three area offices have in some fashion
2 put Chicago on notice that this is going to have to
3 be somehow taken account of in their application.

4 Could you comment on that possibility?

5 MR. WATSON: Let me take the hard one
6 first, because I think I can dispose of it faster.

7 The administrative finding might be in
8 several areas, that might have no basis, no point,
9 nothing to do with Community Development legislation
10 now. Okay?

11 For instance, under a water and sewer
12 grant the locale might have been asked to develop a
13 connector system. All right? And they didn't. This
14 is just for illustration purposes. That would have
15 no bearing on the Community Development Legislation
16 now because we are looking at needs and how they are
17 going to do certain things.

18 There are some administrative decisions
19 that I can think might have a bearing but they would be
20 cause for ten to twenty hours of interpretation by a
21 legal mind and not by this panel here.

22 And, of course, the application must go
23 through the legal review before it is approved, and
24 those type of things will be taken into consideration.

1 In reference to court decisions, you are
2 quite right.

3 We received directions from the Central
4 Office that a city must respond to the decision handed
5 down by the judge in developing its application, trans-
6 late it. You must show how you are going to get low,
7 moderate income housing and how you are going to do the
8 first thing. That is the simplest way to say it.

9 There may be other types of situations
10 that will affect indirectly a city through the appli-
11 cation process, one of which is a hearing under the
12 particular section of the 1974 Act in which the section,
13 Washington has decided that X city funds are expended
14 or they are debarred from using any HUD funds until
15 they do A, B, C and D.

16 Now I would suspect, and this is, and I
17 hope it is right, that the city must come into compliance
18 before Community Development funds can be let to that
19 particular locale. But, of course, that isn't my
20 decision to make, since I didn't make the decision.
21 That is the decision of the Secretary of the Department
22 of Housing and Urban Development.

23 MR. STEINER: Did I hear you talking about
24 three kinds of possible findings, one is administrative

1 finding in history related to the community development
2 statute, and that seems to be the case in Livonia, that
3 it may or may not have.

4 MR. WATSON: To the community development
5 statute?

6 MR. STEINER: No. You were saying --

7 MR. WATSON: I was giving you an example
8 where a city might be under administrative mandate be-
9 cause certain technical things were not done in that
10 program.

11 I am saying in this situation it is my
12 idea that it is no longer valuable as it relates to the
13 1974 community development application. We would forego
14 that, forget that, see?

15 But once the city would enter into its
16 program, my engineers would in all probability watch
17 those types of things in monitoring.

18 MR. STEINER: There seems to be another
19 category we haven't gotten to yet, in which case, an
20 administrative denial of the grant was not a technical
21 problem. That was not the basis of it. Sewer connec-
22 tions were not the issue. The issues were the racial
23 makeup of the Human Relations Commission, whether or not
24 minorities were consulted in drafting land use plans

1 or whatever.

2 Those to me don't sound like the kind of
3 technical things you are talking about. So I guess the
4 question is whether or not those kind of denials --

5 MR. WATSON: Well, I don't know who
6 made that decision.

7 I would suspect any time funds are with-
8 held from any city, it must be at the sole discretion
9 of one of the Assistant Secretaries, Advisor to the
10 Secretary of HUD. That's one. Unless it is a contrac-
11 tural thing, and then the director of that particular
12 office has the prerogative to do that. Okay?

13 In addition to that, I would suspect that
14 if Livonia, or any other city, had been denied further
15 funds based on the racial makeup, the racial makeup of
16 the board or citizen participation organization, that
17 decision must have come from Washington, sir, and not
18 from the regional or the area office.

19 I am not -- let me explain to you what I
20 mean by that.

21 In our current policies, as it relates
22 to employment or as it relates to the utilization or
23 the inclusion of local residents in all of our programs,
24 we have no policy in our regulations that dictates the

1 rate or the makeup of a board, whether it should be
2 20% women, 2% men, or anything similar to that.

3 Under the old program of community develop-
4 ment known as Model Cities, where you had to have a
5 board and it had to represent the makeup of the locale,
6 then the whole unit of government was the determining
7 factor as to what the locale is made of and what the
8 Board should represent.

9 What I am trying to say, no regulations
10 are present, either past or now, that dictate to a city
11 or a locale how that board or advisory committee should
12 be constituted.

