

## HOUSES DIVIDED

Officially sanctioned segregation is rule, not exception, in East Texas

"I guess the reason we can't get our projects together on races (is) because when these projects were built there was no such thing as discrimination. One project was built for minority and the other one for non-minority group. It seems that is the way they still want it. We really don't mean to discriminate."

—Neta Honeycutt, director of the Gilmer (Texas) Housing Authority, in a 1980 letter to the U.S. Department of Housing and Urban Development.

By Craig Flournoy and George Rodrigue  
Staff Writers of The News  
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GILMER, Texas — Five years after her explanation of why blacks and whites don't live together in the public housing projects of this small East Texas town, Neta Honeycutt remains firmly committed to racial segregation.

"Their (blacks') customs are different from ours," said Mrs. Honeycutt, who is white and who has headed the Gilmer Housing Authority since 1977. "Let one move out, and there's a hole in the wall. Their refrigerators are the nastiest things, and the stoves will

### SEPARATE & UNEQUAL



### SUBSIDIZED HOUSING IN AMERICA

- Can integration work? 3A
  - Clarksville adjusts to order. 15A
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- Mrs. Honeycutt was born and reared in the community of 5,000, the county seat of Upham County.

She knows it is illegal to segregate tenants by race. But Mrs. Honeycutt says there are compelling reasons for segregation, one of the strongest, she says, being the incompatible lifestyles of blacks and whites.

"We have a lot of trouble," Mrs. Honeycutt said of Gilmer's all-black project. "They have drinking and all that. They don't care about those kids. They just let them run wild. I can see why the whites wouldn't move over there."

Mrs. Honeycutt does not stand alone. The Jim Crow, government-sanctioned segregation and racial discrimination of the post-Civil War South still exist in much of



The Dallas Morning News: David Woo

At Long Apartments in Port Arthur, a child plays on a sidewalk wet with the overflow from a bad sewer line.

## Nuclear accident isn't over

3 Mile Island cleanup is still a risky task

By Jim Detjen and Susan FitzGerald  
Knight-Ridder Newspapers

The cooling towers of the Three Mile Island nuclear power plant loom silently over the Susquehanna River in southern Pennsylvania, a national symbol of nuclear tragedy narrowly averted.

No one has died at Three Mile Island. But for hundreds of workers who have labored, often in fatality, for six years to clean up the tons of lethal residue that still contaminate the crippled plant, the accident has never ended.

For these workers, many of them unskilled laborers earning wages that they would be hard-pressed to match elsewhere, every day can bring an encounter with some of the world's deadliest substances. For some, the exposure to radiation could prove fatal.

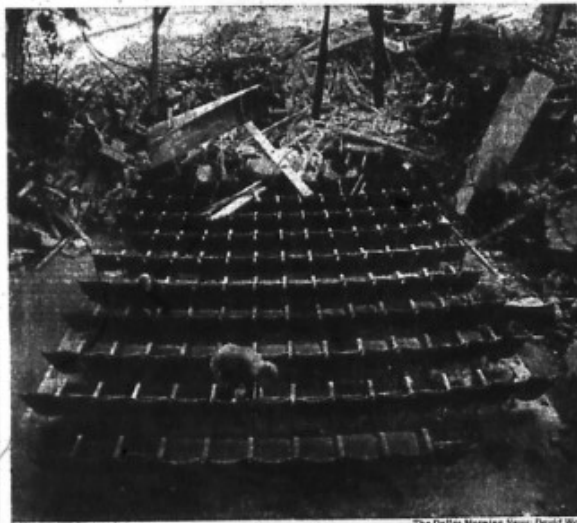
Records on file with the federal Nuclear Regulatory Commission document how plant workers routinely come in contact with radioactive water, dirt and rust — often because of faulty planning and inadequate safeguards.

Through the end of last year, records show, there had been 593 instances of skin contamination. In addition, records for 1982 through last year show more than 56 cases in which cleanup workers inhaled or ingested radioactive particles.

The records show: Workers have been exposed to radiation doses as high as 22 times the level allowed by federal regulations.

A worker left Three Mile Island while still contaminated, thus spreading radioactive material to an ambulance, a hospital and an airplane. See NUCLEAR on Page 11A.

## Final act at the Esquire



The Dallas Morning News: David Woo

Souvenir-seekers Andy Reisberg (left) cushioned bits of history at the Esquire and David Moynihan pry loose a few Theater. (Story on Page 15A.)

## DISD expects 100% turnout in bond vote today

By Richard Connelly  
Staff Writer of The News

Officials expect about 10 percent of the 400,000 registered voters in the Dallas school district to go to the polls Tuesday to decide the fate of what they say is the most crucial bond package in the district's history — a \$195.5 million proposal.

Supporters of the package continued Monday with a last-minute drive to get out the vote and were optimistic about the outcome, said Rodger Meier, head of Friends of Dallas Public Schools, the group that has raised more than \$400,000 to campaign for the package.

"I'm in the positive mental attitude business, of course, but I think we have an excellent chance," Meier said. He said he hoped the turnout would be as high as 80,000.

Only scattered opposition has been announced to the bond package, the first offered by the district in more than eight years. Officials have said they expect a close vote.

L.E. Galliot, who heads a small

- Questions, answers on bonds. 10A
- Polling places. 10A

opposition group called Friends of Dallas Taxpayers, said he did not expect his group to persuade many voters. "Most people pay their taxes through mortgage payments and don't have any idea what the taxes are," he said.

The \$195.5 million package includes \$100 million to build 14 new schools and add 568 classrooms to 47 other schools; \$19.6 million to alleviate health and safety hazards; \$55.6 million for deferred maintenance, including roof repair at 122 schools; and \$25.3 million for renovations at every school.

The package also includes \$13.2 million to renovate schools in South and West Dallas should court-ordered busing end.

School officials say the bonds would raise the tax bill on a \$100,000 home by a maximum of \$17 a year for the next three years before the effect would taper off.

## Reagan says N-arms pact wouldn't halt 'Star Wars'

New York Times News Service

WASHINGTON — President Reagan said Monday that even if an agreement were reached to eliminate nuclear weapons, the United States would want to develop a space-based defense system against offensive weapons.

Reagan said he intended to proceed with research on the "Star Wars" defense system independent of whatever agreement might be reached with the Soviet Union on reducing offensive nuclear weapons.

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### Missile defenses criticized. 5A

"The only weapon we have is MAD — Mutual Assured Destruction," the president said. "Why don't we have MAS instead — Mutual Assured Security?"

Reagan, in an exclusive interview, responded to questions about a wide range of topics, including: ■ Nicaragua — Reagan indicated that a new infusion of covert aid to the insurgent forces known as the contras was "necessary" and "desirable."

### 1988 presidential front-runners — Reagan said he could not now endorse Vice President George Bush for the 1988 Republican presidential nomination. "I'll be like Scarlett O'Hara — I'll think about it tomorrow," he said, laughing. But he spoke glowingly of Bush.

■ South Korea — "There was bad judgment on both sides" involving the airport melee during the return home of the exiled opposition leader Kim Dae-jung, Reagan said.

■ Castro — Reagan said he was "not greatly optimistic" about Cuban leader Fidel Castro's recent comments indicating a desire to improve relations with the United States.

Reagan's comments about "Star Wars" were his most emphatic so far in two respects: First, while he had previously said a space-based defense would not be a bargaining chip in talks with the Soviet Union, this was the first time he had said explicitly that he would not limit the research on the program even if Moscow met his demands on reducing offensive missiles.

Secondly, this was the first time Reagan had made it plain that he believed such defenses would be needed even if nuclear powers agreed to abolish all nuclear weapons.

At the same time, the president drew a distinction between research and deployment of a defense system. He said the United States would conduct research even if the Soviet Union agreed to deep cuts in offensive weapons.

## Mattox commercial bribery trial begins; he says he'll emerge a hero

By Wayne Slater  
Austin Bureau of The News

AUSTIN — Attorney General Jim Mattox went on trial Monday on a commercial bribery charge and predicted he will emerge a "hero" for "standing up to Mobil Oil and the big boys."

Mattox is accused of threatening the Houston law firm of Fulbright & Jaworski in a lawsuit involving wealthy South Texas rancher Clinton Mangas and the Mobil Oil Corp.