13 MR. STEINER: I am not necessarily suggest-
14 ing that that be the only possible basis for previous
15 finding of ineligibility or equal opportunity reasons,
16 but I am talking about a kind of general lack of affirma-
17 tive action for equal opportunity in some phase of
18 community development and we can talk about dozens of
19 possible phases of it. That's the kind of situation
20 I think we are talking about.

21 MR. WATSON: Okay. One of the regulations--
22 one of the paragraphs in the regulations states that any
23 city or locale who might have a practice of discrimination
24 must evidence through its program how it is going to

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1 develop a program to overcome the past effect. I am
2 not quoting it direct. Something like that. But in
3 so doing, they must document the file for the purpose
4 of review by HUD, what efforts they are taking in doing
5 this particular thing. Okay?

6 That is in reference to today's program
7 and not in reference to yesterday's program. Okay?

8 And what it is saying to me is that the
9 city certifies and HUD monitors to assure, to assist
10 the city in assuring certain things are done.

11 MR. STEINER: My other question. What
12 does it take to throw that application in that process,
13 where that is required?

14 MR. WATSON: Okay. The monitoring process
15 is what you are really talking about.

16 There are at least two or three things
17 that can stimulate this. One; HUD's Division of Equal
18 Opportunity maintains the ongoing process of monitoring
19 and speed compliance reviews. That's one department in
20 HUD whose responsibilities for visiting and monitoring
21 the city was not negated by the '74 Act, the Department
22 of Equal Opportunity. Okay?

23 And whereas we might be there on more
24 occasions than other departments in HUD, other departments

1 will be there also. And they too will begin to look at
2 certain things as it relates to the general administration
3 of this program.

4 Now once we determine that a city isn't
5 in compliance, we have two or three alternatives. We
6 can negotiate with the city to come into compliance
7 through an amendment to its program or through the de-
8 velopment of a full new attack process to this.

9 If the city doesn't wish to have nothing
10 to do with us, of course, we can put this to writing and
11 send it to the Secretary of HUD who has the prerogative
12 of either cutting off partial funds, cutting off all
13 funds. Okay?

14 What I mean by partial funds, I mean those
15 funds that are affected by that discriminatory act
16 within that purview. In compliance review, we maintain
17 the prerogative and the responsibility to review the
18 entire operation of a given city. In fact, the legis-
19 lation states that we can't even go in and look at that
20 particular unit of government that we think is discrim-
21 inating. We have to look at everything -- excuse me --
22 that compliance review gives us the opportunity to sit
23 down with the city in what we call a conciliation agree-
24 ment. Okay? If the city refuses again, we can send to

1 the Secretary, who can make the determination through
2 hearings, that they will cut them off, part or all of
3 them. The options are greater than that, as you know,
4 but those are the two most dynamic options that we know
5 of.

6 The third way is the complaint activity.
7 The regional office still has the responsibility to
8 receive and investigate complaints and make a finding.
9 Now, of course, you know, the Michigan Department of
10 Civil Rights here have been granted tentative approval
11 as a State with laws that is substantially equivalent
12 to Title VIII, so any complaint that we get out of
13 Michigan must first go to the Michigan Civil Rights
14 Agency.

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16 They have 20 days to let us know that
17 they have started something on that process and in 30
18 days they must have done something on that complaint.
19 And if they haven't, then I recall that complaint back
20 to the regional office and have my investigators investi-
21 gate that.

22 Now if the complaint itself can stimulate
23 certain actions in the city, it can again call for a
24 voluntary conciliation on my part with the respondents
or a referral to the Washington Office for a decision to

1 be made either through hearings or again to pursue
2 voluntary compliance by the Secretary.

3 MR. STEINER: One last question.

4 MR. WATSON: Excuse me. Before you get
5 into that.

6 The gentleman that preceded me was trying
7 to explain to you the difference between enforcement and
8 compliance. And I think you see it now. You see it
9 now. Because I referred to Washington, who has the
10 enforcement prerogative, my activity at the local basis
11 is voluntary.

12 MS. BLEDSOE: Mr. Watson, what is your
13 professional assessment of the effectiveness of the
14 voluntary approach both within the context of the cate-
15 gorical grants and under the new authority of the
16 Community Development Act?

17 MR. WATSON: The Civil Rights Commission
18 in its annual report to the President of the United
19 States stated that "unless you give to HUD enforcement
20 authority, the watchman keepeth the city but in vain."
21 I think, meaning that we don't have what we need to do
22 our jobs. The track record is pretty good in this
23 region, but not good enough.

24 I know, and I think you know and have

1 experienced that wherever you have the clout, whether
2 it be in money or club, or whatever you call that, you
3 increase your market proportionately.

4 I think that the Department needs that
5 particular kind of clout. And I agree with the Civil
6 Rights Commission strongly.

7 In addition to that, they made other find-
8 ings, some of which talk about the lack of resources
9 to even do the voluntary job. And that is one of the
10 reasons that Hud, in its infinite wisdom, have decided
11 to utilize and capitalize on local groups such as
12 fair housing groups to assist them in these types of
13 activities.

14 I hope I answered your question.

15 CHAIRPERSON TERRY: We are almost running
16 out of tapes. We will have to break in a moment, but a
17 quick question.

18 This afternoon we heard testimony, citizen
19 participation and the new ideas that were heard there and
20 maybe Mr. Riley will give some thought to it, is that
21 the communities outof which citizen participation is to
22 be drawn is not simply or necessarily limited to a local
23 political jurisdiction, and that the communities or
24 citizen participation, for example, could be broader

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than the City of Livonia or Grand Rapids, or whatever.

Have you any experience with that interpretation?

MR. RILEY: No, I haven't any experience with that interpretation. I am having an awful time, perhaps, getting citywide citizen groups established within the boundaries of cities.

I can envision a couple of cities in our region where we might have to look seriously at a process that extends beyond the boundaries of the city. Because some of the programs extend beyond the boundaries of the city. But we don't have, as of yet, any model, any direction from any major urban areas on how they are going to meet that kind of problem.

Hopefully, a couple of the counties in Michigan will provide that kind of a direction. I know what I would like to see, but I can't give it the plan, as you know, under this kind of philosophy it has to originate in the communities. I don't want to define that vocation because I am not aware of what particular area you are speaking of.

But most certainly when you talk about citizen participations it has to cover the area in which community development programs cover.

1 MR. RIENSTRA: Part of the testimony this
2 afternoon with respect to the "expected to reside"
3 element in the program, that obviously those citizens
4 won't possibly be represented because they are not re-
5 siding, they are only expected to reside, they are citizens
6 that should have some input into the process. There
7 might be a necessity for some other instrument.

8 MR. WATSON: Yes. I would like to
9 comment a little further on "expected to reside." I
10 would be happy to work with you on any problems that
11 you might have in Grand Rapids.

12 MS. JOHNSON: Could I also just bounce
13 off of you some of the interpretations of the Act
14 that we have heard from other witnesses earlier in
15 the day?

16 With respect to the whole general philo-
17 sophy of the Housing and Community Development Act and
18 return to local control, would you say that HUD has
19 interpreted this legislation as a type of revenue-
20 sharing for housing purposes?

21 MR. RILEY: No. The part that I have
22 something to do with interpreting, and I can't interpret
23 it for all the folks that work for HUD, and I am not
24 sure you would get the same interpretation if you talked

1 to many of them, but I see the shifting, I mean, through-
2 out history of government, government has done either
3 decentralize or centralized. I haven't found out yet any
4 other things that they have done other than that for the
5 last couple of centuries, centralized and decentralized.

6 In my judgment, if we are going to broaden
7 the base of citizen involvement in the political and
8 economic process, we most certainly have to begin at
9 the local level. A lot of use will go on it. The
10 committee itself knows that I sat as a citizen parti-
11 cipation advisor; the region has enjoyed enormous auth-
12 ority, and that you enter the country very much intended,
13 very much appreciate all of that authority. You have
14 given me an opportunity to learn and play on a great
15 national stage and all of that Act says, we are going
16 to take some of that now that you have been enjoying for
17 the past five years, pass it on to the folks on the
18 local level, give them the same opportunity that you
19 federal folks have. They didn't have a great stage
20 on the local level.

21 You can get more participation that way.
22 You can most certainly get involved in the federal
23 function.

24 And I have great hope that the local

1 community will respond and they will create the kind
2 of conditions we all hope for. I also know that it is
3 going to be trials and tribulations.

4 This was the same kind of situation with
5 the federal to have had a long time.

6 MS. JOHNSON: Let me try this once again.

7 Would you agree, for all practical purposes,
8 the application review procedures that HUD will employ
9 with respect to this Act can generally be described
10 as a self-certification process?