Arriving with his lawyers for the trial's first day, Mattox was greeted by about a dozen staffers and supporters, who broke into applause when he entered the Travis County Courthouse.

"I am happy to be getting this over with," he told reporters. "For 18 months, it's been a painful experience for me, my family and my friends. I'm delighted to get it resolved."

The 41-year-old attorney general expressed confidence he will be acquitted.

"The people of Texas know what this fight is about," he said. "I stood up to an oil company and a lot of lawyers."

Mattox was indicted by a Travis County grand jury in September 1983 on a charge of commercial bribery, a felony that carries a maximum penalty of 10 years in prison and a \$5,000 fine.

According to the indictment, Mattox threatened to put the Houston law firm of Fulbright & Jaworski out of the lucrative government bond business unless one of its partners, Thomas McDade, dropped plans to question Mattox's sister,

Janice Mattox, in the Mobil case. McDade represented Mobil Oil, the target of a \$1.7 billion lawsuit filed by Mangas. The attorney general's office had sided with Mangas in the lawsuit.

Mattox, talking with reporters during a break Monday, denied ever threatening to damage Fulbright & Jaworski's bond business. And he said the case never should have gone to trial.

"We've got rapists and robbers running loose on the streets," he said. "And here we are spending a lot of the taxpayers' money over what amounts to some lawyers' ponding on a table."

When the trial is over, Mattox predicted, "I'll be a hero because people understand that I'm standing up to Mobil Oil and the big boys." See MATTOX on Page 5A.

### INSIDE

#### SMU loses again

Baylor beats 9th-ranked SMU, 94-90, Monday — the third straight loss for the Mustangs.

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#### Fair

Dallas-Fort Worth area — Fair and cold through Wednesday. High Tuesday in the lower 50s, and Wednesday in the mid-50s. Lows in the 30s. Sunday's high: 47. More weather on Page 22D.



The Dallas Morning News: Lou Cooper

Attorney General Jim Mattox enters the Travis County Courthouse in Austin Monday before his trial begins.

SEPARATE & UNEQUAL: SUBSIDIZED HOUSING IN AMERICA

# Segregation hasn't died in East Texas

Continued from Page 1A.

The federally subsidized rental housing of East Texas.

Many East Texas towns have made great progress in other areas of race relations, from peacefully desegregating public schools to electing blacks to public office.

But 21 years after Congress prohibited racial discrimination in all federally assisted programs, the vast majority of federal rent-subsidy housing projects in East Texas remain racially segregated, according to an investigation by The Dallas Morning News.

In a survey of 182 projects in 43 East Texas counties, The News found that 149, or more than 80 percent, were racially segregated. The survey was based on data collected by investigators of the U.S. Department of Housing and Urban Development which funds and oversees more than 90 percent of all federal rent-subsidy housing in the nation.

HUD is responsible for enforcing congressional anti-discrimination laws in federally funded housing. Yet the agency's own reports show that a succession of HUD officials knowingly ignored for two decades the illegal segregationist policies and other discriminatory practices of many East Texas housing officials.

The News visited federal rent-subsidy housing projects in 11 East Texas towns and found that, without exception, the black projects were inferior to the white projects in location, condition, amenities and services.

The disparity was best pronounced in towns such as Gilmer and Cleveland where white and black families live in older projects. The more dramatic inequities exist in other such as Texarkana and Port Arthur, where a new pattern of racial separation has developed in recent years that is significantly more unequal in the housing provided to blacks — both families and the elderly — and elderly whites.

In each of the 11 towns, whites controlled the boards of commissioners that operate housing authorities. In many towns, blacks have never served on the policymaking boards despite the fact that as many as half of all public housing tenants are black.

Racial discrimination is practiced in many ways in East Texas' federally subsidized rental housing. Among these discriminatory practices found by The News and federal investigators are:

• In Port Arthur and Texarkana, almost 600 black households — families and elderly alike — live in four 38- to 48-year-old projects. The projects are occupied exclusively by blacks, are in predominantly black neighborhoods. In the Gulf Coast refinery town of Port Arthur, all-black Carver Terrace has relatives as neighbors. Texas on the north and Gulf on the west.

Since 1974, the two cities' housing authorities and former Port Arthur Mayor Lloyd Hayes have built four major federal rent-subsidy developments, and 95 percent of the newly 800 elderly-unit apartments are occupied by whites.

These tenants are provided with community centers, central air conditioning and heating, sophisticated emergency alarm systems, security guards and government-subsidized meals that cost less than \$1. None of the black-occupied projects receives these services, although rent guidelines for all eight projects are the same.

"I don't think any of these things (inequalities) are accidental," said Robert Mistry, a black real estate broker and former City Council member in Port Arthur. "It seems as if they are trying to revive segregation informally. Why can't that monitor from HUD see these things?"

In Trinidad, a rural town in a methane-producing, hilly area of Henderson County, the housing authority divided families for 13 years into two white projects and one black project, Birdsong. While building a new project in 1979 primarily for the elderly, the all-white board of housing commissioners evicted black tenants from Birdsong for at least 18 months and replaced them with elderly whites, a HUD investigation revealed.

Blacks were allowed to move back to Birdsong only after the new project was completed in August

1980 and the elderly whites at Birdsong relocated to the new project, HUD records show.

In an interview with The News last year, housing board Chairman Eugene Berry acknowledged the exodus of blacks from Birdsong, saying the new project remains all-white. Berry said the black tenants left to take advantage of federal "welfare" — free homes and home improvement grants — and returned because "the black population grew and they needed a place to live." He said Trinidad had overcome its racial problems, but said, "Now some of these other (East Texas) towns are definitely as racist as the one that was."

• In Mabank, a small town on the blackland prairie of southeast Kaufman County, blacks were not allowed to live in public housing from 1966 through 1982. "Blacks either were not suitable or could not pay much rent," former housing authority Director A.J. Halbrook told HUD during a 1982 investigation.

The federal housing agency found that local blacks, unable to get in public housing, lived in dilapidated dwellings that are "not served by the public water and sewer systems, and the roadways are almost impossible to travel by car or on foot." The housing authority later agreed to admit black tenants, and today houses three families in a 16-apartment family project opened in 1986.

George Crow, the current housing director, recently told The News that he expects a 5-year-old, elderly-only development of 30 apartments built under the Section 8 program to remain the way it is — all white.

"Nobody has the problem in the Section 8 (program) of having to bring the matter there in," said Crow, director since 1983. He said there had been problems with the black tenants, "but the board of commissioners got pretty rough with them. In their lease it specifies that they're not to behave themselves."

Crow says he is confident about future relations with the black tenants. "If we can scare the people, use a little scare tactic," Crow said, "you know, to keep them in line."

Some former HUD officials have acknowledged that they permitted East Texas housing authorities to continue illegal policies of segregation. One justified his actions as an unfortunate but necessary "moral decision."

A recent federal lawsuit in East Texas has forced HUD to address its two-decade-old legal mandate to eliminate racial discrimination. In February 1984, HUD Secretary Samuel R. Pierce Jr. sent a memorandum to the agency's Fort Worth regional office, which is charged with enforcing anti-discrimination laws in a five-state region that includes Texas.

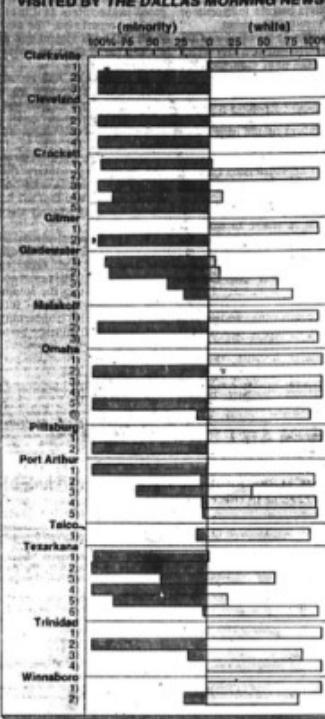
"This inaugurates a more comprehensive and intense response to the persistence of segregated public housing than the department previously has undertaken," Pierce wrote. "Our imperative task... is to



Opal Davis... "Blacks will live anywhere, but the white folks won't let us."