11 MR. RILEY: Well, let me put it this way.
12 I may not want to use those strong words, but I would
13 say we won't be making many decisions in the initial
14 stage of the review application, because the quality
15 of the application, the efficacy of this program, we
16 are going to, if they have met certain certification
17 procedure requirements, we want to give them a chance
18 to take a look at them and see how well they do.

19 MS. JOHNSON: Okay. Could you comment
20 on that, Mr. Watson, from the standpoint of the equal
21 opportunity provisions of the Act?

22 MR. RILEY: Mr. Watson.

23 MS. JOHNSON: Mr. Watson. Indicate where
24 you do not have a court finding such as we went through

1 and talked about before, and there is no official court
2 finding against this jurisdiction of discrimination.
3 What will be the --

4 MR. WATSON: Mr. Riley covered the water.
5 I couldn't quote Mr. Riley but let me just be a little
6 more specific because I see where you are coming. DA
7 certification that is required of the community develop-
8 ment block grant are one level of efficiency. Okay.
9 One level of sufficiency. The review of the application
10 by EO personnel in the office supports those certifica-
11 tions. Okay. That review must be made in these areas;
12 one, to a particular segment of that community on the
13 problems addressed, you know, like women, like elderly,
14 handicapped, like minorities. How does that relate to
15 the needs as prescribed by the city? Okay. Will oppor-
16 tunity be afforded minorities in employment? Okay?
17 Will the deconcentration of units and housing that was
18 indicative of past discrimination take place? Okay.

19 I am just pointing out some things that
20 you look for in the application. Now there are certain
21 figures through those five certifications that, you know,
22 these types of things will be addressed, but we look at
23 the application a little more deeply to see over a three
24 year period of time, not one year, whether or not the

1 city has developed a program to address those needs.

2 MS. JOHNSON: So if the answer to questions
3 such as you have given us here might be known in the
4 first year's application, that would not necessarily mean
5 that you would deny it or recommend denial of that
6 application?

7 MR. WATSON: In the first year, no. I
8 don't know. It depends upon the plan itself. You know
9 a plan can be a funny thing. If it is woven right, it
10 can lead into, you know, sort of a rational three year
11 objective. If it isn't, you can start it right away,
12 you know something is wrong, something is dead here.
13 It is hard to comment on that unless you have the plan
14 before you that you are reviewing.

15 The Model Cities plan that you have re-
16 viewed yourself in the past, often spoke of a five-year
17 projection and gave objectives that led to the realization
18 of that particular pie in the sky, and we were able to
19 approve plans based on that. Okay? They did not attack
20 that in the first year but it wove itself in, second,
21 third and fourth year in reference to objectives that
22 would lead itself to the goal. Okay?

23 The cities plan can very well do that. I
24 don't know. I just can't comment and give a precise answer

1 to that without a plan in front of me and discussing how
2 it is formulated.

3 MS. JOHNSON: Right, but you would expect
4 to see somewhere in that plan these kinds of concerns
5 addressed at some point either short or long time?

6 MR. WATSON: There is legislation language
7 that mandates that.

8 MS. JOHNSON: Very good, and you will require
9 that.

10 MR. RILEY: Let me make a comment on that.

11 I think, if you think no matter what goes
12 into a plan, a plan will be approved, you are going to
13 make a sad mistake. The Secretary has the same kind of
14 discretion under the Community Development Grant that
15 he has under the categorical plan grant. He has discre-
16 tion to stop payment if people don't comply and make
17 no effort to. He has the same discretion under the
18 community development block grant.

19 He can partially fund a city, he can cut
20 off your water on those programs, only if that is not
21 according to the Act that is in violation of the law and
22 fund the rest. He has all kinds of discretion, and if
23 I can sense the feeling of the people who administer this
24 program, they are saying, "Okay, we are going to see how

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well the cities do." We are going to be arbitrary and not give them a chance. We are going to help them over rough spots, if possible, but we are not going to negate our responsibility with regard to upholding the law passed by the Congress of the United States.

MS. FEATHERSTONE: Could I make a comment?

I suppose what I want to do is sort of add to the statement that Mr. Watson made.

I suppose your question is directed at whether or not all will be forgotten, you know, when we come to reviewing an application, you know, new submission on the community development.

My answer to that, for the most part, what all of the sins of the past as it were will be forgiven, you know, for the time being, but are not forgotten by me personally as an area office representative of Equal Opportunity. We will be looking at evidence that we have gathered in the past doing work programs with you, reviews will be looking at census data and new area data, so that we don't have now the authority of the area office level to negate an applicant, to refuse an application per se.

You know, as Mr. Watson says, it has to go to the regional office and central office, but we are

1 to make some judgment on our own as to whether or not
2 the facts and the data we are reviewing jive with what
3 we know the facts to be in the community, Flint, Grand
4 Rapids, whatever, it could be Livonia.

5 So certifications are generally effective
6 on their face, schedule evidence to the contrary. How-
7 ever, if we do have some substantial evidence to the
8 contrary, the communities will know about it and we will
9 be judging things on past reviews that we have done.

10 But as I said, we will not be holding
11 the community as it were responsible for their past
12 sins. They will be forgiven for a while, but --

13 MS. JOHNSON: One free pass?

14 MS. FEATHERSTON: Not necessarily a free
15 pass. It depends upon what we have before us in the
16 application.

17 MS. BLEDSOE: How long, Ms. Featherstone,
18 do you feel this legislation will have to be in effect
19 before that can be an identifiable change in the pattern
20 of segregation in the urban areas of this country?

21 MS. FEATHERSTONE: The block grant legis-
22 lation? I wish I could answer that, but you and I know
23 we have had previous categorical programs for some time now
24 and frankly, I don't want to, you know, advance a personal

1 personal opinion about it, you know, what the offsets
2 of that has been. If there has been a major affect,
3 you know, so I really, I suppose I am just saying,
4 I can't respond to that.

5 But it will be a while, I suspect.

6 MR. RILEY: I would like to -- first, I
7 would hate to wait that long, that we expect the
8 community development block grant itself to eradicate
9 the pattern of segregation and discrimination.

10 It has to be a multiplicity of things;
11 community block grant and all the programs of one
12 aspect of the multiplicity of things that deal with
13 the problem. So the community development block
14 grant alone cannot do it. Multiplicity of things
15 will have to be preferred in order to completely
16 eradicate the many hundreds of years of discrimina-
17 tion and segregation.

18 MR. STEINER: One question. In light of
19 the amount of weight placed upon compliance reviews in
20 monitoring process, once a community proposal is funded,
21 can you, in some objective measure, tell us what your
22 capacity, say both area and regional, will be to do some
23 compliance reviews, either members of staff, members of
24 reviews you might be able to do in a year once you get

1 into those?

2 MR WATSON: We have what is called now,
3 civil act review, and I estimate that it takes two weeks,
4 or ten working days, to 15 working days to accomplish
5 the review itself. Not the write-up and the findings,
6 just the review.

7 It will take an additional five days to
8 pull this stuff together and to finding a write-up.
9 That's with a minimum of three persons and a relatively
10 large city. Okay. After I have gotten my findings to
11 paper, depending on the sophistication of that given
12 locale, it takes me two weeks to a month to reach a con-
13 ciliation, meaning I have agreed and they have agreed to
14 certain actions.

15 We are speaking of the tying up at least
16 three persons for a period of what? Two and a half
17 month? Okay.

18 And I have now, and this doesn't even talk
19 about the complaints that I must investigate, I have
20 received up until December 31st, I have received 227
21 Title VIII complaints, fair housing complaints. Okay?

22 Over the last year I had a little over 320.
23 I predict by the end of this fiscal year, I will have
24 over 600 complaints to investigate. I agree with your

1 findings, when you talk resource needs in order to just
2 hold your own in civil rights at the local level. Okay.

3 Now when you talk about a city-wide review,
4 you are talking about what? The community development
5 agency. You are talking about that agency that runs a
6 housing program. I don't know. It might be local housing
7 authority or a definitive agency. You are talking about
8 public work. They might have a partial program. You are
9 talking about every segment of government within that
10 city that has something to do with the community develop-
11 ment program. Okay.

12 And I have to do an evaluation of every-
13 thing as it relates to my laws, even to the point of, you
14 know, parks and recreation department. You would think
15 that had nothing to do with housing, but the housing law
16 applies to them equally as it does to the local housing
17 authority and I must look at them in that area also
18 because I don't know whether they do or do not, so it
19 is joined, a very indepth analysis and I anticipate not
20 enough staff, as I told the lady there, to accomplish
21 too many of these in a given year and to keep up with
22 resolving some of my complaints.