## SEGREGATION IN EAST TEXAS FEDERALLY SUBSIDIZED HOUSING

RACIAL MAKEUP OF 13 AUTHORITIES VISITED BY THE DALLAS MORNING NEWS



Subsidized housing projects: 182  
 Segregated projects: 149  
 Percentage of projects that are segregated: 82%  
 Tenants in subsidized housing: 6,900  
 Tenants who live in segregated projects: 4,881  
 Percentage of tenants in segregated projects: 70%



\*Port Arthur includes three Section 8 New Construction projects: number four and five, which are privately-owned, and number two, owned by the housing authority.

ensure immediate and steady progress toward correction of the condition that offends the Constitution."

Top HUD officials told The News that the agency's new get-tough attitude was prompted by the federal lawsuit Young vs. Pierce, a lawsuit that could unravel East Texas' system of racial segregation.

First filed in 1980 against HUD and the Clarksville Housing Authority, the class-action suit later was expanded to include 82 housing authorities in 36 East Texas counties.

The lawsuit drew national attention in December 1983 when U.S. District Judge William Wayne Justice of Tyler ordered 25 white households to change apartments with 25 black households in Clarksville's segregated system of public housing. Justice gave the housing authority two weeks to achieve his integration plan.

When The News visited 13 East Texas towns in February and March 1984, most current and former housing authority officials denounced Justice's action.

"He (Justice) doesn't even have both of his ears in the water," said Irvin Powers, who heads the board of commissioners that operates the segregated system of public housing in Cleveland, a member town of 4,500 in liberty County north of Houston. Cleveland Mayor Ronnie McWaters said that if Justice ordered Cleveland to desegregate its

public housing, "we'd probably fight it."

The whites who for decades have operated public housing in Gilmer, Cleveland, Omaha and other East Texas towns spoke openly of their commitment to maintain segregated housing.

"They denounced integration as unpopular, unworkable and, in the words of Johnnie Mae Parker, the former chairman of the Omaha Housing Authority Board of Commissioners, "communitarian."

"I think they (blacks) are perfectly happy with (segregation)," Mrs. Parker said during an interview last year. "They (federal officials) came in and forced us to start mixing. But I really believe the board would like to keep it (public housing) that way (racially segregated)."

Mary Sue Joyner, agreed with Mrs. Parker. "Unless we're forced to (integrate), I don't see why we'd have to," said Ms. Joyner, a white who has lived in Omaha's segregated public housing for 16 years.

"Now, if it would be absolutely necessary, if the courts and a judge said so, then we'd have to," she said. "But I don't see any point in it."

In Title VI of the 1964 Civil Rights Act, Congress banned racial discrimination in all federally funded programs. A year later, HUD was created and charged with enforcing Title VI in federal rent-subsidy housing. HUD issued regulations prohibiting any action that would "subject a person to segregation or separate treatment in any matter related to his receipt of housing."

In the Fair Housing Act of 1968, Congress told HUD to act "affirmatively" to remedy the effects of past racial segregation and discrimination.

But in East Texas, federal housing officials continued to build and fund rent-subsidy housing projects knowing they would be segregated, according to the agency's own records and statements by former HUD officials.

Leonard Chaires' duty as director of HUD's fair housing office for the Southwest from 1974 to 1983 was to enforce those laws. But in an interview last year, Chaires said HUD enforcement "has been totally ineffective in terms of doing justice to the live-at-risk region."

Chaires said most housing authorities reinforce segregation by treating white and black projects unequally. "The most important reason that whites won't come by (housing projects occupied by) blacks is that they live in projects that are better than the black projects," he said.

Another former HUD official conceded that he authorized funds for projects throughout East Texas knowing they would be racially segregated. Irving Statman, who was director of HUD's Dallas-area office during the last three years of his 1971-1982 tenure there, said in a 1980 court deposition:

"We had our choice of either agreeing with it (segregation) or not funding it... And if we didn't, that meant no projects being built. Consequently, in my opinion, we had to make the moral decision. And that moral decision was, are we going to produce housing... (that had) a propensity to become segregated or not produce any housing."

Accustomed to federal acquiescence, many current and former East Texas housing officials consider segregation part of society's natural order.

"I don't think they (blacks) are happy at all living together (with whites), at least in the South," said H.V. Bushman, who for 10 years was chairman of the housing authority board of commissioners in Talco, an oil town of less than 1,000 in North-Central Texas. "That's the way it is."

Mrs. Powers, who heads the Cleveland Housing Authority board, concurs: "They live over there across the tracks because that's where they want to live," she said. "We live over here because that's where we want to live."

"We don't have any racial problems in Cleveland, not really. So let's let it (the segregated system) alone. Let's let it go just like it is."

Blacks, however, tell a different story. "Blacks will live anywhere, but the white folks won't let us," said Opal Davis, who has lived at the all-black Ervin Hill project in Gilmer since 1972.

"The white folks think they're better than the black folks," she said. "All we want is to have nice housing like the white folks."

Joyce Thomas, a community activist in Cleveland, said that the town's racially segregated system of public housing mirrors Cleveland's private housing and that segregation has more than physical effects.

"It plays hell with your psyche," said Mrs. Thomas, an educator with a non-profit job training firm. "It's a conditioning that forces its way into your mind and, after a while, it can paralyze you. I've seen this happen with a lot of the black residents in the housing authority."

"I don't think the races have to live together for there to be equality. But the opportunity should be there. It's not now."

Many whites contend public housing in East Texas is separate but equal. But in visits to 13 towns, The News found that every white complex was superior in condition, location and amenities.

The white project in Gilmer is Sorrells Park, in which whites occupied all 92 apartments when The News visited in February 1984.

The brick duplexes and quadrangles are set on gently sloping hills in a predominantly white neighborhood, and the housing authority office is within the complex. Streets surrounding and entering the development are paved. Apartments are connected by concrete sidewalks, surrounded by maintained landscaping and illuminated with extensive lighting. A shopping center is nearby.

"I love it here," said Mabel O'Neal, who has lived at Sorrells Park for four years. "To me, it's heaven to be here."

Ervin Hill is the black project. Grass is scarce and landscaping non-existent in the 46-apartment complex occupied exclusively by blacks. Sidewalks are scattered. Unpaved streets surround the project on three sides. The main parking lot is unpaved and, on rainy days, becomes a mass of rutted mud.

There are few street lights. There is no nearby shopping center.

Ervin Hill tenants said the Gilmer Housing Authority usually ignores their requests for repairs, sometimes for months, even years.

Mrs. Davis said the heater in her apartment has been emitting smoke since she moved in 2½ years ago. "It gets in my clothes so bad that I have to keep all my clothes in bags to keep the soot out," she said, pointing to the soot-covered walls near her vent.

In her 32 years at the same Ervin Hill apartment, Dorena Parker said the housing authority has never painted it. Mrs. Parker, a 71-year-old retired cook, painted the apartment herself. She said she tried without success for several months to get the authority to repair her leaking toilet.

When interviewed last year, Mrs. Honeycutt, Gilmer's housing director, said a black had never served on the housing board of commissioners since the authority was formed in 1952.

Mrs. Parker is not optimistic a black will be appointed. "Everything in Upshur County is tilted in favor of the whites," said Mrs. Parker, who was born and raised in Gilmer. "The housing authority isn't no different."

Texarkana is a divided city, cut in half by the Texas-Arkansas state line. Please see MANY on Page 5A.





SEPARATE & UNEQUAL: SUBSIDIZED HOUSING IN AMERICA

Many officials defend segregated housing

Continued from Page 8A.

line. Public housing in Texarkana, Texas, also is divided, not so much by geography as by color of skin.

Elderly white tenants occupy all but four of the 126 apartments in Robinson Terrace, an 11-year-old, high-rise development owned by the Texarkana Housing Authority.

The authority provides Robinson Terrace tenants with conveniences and comforts not found in any of East Texas' older family projects, white or black — central air conditioning and heating, remote security systems, a community center and 70-cent, federally assisted lunches five days a week.

"I think it's an ideal place for senior citizens," said Bertha Payne, who has lived at the high-rise for 11 years.