23 And if you notice, I didn't say anything
24 about complaints in Title VI, 11246 or Section 3. Nothing.

1 I only spoke of Title VIII. The fair housing under
2 Title VIII complaints, 227, I predict 600 by the end of
3 June. And I predict by the end of the first year of
4 this program to have received in the regional office
5 requests for compliance reviews of at least two cities
6 in Michigan, possibly two cities in Wisconsin, possibly
7 three in Ohio, possibly three in Illinois, possibly one
8 in Minnesota. Okay? The work is there.

9 MS. BLEDSOE: Thank you.

10 CHAIRPERSON TERRY: Thank you very much.

11 (Witnesses excused.)

12 CHAIRPERSON TERRY: Here we are finally at
13 8:30.

14 Mr. Federicks.

15 STATEMENT OF

16 DON FREDERICKS

17 MR. FREDERICKS: I express my appreciation
18 to the commission for giving me this chance to speak.

19 CHAIRPERSON TERRY: Will you please identify
20 yourself for the court reporter?

21 MR. FREDERICKS: My name is Don Fredericks.
22 I am a resident of Livonia and I am a member of the
23 Citizen Advisory Committee on the HUD application.

24 I have asked to speak to the Commission

1 just very briefly to correct a number of impressions
2 which I feel our Chairman left earlier today in regard
3 to a couple of comments.

4 Mr. Carroll, I think essentially reported
5 accurately much of the process in the community and the
6 positions and recommendations, and there was just one
7 area which there has been some misunderstanding on the
8 committee in regard to the position of the committee on
9 integrated housing.

10 There were two comments that were made by
11 Mr. Carroll, and I would like to discuss the fact I was
12 going to make this statement, and Mr. Carroll said by
13 all means. If he misinterpreted to certainly make such
14 statements.

15 The comments, the only discussions which
16 the committee, to my knowledge, has had, is a group for
17 guiding the provisions on integrated housing, came on at
18 a meeting on February 11th, immediately following the
19 appearance of this headline which you are familiar with.

20 So that the reaction of the committee to
21 the headline, identifying this commission as having as
22 its primary aim, to integrate housing in Livonia, was
23 extremely negative.

24 We did not understand that the primary

1 purpose of the Housing and Community Development Act of
2 1974 was to provide for integrated housing. We felt that
3 it had to do with encouraging communities to look at the
4 needs of low or moderate income.

5 I think the major purpose of this inquiry
6 was to demand that Livonia be integrated through this
7 project. It would be helpful for you to say so formally,
8 that there must have been some misinterpretation or mis-
9 understanding by the reporter who wrote this headline.
10 But our discussion of the matter was in reaction to this,
11 and it was the opinion of the committee that, at the
12 time, and I think that Mr. Carroll was wishing to faith-
13 fully report that, that it was not the intent of the plan
14 or the housing community development proposal to the
15 primary purpose of such a proposal to promote integrated
16 housing in Livonia.

17 There was a question, I believe, from a
18 member of the panel, in regard to the relationship
19 between the task force and the committee itself, and how
20 they tended to agree on many of the priorities, which
21 indeed in my experience, they did.

22 But the question was directed at whether
23 or not there was agreement between the task force and
24 the advisory committee in regard to integrated housing.

1 And Mr. Carroll answered, I believe, was
2 yes, there was agreement of that.

3 In my opinion, there could not have been
4 agreement on that matter because the committee itself
5 did not have such a position. I have reviewed the
6 minutes of the meeting of February 11th and there is no
7 reference to such a position taken by the committee. I
8 just wanted to make that clear.

9 I do feel, just to make one other part of
10 the statement, that it is important that every community
11 that is working on such an application, make clear to
12 its citizens the primary purpose of such an application.
13 And that it must respect the fair housing practices,
14 open housing law and the federal guidelines, both in
15 spirit and in terms of the letter of those guidelines.

16 But I would encourage this commission not
17 to approach a community from the standpoint that on the
18 basis of the evidence you were guilty, but rather
19 encourage the community to discover for itself that we
20 have a job to do, and then truly providing the help
21 that that community needs, and I think the HUD officials
22 were stating it was their purpose to do, provide the
23 help that the community needs, and Livonia needs, rather
24 than to become another stumbling block.