The vast majority of black families and elderly in Texarkana's public housing live in three projects: Stevens Courts and Bowie Courts, each 43 years old, and 31-year-old Griff King Courts. Located in a predominantly black neighborhood, the projects almost exclusively are non-white. Blacks occupy 17 of 375 apartments.

Exteriors of the multi-story brick buildings are neat. But the housing authority does not provide these projects with any of the amenities found at Robinson Terrace. And most of the dozen tenants interviewed by The News said the housing authority does not maintain the projects.

"The heater isn't good," said Altona Hill, a 61-year-old resident of Stevens Courts. "I have to turn the oven on to stay warm enough."

Housing Director Robbie Hayes said the authority does not try to maintain segregation in its projects, but HUD found otherwise in 1982.

Federal investigators said the authority was steering tenants — resulting in a pattern that perpetuates blacks being assigned to locations where their race predominates and the same for whites.

None of the elderly black tenants interviewed by The News said they had ever been offered an apartment at Robinson Terrace.

Ms. Hayes said there is a simple explanation for the almost total absence of blacks at Robinson Terrace — they are afraid of heights.

"Blacks won't take it," said Ms. Hayes, who has headed the housing authority since 1979. "It's a history high-rise, and they're scared of it."

J.A. Pollard, the first black to serve on the Texarkana housing board of commissioners, said whites tried to frighten blacks away from Robinson Terrace. "Whites would tell the (black) people that the high-rise was dangerous, while they (whites) were filling it up," he said.

Pollard, a commissioner from 1970 until 1982, said he reportedly clashed with other commissioners and staff members over the housing authority's discriminatory treatment of black tenants and applicants.

"We got some change, but very little," he said. "This has always been a segregated system."

Racial segregation in public housing has been a way of life throughout the South for decades.

In 1962, every public housing project in the South was segregated except one, according to the federal "Trends toward Open Occupancy Report" issued that year. Two black families lived in a 50-apartment project in Crystal City, a Southwest Texas town.

In East Texas, segregation was not practiced covertly. Housing authorities in Texarkana, Port Arthur, Gilmer and virtually every other East Texas town followed policies based on race.

"When we talk about segregation in public housing... in East Texas, we are talking about segregation within a system and, literally, segregation in terms of blacks over here, whites over there," said HUD General Counsel John Knapp, the agency's chief legal officer, in a recent interview with The News.

"More specifically," he said, "we are talking about that condition resulting from some official choice made at some point... And the view that's animated what we have been doing in East Texas in terms of what constitutes the violation (is) the same as the view of segregation in the public school system."

East Texas housing authorities, as a matter of policy, continued to segregate tenants for years, even decades, after the practice was banned by law. A 1979 HUD investigation revealed that the Port Arthur Housing Authority followed a policy of racial segregation until 1969, five years after Congress prohibited discrimination in all federally funded housing. The Texas Housing Authority had an official policy of racial segregation until 1980, housing board chairman Berry told The News in February 1984.

Some East Texas housing authorities openly violated federal laws. In 1978, a federal housing investigator visited the small Northeast Texas town of Talco and questioned why, in 15 years, a black had never lived in its only public housing project. Talco Housing Authority Director Ida Welch told the federal investigator that "there were no blacks in the project, (the authority) did not want them and if there was a vacancy available, a white person would be put in right now."

In an interview in February 1984, Mrs. Welch said the housing board of commissioners had a policy toward black applicants: "They just didn't let any in."

However, under pressure from HUD, Talco housing officials reluctantly allowed a black family to move into the project in 1983. Bonham, one of the commissioners who fought for years to keep the project all-white, said he hopes that one black family will be the extent of integration in Talco's public housing.

"I only know of one black, and she's old, that lives in Talco that I'd want her next door to me," said Bonham, who served on the housing board of commissioners from its inception in 1962 until 1979. "That's one out of all the blacks in Talco. She's the closest thing you ever saw in your life, and there are so many that are not clean."

What he meant was that the town's schools have been integrated since 1962. He was fired. Or lives in Malakoff, a small rural community south of Dallas in Henderson County. Orr, a black, said Malakoff has made great progress in many areas of race relations. The town's schools have been integrated successfully, and blacks have been elected to the City Council and the school board. But public housing has remained segregated.

A 1982 HUD investigation found that blacks had been restricted for 18 years to Barton Courts, an eight-apartment project in a predominantly black neighborhood. Terry Plaza, a 38-apartment complex that underwent a major expansion in 1980, had been occupied exclusively by whites, HUD found.

When The News visited Malakoff in February 1984, housing Director Jeanette Quinn refused to meet to discuss more recent racial occupancy figures.

But HUD investigators found in 1982 that Malakoff housing officials were maintaining segregated public housing by overserving elderly whites. Of the housing authority's 46 apartments, elderly whites lived in 28, and 10 of these elderly tenants occupied apartments designated for families, the HUD investigation revealed.

The housing authority's segregationist practices resulted in blacks being significantly underserved, HUD reported. Although they occu-



Residents at the Heatherbrook Retirement Village, a housing project in Port Arthur, Texas, exercise in their community center.



At the Carver Terrace project in Port Arthur, the street is the playground.

Bonham and many current East Texas housing officials said school desegregation, ordered by the Supreme Court in 1954, posed few problems.

"We've never had any problem in school integration," said Bonham, who was housing board chairman for 10 years. "The 'nigra' school was frequent, and so we faced having to build them a new school. So we integrated."

Like many current and former East Texas housing officials interviewed by The News, Bonham views integrated housing as the first step toward what he regards as the worst of social problems: interracial marriage.

"I do not believe in the mixed races, marriages in the mixed races, which is what it is going to be," he said. "Children associate together as they are small. When they are

young, they do not know the difference (between black and white). And if they are brought up that way, there would be no difference whatsoever."

Leo E. Orr knows the inherent danger of trying to integrate public housing in East Texas. He was fired. Or lives in Malakoff, a small rural community south of Dallas in Henderson County. Orr, a black, said Malakoff has made great progress in many areas of race relations.

The town's schools have been integrated successfully, and blacks have been elected to the City Council and the school board. But public housing has remained segregated.

The housing authority's segregationist practices resulted in blacks being significantly underserved, HUD reported. Although they occu-

ried 17 percent of the available public housing, blacks made up almost half of those in Malakoff living below the poverty level.

In 1978, after having served on the Malakoff's housing board of commissioners for six years, Orr decided a change was needed. After all, said Orr, a retired city judge, "it was common knowledge that (Malakoff's public housing) shouldn't be a segregated entity."

A private developer was planning to build a new federal rent-subsidy housing development, and the housing commissioners were to vote on the site of the project, which often determines its racial makeup.

Orr and two other commissioners voted to locate the development in a so-called "gray," or integrated, area of Malakoff. That's when Orr said "he ran about of Finis Hardy, then Malakoff's housing director."

"Finis Hardy fired us because of the way we voted," Orr said. "He (Hardy) phoned me and told me I couldn't be on the housing authority board anymore because of a conflict of interest." Orr said the real reason he was wanted from the board was his vote. He said his supposed conflict of interest, his serving as both a city judge and a housing commissioner, had existed for four years without being questioned.

Hardy declined to be interviewed, despite repeated requests by The News.

Orr has no regrets about his vote. He said the subsidized project was built in an integrated area and was successfully integrated. But, he said, the two public housing projects still are operated on the same old principle of racial discrimination.

"Integration will work. I can tell you. I've seen it work," Orr said. "Housing has been segregated more because of attitude than anything else. But people are not segregated in their hearts. It's stuff on the outside that makes them do this."

SEPARATE & UNEQUAL SUBSIDIZED HOUSING IN AMERICA

After a lawsuit led to mandatory integration in an East Texas town in December 1983, The Dallas Morning News began investigating federally assisted housing. The 14-month inquiry ultimately covered 47 cities from the Northeast to the West Coast. It included interviews with hundreds of tenants in public housing, current and former officials of local housing authorities and the U.S. Department of Housing and Urban Development, and private housing experts. Additionally, thousands of documents were acquired from federal agencies through the federal Freedom of Information Act.

- Sunday — National overview
- Monday — Winners and losers
- Tuesday — Jim Crow in E. Texas
- Wednesday — De ghettoization
- Thursday — Focus on Dallas area
- Friday — Housing enforcement
- Saturday — Studies in failure
- Sunday — Prospects for future

Can integration work? Some officials say no, some yes

By Craig Flournoy

Staff Writer of The News

CLEVELAND, Texas — This is the story of five women and one question: Can housing integration work?

Alice Dougherty and Irma Powers, both white, have almost two decades of combined experience operating public housing in this East Texas lumber town of 6,000, about 60 miles north of Houston. Their answer is no.

"It just won't work," said Mrs. Powers, chairwoman of the Cleveland Housing Authority Board of Commissioners. "Their ways of living are different from ours. Their churches are different from ours. They have different morals. The blacks have always just lived together. They didn't think about getting married."

"If I had a rent house, I wouldn't want to rent to them," said Mrs. Powers, a gray-haired woman who chain-smokes as she talks. "They don't have any morals, really, the biggest part of them don't they don't?"

Mrs. Dougherty has handled the daily operations of Cleveland's public housing since the black executive director of the housing authority in 1972. She opposes recent fed-



Veronica Clark (left) and her children, Susan McGinnis and her son, Joshua, in the integrated Park Place Apartments in Cleveland, Texas.

eral efforts to desegregate public housing in Cleveland. When The Dallas Morning News visited the town in March, the housing authority owned and managed two all-white projects and two all-black projects.

"What the hell is so wrong with

what we're doing?" Mrs. Dougherty asked. "We're not punishing anybody. What are we doing here, reverse discrimination or some-

thing?" But Helen Greene, Mrs. Dougherty's daughter-in-law, said integration works. She manages the Park Place Apartments, a 2-year-old federally subsidized development that is privately owned.

"There's been no problem so far," said Mrs. Greene. "Everyone seems to get along fine; it's worked beautifully."

Under her direction, Park Place has been integrated almost from the day it opened. In March, there were 50 white, eight black and two Hispanic households.

Mrs. Greene dismissed concerns that whites and blacks are inherently incompatible. "Whites and blacks are no different," she said. "God made us all equal, the color of the skin has nothing to do with it."

There are two other women in this story, both tenants at Park Place. Mrs. McGinnis, the young black woman said resistance to integration is unwarranted.

"Those are old people's fears," said Mrs. Clark, cradling her 7-year-old son, Edward, and watching her 5-year-old twins, Shunterio and Dunterio, at play one evening.

"Whites and blacks can live as well together as they can apart."

Mrs. McGinnis, 19, said she would have disagreed with that statement before moving into Park Place. She grew up in the small town of Splendor, nine miles south of Cleveland, where she said she had had little contact with blacks and had absorbed a large dose of racial prejudice. Then she moved to Park Place and met Mrs. Clark.

"Now that I've met some blacks, it's opened my eyes," said Mrs. McGinnis, sitting in an overstuffed chair in her apartment and feeding 5-month-old Joshua. "Blacks are just like us. I do believe if we were all together — no black section, no white section — that things would be a lot better."

She said she will try to instill these attitudes in her son.

"I'm going to teach him it's OK to go to school with people of different colors," said Mrs. McGinnis. "The main thing is Don't judge anyone by the color of their skin."

Mrs. Clark, 24, has become friends with her neighbor, particu-

SEPARATE & UNEQUAL: SUBSIDIZED HOUSING IN AMERICA

Clarksville adjusts to order to integrate projects

By George Rodrigue

CLARKSVILLE, Texas — This Red River County town, traditionally bound even by Northeast Texas standards, is an unlikely setting for social revolution.

The town square is dominated by a courthouse built in 1885 and by a memorial to Confederate war dead.

But last winter this community of 4,500, where many older residents still use the term "colored" in a polite reference to blacks, became the first town in East Texas to fully integrate its public housing projects.

Like everything in Clarksville, the two 52-unit housing projects are within walking distance of each other but until last winter they might as well have been in different countries.

One, with a manicured lawn and well-kept ranch-style apartment buildings was all white. The other, tucked off a dirt road with ruffled-overgrown yards, cracked floors, decrepit kitchen and unvented wall heaters, was all-black.

Clarksville's Housing Authority Executive Director Rosemary Cassick, who directed the project, said she had to fight to get the projects integrated.

In 1980, two local black women, Vickie Young and Victoria Wyatt, sued the Clarksville Housing Authority and the U.S. Department of Housing and Urban Development.

The women claimed that for years they were denied housing in vacant apartments in the white complex. In December 1981, U.S. District Judge William Wayne Justice Jr. ruled for the women. He ordered the city to accept 25 blacks and 25 whites.

households, whose names were drawn out of a hat, to switch projects or to leave public housing. He gave Clarksville's housing authority two weeks to carry out the order.

Justice's order made Clarksville a national symbol of rigid segregation in public housing — a condition that HUD Secretary Samuel Pierce said "offends the Constitution." It also served notice to other authorities and to HUD that unless changes were made, they, too, might feel the wrath of the courts.

Justice's order prompted HUD to launch a national investigation of public housing segregation, said Antonio Monroe, HUD's assistant secretary for fair housing and equal opportunity.

"The reality of Clarksville moved as to do something," Monroe said. "Maybe it has been a blessing in disguise. Not for Clarksville, but for all the other housing authorities and for us, too. We can say, 'Either you act or you get Clarksville.'"

Initially, Justice's order appeared to be a prescription for failure. Black and white tenants mixed it with shock and bitterness, which they vented to the national media as they tearfully approached moving day. But months later, tenants said they had managed to adapt.

Clarksville Mayor L.D. Williamson had predicted shortly after Justice ruled his order that the projects would start half empty because the races would not mix together. "We can't achieve a 50-50 racial balance if people refuse to live there," he had said.



L.D. Williamson

Last month, the mayor said that the ease of integration had surprised him. "At first, I didn't think that we would be able to get anyone to go over there [to the black project]. But some of the younger people have not objected," he said.

All 25 black households selected for the move came to the white project because they had no alternatives. Ms. Caviness said. Twenty of the white households selected to move chose to leave public housing. Three moved into Elderberry Center, a federally subsidized all-white elderly project in Clarksville.

"I wouldn't have wanted to go over to that part of town even if it were the rest (white neighbors) had gone over there," said Edith White, a former resident of the white project who moved into Elderberry.

Less Webb, one of the whites who would not stay in the white College Heights project,

agrees. The move has not been good for anyone, she said last year.

HUD officials who implemented Justice's order to move the black tenants, she said, "are from some place that doesn't understand them."

"We had people from Washington," she said. "They don't know how a nigger lives or nothing. They have a lot of them living there, but they don't live like ours."

Ms. Webb said that most of the white tenants have cars but that most of the blacks do not. Elderly tenants at College Heights, about nine blocks from the grocery store, must have cars to shop, she said.

"If they come down here and want me to take them into town or they're stuck or something, I'll do it," Ms. Webb said. "But as for having them come in to spend an afternoon or a social hour, forget it. It happens some places with blacks and whites. But we are not going to have anything like that."

Mary Black, one of the blacks who moved to College Heights, said that by last summer she already had socialized with many white tenants, including Ms. Webb, who often advised her on her vegetable garden — which looked green enough to be artificial.

When she learned she had to move, Ms. Black said, "We about cried. I begged, 'Can't we stay?'" Since then, she said, she has learned to appreciate the peace and quiet of College Heights.

She said her major regret is that she is too frail to walk to visit her friends or to shop. "I tried walking one time. My knees hurt so bad I'm

not going to try that anymore," she said. She pays a friend \$1 or \$2 to run errands.

Racial harassment of blacks has been negligible, according to tenants and housing officials. Alberta Lott, a black woman who moved to College Heights, said she has been troubled only by a few elementary school children.

"One child said me, 'I got a BB gun,'" she said. "I said, 'I ain't got no BB gun, but I got one that shoots lead. It'll tear your butt up.' And I ain't seen him again. Sure, I've got a gun, but I wasn't going to shoot him. I just wanted to let him know."

Ms. Lott said her white neighbors and Ms. Caviness have been supportive. "Ms. Rosemary's a nice lady. I used to work for her when I was younger, in her house," she said.

She and Ms. Black said they agree with the point that Justice was trying to make, but wish they had not been uprooted. "If they had started (integration) when they first built them, then I think everyone would have been all right," Ms. Lott said.