1 CHAIRPERSON TERRY: Could you please
2 leave a copy of the minutes to be entered into the
3 record? I think that would be helpful.

4 MR. FREDERICKS: Well, I am sorry, this is
5 a rough copy and it has not been approved by our com-
6 mittee in terms of its -- as a matter of fact, this is
7 a copy of the draft from the secretary, and I would be
8 happy at a later date to submit an approved copy follow-
9 ing the formalizing of the minutes by the advisory
10 committee.

11 CHAIRPERSON TERRY: That would be helpful.
12 Thank you.

13 Are there any questions?

14 MR. TORRELL: Yes, Yes, if I may.

15 Mr. Fredericks, this afternoon in response
16 to a question of mine I believe Mr. Carroll said there
17 was one person on the committee who dissented from what
18 he represented. Are you that one person?

19 MR. FREDERICKS: No. The person was the
20 secretary who had taken the minutes and who was at the
21 hearing at which he read basically the approved state-
22 ment of the committee, and then at the end of that
23 statement, did add an additional statement to which he
24 referred this afternoon.

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COTTON CONTENT

1 And it was that one statement that was
2 challenged by the secretary of the committee at that time.

3 And I am certain that we will be able to
4 clear that matter up at our next meeting.

5 MR. LOBENTHAL: I am sorry.

6 Was the objection procedural, in the sense
7 that Mr. Carroll's comment did not reflect at the meeting
8 what he was inaccurately reporting the minutes or was the
9 objection to the contents of the statement, or don't you
10 know?

11 MR. FREDERICKS: The objection of the
12 secretary?

13 MR. LOBENTHAL: Yes.

14 MR. FREDERICKS: The objection, as I recall
15 secondhand, I was not present at the time. I heard the
16 report of the meeting, but it was my understanding that
17 the objection was raised that the committee had not taken
18 the position Mr. Carroll stated that it was against inte-
19 grated housing. They had not taken that position.

20 MR. LOBENTHAL: It was a procedural state-
21 ment?

22 MR. FREDERICKS: Well, I think in knowing
23 the individuals, aoo of them -- it was both a procedural
24 and personal conviction.

1 MR. LOBENTHAL: That's all.

2 MR. SCHRUPP: Just one comment Dr.
3 Fredericks, in relation to your question and comments
4 about the intent of the committee.

5 I think it is certainly our intent to see,
6 to be as helpful as possible, and it has been our intent
7 to be as helpful as possible to the city in its pre-
8 paration and plans for preparation of application.

9 I think some of the misunderstanding, it
10 seems to be apparent, in terms of comments about the
11 application, hopefully they have been clarified in terms
12 of some of the testimony this afternoon, this evening,
13 so that hopefully it would be a helpful process and
14 certainly members of the committee -- community stand
15 ready to be of further assistance as necessary in terms
16 of this.

17 CHAIRPERSON TERRY: Thank you.

18 (Witness excused.)

19 CHAIRPERSON TERRY: I just want to enter
20 into the record that we did receive a telegram this
21 evening from Mr. Charles Tucker, who was scheduled to
22 speak on behalf of the Housing Committee of the NAACP,
23 and he regretted that circumstances beyond his control
24 prevented him from being here tonight, but they have

1 issued a statement which they are forwarding to us and
2 requesting that we enter into the record, and that they
3 will be releasing that statement also to the media.

4 MR. RIENSTRA: I don't get an opportunity
5 to question the statement.

6 CHAIRPERSON TERRY: Under federal law, the
7 commission and this committee are required to compile
8 reports containing findings and recommendations for
9 corrective legislation for executive action.

10 It is forwarded to the Congress and then
11 to the President. The information that we have gathered
12 today, and that we will be gathering in other hearings
13 that we may have on this topic, will be compiled into a
14 report.

15 We really wish to thank all of you who
16 shared testimony with us today, the individuals and
17 organizations and agencies who have cooperated with us.
18 And also special thanks to the Schoolcraft Colleg for
19 allowing us to use their facilities.

20 For the record, I would like to say that
21 I think we have gathered much helpful information. I
22 hope it will be helpful to some of you

23 Thank you for being with us.

24 The meeting is adjourned.

1 (Whereupon, at 11:00 o'clock p.m. the
2 above-entitled matter was concluded.)
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10 MILLERS FALLS
11 EZERASE
12 COTTON CONTENT
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