Ms. Caviness said it took until summer to fill the units reserved for whites at the formerly all-black Cheatham-Dryden Center. "The more whites I got in the area, the center it was to fill the rest of them," she said.

Keeping the apartments occupied should become easier after a modernization campaign brings "the condition of that project up to the white," Ms. Caviness said. Mayor Williamson said the town has cooperated with inte-

gration efforts by paving streets and installing sidewalks near the project.

Ms. Byrnum, also among the original whites at the project, said that when she learned she would have to move, she wanted to cry. "I'm 60," she said last summer. "I've never been around colored people. Never lived in an area where there were any niggers — I had them sort of figured out as inferior."

Ms. Byrnum, unlike most of her neighbors, was partly disabled, had a job and so car. When she considered that the black project was three blocks from her job and two caded to move, "I figured it would be mighty hard."

"I'm glad I did it," she said, five months after making the swap. "I don't think I'd move back. There, it was more or less elderly women who had their own means of support. And they were kind of snotty, so I got it plainly. Here, I find the people friendly."

"I had just figured that they weren't as good as we are. Growing up, you were sort of taught that blacks weren't as good. If you have never known a colored person and you hear this and that and the other, well, you believe it."

"But they were so nice and kind to me, it started changing my point of view. You get your Bible and you start reading it, and in God's eyes we're all equal. Now, say if one of them came in and needed me to help them, anything I could do, I would just go ahead and help them if I could," Ms. Byrnum said.

"And I kind of think that they would do the same for me."

White Port Arthur families pinched by housing separation

By Craig Flournoy

PORT ARTHUR, Texas —

Mabel Davis remembers the good years back when the J.W. Long Apartments, where she has lived for 40 years, were the white housing project in this Gulf Coast oil refining town.

When it was white, the streets were clean, they were quiet, it made a nice place to live, said Mrs. Gray, a white woman who reared six children at the Port Arthur Housing Authority project. "I feel sorry for the kids here — black and white."

Today, the development, once exclusively occupied by whites, has a residency that is more than 90 percent minority. The remaining white tenants in the project fear it is just a matter of time before Long's two-story, orange brick buildings become exclusively occupied by minorities.

The white families of Long are casualties of change. Under Port Arthur's previous formal system of racially segregated public housing, the white project had been superior to the city's black project in location, conditions and amenities.

But that old system has been replaced in recent years. In the new pattern of racial separation, blacks are concentrated in the city's best deteriorating projects while elderly whites occupy hundreds of new, well-appointed federally assisted apartments.

The new arrangement has left white families with only a handful of apartments in the Long project. The other Port Arthur project, Carver Terrace, is all black.

"When I first moved here, most everyone out here was white," said Barbara Blanch, who has lived at Long for seven years with her 15-year-old daughter. "But now I'm one of the few whites left. They don't want to move any white people in here anymore."

Housing director James Hawthorne said in an interview last year that the authority does not try to maintain racially segregated projects. However, the U.S. Department of Housing and Urban Development cited the authority in 1982 for offering and assigning apartments at the city's all-black project

During the last six years, the housing authority and former Port Arthur Mayor Lloyd Hayes have built three elderly-only developments. Though blacks make up 49 percent of the city's population, they are conspicuously absent in the three developments. There are 841 apartments, 95 percent of which are occupied by whites.

The privately and publicly owned, subsidized developments provide elderly tenants with conveniences and comforts that have been provided in past years to the older white and black family projects.

The F.W. Collins Apartments, a five-story, elderly-only development owned by the housing authority, is equipped with central air conditioning and heating, washers and dryers on each floor and a sophisticated security system manned by a guard each night.

"This is ideal for me," said 66-year-old Irene Wright, who has lived at Collins for three years. "I'm going to stay here until I can't see."

The Carver Terrace housing project is on the periphery of two

refineries. Residents there complain that their requests for better maintenance and security have been ignored from the time the project opened more than 30 years ago as Port Arthur's designated black project.

Gerald Thornton, a 33-year-old serviceman who was rooted in the all-black project, says a correlation between the deteriorating conditions at the Long project and its increasingly minority makeup

than Carver," said Thornton. "There wasn't any comparison between the two, just like there's no comparison between Carver Terrace and Collins today. Things haven't changed."

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## Voters approve Dallas school bond package

### \$195.5 million issue carries by nearly 2-to-1



Suzy San Miguel, 9, a fourth-grader at John F. Peeler Elementary, celebrates a vote tally announcement at the pro-DISD bond package party downtown Tuesday.

By Karel Holloway  
Staff Writer of the News

The Dallas school district continued a winning streak Tuesday as voters approved the biggest bond package in the district's history.

Voters approved the \$195.5 million proposal by nearly a 2-to-1 margin. The final tally — with all precincts reporting — was 28,954 in favor and 15,396 opposed.

Despite a two-month publicity campaign, slightly less than 10 percent of about 400,000 registered voters in Dallas cast ballots. Bond backers said they were pleased that the issue passed even with such a small turnout. They had been hoping for at least 80,000 ballots.

No Dallas school district bond proposal ever has failed, school officials said.

"It speaks well for Dallas," Dallas School Superintendent Linus Wright said. "They (voters) have never failed to furnish the funds."

Rodger Meier, chairman of Friends of the Dallas Public



#### SCHOOL BOND VOTE AT A GLANCE

(214 of 214 precincts reporting)  
To approve \$195.5 million in construction and repair bonds for the Dallas school district.

For . . . . . 28,954 — 65.25%  
Against . . . . . 15,396 — 34.75%

■ Precinct-by-precinct results 8A  
■ Low turnout brings relief 8A

■ Reaction to DISD election 8A  
■ Lancaster school bonds approved 8A

Schools, which spearheaded the campaign for the bonds, said he was pleased that the issue passed by

such a wide margin despite the low turnout. Before the election, Meier said he thought the vote might be close, particularly if the vote total was low.

Although the proposal attracted little organized opposition, Meier estimated his committee spent about \$300,000 on advertising, phone banks, mail and other campaign costs.

"This is one of the greatest investments this community could ever make for all the people in Dallas, whether they voted for it or not," Meier said.

School board President Leonard Clegg, one of about 400 people at a victory celebration Tuesday night at Union Station, said he is pleased with the bond's passage.

"You have put a tremendous responsibility on us, but I want to use the words of Jackie Gleason: 'How sweet it is,'" Clegg said.

L. E. Guillot, leader of a small opposition group called Friends of the

Please see VOTERS on Page 8A.

## STUCK IN THE GHETTOS

Failed policies keep minorities in 'hidden city'

Fourth in a series  
By George Rodriguez  
and Craig Flournoy  
Staff Writers of the News

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When former Michigan Gov. George Romney took charge of the nation's housing programs in 1969, he felt a "moral, social, economic and political" duty to reverse decades of discrimination that had

### SEPARATE & UNEQUAL



SUBSIDIZED HOUSING IN AMERICA

- Score tactics greet newcomers. 15A
- Racial data not compiled. 16A
- Woman kept on waiting list. 16A
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- County doesn't provide units. 17A

warehouse America's poor in decaying central cities.

The future of American cities seemed dependent on the U.S. Department of Housing and Urban Development's success at ending the confinement and deprivation of the poor in high-crime ghettos, said Florence, who served as HUD secretary under President Richard Nixon.

"The reason that we have this pattern of (deteriorating) central cities is that the suburbs wanted to confine to the central city, as much as they could, the problems of the area and then to drain the central cities of their resources, both economic and human," he said in a recent interview.

"I don't think that there was any question that the barriers were to Please see FAILED on Page 14A.



Shinika Hardin, 10, lives in the Elmer Scott project, which is mostly minority-occupied and is located in a ghetto area of West Dallas.

## House advances water plan; fight with Senate looms

By Bruce Tomaso  
Environmental Writer of the News

AUSTIN — The Texas House gave swift tentative approval Tuesday to a statewide water plan that differs sharply from a Senate version, virtually assuring a battle between the two chambers.

The House, with little more than an hour's debate and no roll call vote, maneuvered toward final passage Wednesday of a bill that environmentalists — who embrace the Senate measure — have vowed to oppose.

"The Sierra Club wishes that it could endorse the House version of the water package, but a number of shortcomings in the proposed legislation prevent us from doing so," said Ken Kramer, the club's Austin lobbyist.

Kramer said the House bill, sponsored by Rep. Tom Craddick, R-Molland, gives short shrift to water conservation and 50 protection of wildlife in the state's coastal bays.

Craddick disagreed, calling the bill a good compromise. And House and Senate

### TEXAS LEGISLATURE '85

- Plans for limit on bingo rent dropped. 12B
- County to state. We want out of hiding. 12B
- Presidential primary divides senators. 12B
- Senate OKs inmate transfer bill. 12B

leaders said Tuesday that they remain confident that the differences between the House bill and the one the Senate is considering in committee would be worked out.

"In the spirit of compromise, I think we'll have a bill that will benefit all Texans," said House Speaker Gib Lewis, D-Fort Worth.

And Sen. John Montford, D-Lubbock, sponsor of the Senate version, said, "We're not going into it with an inflexible attitude."

"We feel the need for a water plan is overwhelming to the state."

But even if the Legislature approves a compromise water measure and Gov.

Please see WATER on Page 10A.

## New rival to ruling party emerges in South Korea

New York Times News Service

SEOUL, South Korea — A new party of anti-government politicians picked up surprisingly strong support and emerged Wednesday from general elections as South Korea's leading opposition group.

The ruling Democratic Justice Party, as expected, retained its majority in the National Assembly. But potentially the most significant result of Tuesday's elections was the success of the New Korea Democratic Party, formed by opposition figures who only three months ago were banned from political life by President Chun Doo-hwan.

The new party's strong showing created a possibility that the National Assembly, a fundamentally weak legislature, could become a more-vigorous political forum.

The new group's chief patrons are

Chen's best-known critics, both of whom remain banned from active politics — Kim Dae-jung, who recently returned from exile in the United States, and Kim Young-sam, who spent much of the 20-day election campaign under house arrest.

Kim Dae-jung called the elections a "great victory for the Korean people who are eager to see democracy restored to South Korea."

The election was the only voter test of any kind before 1988.

Chen's ruling party seemed likely to wind up with 149 of the National Assembly's 276 seats, or 2 fewer than it won in 1981.

Preliminary figures indicated that the new group would control 67 seats, the Democratic Korea Party 35 seats, the government-approved Korea National Party 19 seats and smaller groups and independents 6 seats.

## Empire S&L failure sparks push for stiffer law

By Christi Harlan

Staff Writer of the News

AUSTIN — The March 1984 failure of Empire Savings & Loan Association of Mesquite has prompted Texas savings regulators to propose felony criminal penalties for overstating land values in applications for loans from savings associations.

Inflated appraisals, "woefully inadequate record keeping" and other

irregularities found of Empire Savings will be addressed in proposals that will be presented to the Legislature within 30 days, said Texas Savings and Loan Commissioner L. Linton Bowman III.

Empire Savings was closed last March 14 by the Federal Home Loan Bank Board for "questionable lending practices" in the financing of a condominium building boom along Interstate 30 in eastern Dallas

County. Many of the Empire loans were based on inflated appraisals and artificially high land values stemming from multiple sales, or "land flips."

"The lessons learned at Empire have prompted most of the changes," Bowman said. Under the proposed legislation, "overvaluing land or other collateral, submitting false information or destroying records would be fel-

ony offenses punishable by a maximum of 10 years in prison and a \$100,000 fine, he said.

A similar federal statute carries a maximum penalty of five years in prison and a \$10,000 fine. Bowman said the proposed state penalties would "unfortunately not" be retroactive. Under current state law, making a "materially false or misleading written statement" to obtain property or credit

is a misdemeanor punishable by a maximum of one year in prison and a \$2,000 fine.

The proposed legislation also would set stricter guidelines for record keeping, authorize a specific definition of "unsafe and unsound" lending practices and allow state savings regulators to take over a troubled institution without obtaining the directors' permission or reporting to legal action.

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# SEPARATE & UNEQUAL: SUBSIDIZED HOUSING IN AMERICA

## Failed efforts leave minorities in 'hidden city'

Continued from Page 1A. Keep the poor and minorities in the central city," Romney said.

Congress within the last 11 years has appropriated more than \$223 billion for grants intended as incentives to open up the suburbs and for two housing programs that legislators were designed to provide new housing opportunities for minorities.

But racial discrimination, politics, poor program design and inadequate enforcement of federal regulations have maintained the walls around the nation's inner cities.

The Dallas Morning News found during a 14-month study of federal housing policies. Indeed, some efforts to open up the suburbs by forcing restrictive rather than expanding the housing options for black and Hispanic families, according to The News' own studies of several cities and according to government documents obtained through the federal Freedom of Information Act.

The growing concentration of non-white groups in the hidden city has not one given to list of anyone to the most critical problem facing American cities, the News' said President Carter's urban adviser Richard Nathan.

The phenomenon appears to divide urban metropolitan regions along racial and ethnic-economic lines, Nathan said.

Census figures show that in recent years poverty has become more concentrated within the nation's central cities. In 1975, the percentage of urban blacks in poverty was 26 percent. For whites, it was 10 percent. As of 1981, 30 percent of urban blacks lived in poverty, compared with 11 percent of urban whites.

The government tried to open up the suburbs through new housing programs. But partly because of HUD's active enforcement of its regulations, 85 percent of the tenants in large public housing projects are black, and 90 percent of the tenants in small public housing projects are black, according to government studies.

Robert C. Embury Jr., a former HUD and EPA secretary, who managed the agency's anti-discrimination efforts, said the department's attempts to build housing in white neighborhoods "did waste time."

"The neighborhoods would accept it when they do, it is accepted by neighborhoods anyway," he said.

Current HUD Secretary Samuel R. Pierce Jr. said his agency is committed to efforts to help low-income families obtain housing. He said the "ghetto system" he said encourages "prejudice and discrimination in employment and other sectors all contributing to the circular continuation of the entire harmful process of isolation, segregation and discrimination."

Pierce said his committee is an expanded rental voucher program in which low-income tenants could be able to apply for federal-subsidized vouchers to live in private apartment complexes where they can find affordable rents and close-to-work locations.

But a virtually identical program operated by HUD for the last 10 years has been an almost total failure at desegregation.

A nationwide study of HUD's current Section 8 Existing Housing rent certificate program found that only 1 percent of the households moved from central cities to suburbs. Overall, tenants reported that the neighborhoods to which they moved the rent certificates were no more integrated than the neighborhoods where they lived before they entered the program, the HUD study showed.

Only apartment owners who had failed to build a federally set standard for each market area are eligible to participate in the Section 8 Existing Housing program.

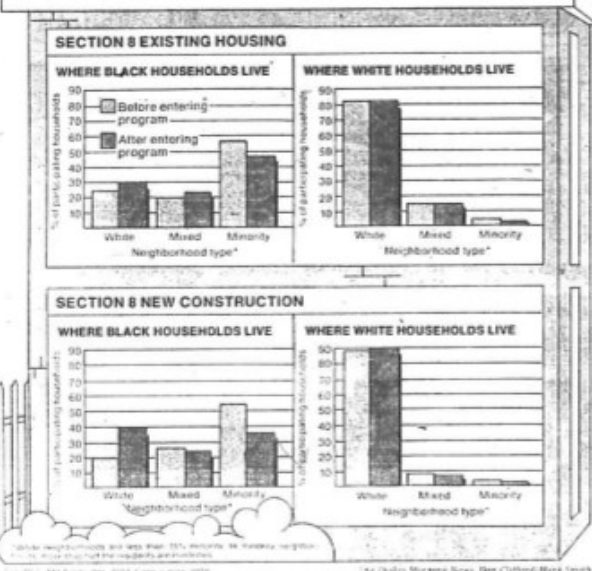
Unintentionally, the federal rent ceiling often mean that poor families can live only in low-income parts of town, said U.S. Rep. Steve Bartlett, R-Dallas.

Even if they could find an affordable apartment, minorities often are turned away by landlords. HUD's last nationwide test of housing discrimination found in 1972 that a black person, visiting on average of four apartment complexes in search of housing, had more than a 70 percent chance of being told to about the availability of an apartment.

Federal administration is likely to be forced to devote fewer resources to the desegregation effort than its predecessors.

Mounting deficits and a commitment to defense spending prompted the administration to slash HUD's proposed fiscal 1986 ap-

### TENANTS' NEIGHBORHOODS BEFORE, AFTER JOINING SECTION 8



Source: Dallas Morning News. See Clipping: Mark South.

proportion by almost 50 percent. The administration does not plan to subsidize construction of new subsidized housing or to authorize money for new rent vouchers until at least 1984.

The News, in reviewing public documents and in its travels to 47 cities across the country, found that many communities employ zoning and building codes to seal off low-income families. The Reagan Justice Department has all but abandoned attacks on those building codes, it has not filed any lawsuits seeking to overturn zoning that has the effect of excluding minorities.

HUD can restrict or refuse to issue a mortgage or deed to help in providing housing for low-income tenants. In the first full year of the Reagan administration, it restricted grants to rent subsidies to cities that had a good record in providing housing for low-income tenants. HUD is restricting grants to cities that have a good record in providing housing for low-income tenants.

In addition, HUD has cut off funds for a counseling and referral program in six major metropolitan areas. HUD has cut off funds for a counseling and referral program in six major metropolitan areas.

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ember 1979 news conference. "I believe that forced integration in the suburbs is not in the national interest."

"There is a good deal of difference between forced integration and forced segregation," said Romney.

Desegregation and expansion of housing opportunities for low-income families were major themes of the 1974 Housing and Community Development Act. Its goals included "the spatial deconcentration of housing opportunities" and "expanding housing opportunities" for the poor. In other terms, housing consultant Orfield said, were "a euphemism for integration."

Congress did not require suburban integration, but lawmakers created several strong incentives for it.

One was the Community Development Block Grant program, which disbursed \$37 billion to local governments through fiscal 1985.

Another was the Section 8 housing program — New Construction, Rehabilitation and Existing Housing — for which Congress has appropriated \$187 billion in long-term obligations over the last 11 years.

Section 8 Existing Housing is the nation's second-largest housing program. It provides 1,940,000 households the opportunity to use federal rent subsidies in any apartment that rents for less than a HUD-set ceiling and that meets minimum quality standards.

Section 8 New Construction and the similarly operated substantial rehabilitation program guarantee private developers federal rent subsidies if they set aside apartments for low-income tenants.

Together, the programs had provided 690,317 occupied apartments as of last fall.

The 1974 act also gave HUD and the U.S. Department of Justice a new and "potentially very powerful" weapon to ensure that cities receiving community development funds did not oppose low-income housing, said Joel Selig, deputy chief of the Justice Department's housing enforcement section from 1975 to 1982.

Congress required cities receiving community development grants to establish Housing Assistance Plans. In those plans, cities are to cite housing needs for low and moderate-income people and to lay out methods with which they will meet those needs.

The plans were binding contracts with the federal government, and cities that failed to file adequate plans or to abide by them could lose grant funds, or being sued for breach of contract, Selig said.

Previous federal regulations required that if localities built low-income housing, they put the projects in predominantly white neighborhoods. The 1974 Housing and Community Development Act was a requirement for a mathematical "fair share" formula based on population.

The community development required participating cities to develop realistic plans for serving housing needs. But it allowed cities up to three years to act on those plans. And even in the face of racialist motivated opposition to new subsidized apartments, HUD sometimes gave substantially more time than that.

In 1977, voters in the affluent Detroit suburb of Birmingham threw a town council out of office after it had failed to veto a plan to rehabilitate what Mayor Dorothy Conrad called "abandoned, crummy houses." The renovated houses would have been used by 53 to 73 families in a new subsidy program.

The township elected a slate including William York, a candidate who asserted at one rally that subsidized housing for families would create a social mixture that, in 90 percent white Birmingham, would be "biologically wrong."

Not until 1982, after the city lost a civil rights suit filed by the Carter administration Department of Justice, did HUD reduce community development grant funds flowing to Birmingham, according to HUD reports.

Cities that built family housing in the early years of the Section 8 New Construction program often did so in ghetto areas. An unpublished 1980 HUD report said that of 29 metropolitan areas surveyed, 12 had concentrated more than 90 percent of their new Section 8 apartments in low-income areas.

The Carter administration increased administrative pressure on localities to disperse housing and to

Five years ago, Dedham, Mass., Town Selectman Charles McGowan drew applause at a council meeting when he proposed obtaining a federal renovation grant for a housing project because HUD would require fair housing guarantees.

Minorities were not living in

At the time predicted the legislation would open up new opportunities.

"It is hoped that this program will not necessarily be a family to a particular project and that it will enable a person to live almost anywhere in the community," said John Tower, then a Republican senator from Texas. "This has obvious advantages in that a person can live closer to work and near shopping, recreation and other services that might have been denied him in the past."

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Please see INADEQUATE on Page 15A.





**SEPARATE & UNEQUAL: SUBSIDIZED HOUSING IN AMERICA**

**Scare tactics greet newcomers**

**Harassment fails to force black family back into Boston ghetto**

**By George Rodriguez**  
*Daily Worker of The News*

QUINCY, Mass. — Shirley Brown can't remember the number of times she's been cursed and threatened since she moved several months ago into the public housing project of this overwhelmingly white Boston suburb.

Groups of whites have broken her apartment windows and shouted obscenities as she waited at bus stops. White motorists have hurled beer bottles as she walked down sidewalks.

Every day for several weeks last spring, her 7-year-old son was beaten bloody by white gang members twice his age.

A city bus driver last summer refused to intervene when a crowd of white youths on a bus taunted her and her three children and showered them with bits of garbage. One put a lit cigarette to one of her daughters' hair.

Mrs. Brown and the handful of other blacks who live in Quincy's Germantown public housing project say the racial harassment is commonplace. Regina Campbell's front door was set afire a day before she was to move in. Ten days later, her home was firebombed. Two white men were convicted of that crime.

Still, Mrs. Brown believes she is fortunate to live in Germantown. Its pastel two-story cottages stand on a beachfront peninsula. From a distance, Germantown resembles a seaside resort. The buildings are weather-tight, and the yards are grass.

In the notoriously tough Roxbury black ghetto where she used to live, Mrs. Brown said, "yards" often were of asphalt littered with broken glass.

For decades, the Quincy Housing Authority virtually excluded everyone except town residents from its projects, giving locals — nearly all of whom were white — first priority for empty apartments. That "residential preference" policy effectively meant no blacks were allowed in Quincy's public housing.

As recently as last summer, the projects were less than 2 percent minority.

Quincy, which abets Boston, is amid a group of cities with a 26 percent minority population. But Quincy is only 4.24 percent black. The 1980 census showed only 233 blacks among the city's 84,743 residents.

For Mrs. Brown, a 29-year-old Georgia native who works as a cook at a nearby suburban Burger King restaurant, the residency policy meant she had to live in places like Roxbury.

"It was scum, really. We had to stay locked inside the house all the time. I had to have my sister go out to get food for me. When I went out for groceries, the junkies would take the bags away from me."

Burglars kicked in the door to her apartment three times, according to Mrs. Brown and her legal secretary, the intruders took her money and some frozen beef and poured milk all over her kitchen floor. Another time, they stole all her furniture, including an eight-chance slot machine. And once a dog pointed its junkie, angry at Mrs. Brown's lack of funds, attacked her with a knife but severely cut himself instead.

"Roxbury was like a Western," she said. "My son, when he was 3 years old, used to sit in the window and point his play gun at people and say, 'Bang, bang,' because that's what he saw other people do. We saw people shot down. My children have heard women being raped. They have seen women and men O.J. (overdose) right in front of our door."

"I think this might be the perfect place for my kids to forget about all those terrible things. If the harassment could be stopped, this place would be perfect."

John P. Comer, who became director of the Quincy Housing Authority in 1982, said the authority never intended to exclude blacks. Officially, Comer believed they should encourage scarce resources for Quincy residents, giving them first crack at available housing, he said. The concept of residential preference, he said, is embodied in Massachusetts' state housing law.

But both state and federal officials have opposed the authority's interpretation of state law, which permits residential preference but bans exclusion of minorities. They argue that the authority's residential preference policy must be considered in light of housing discrimination and the sometimes violent acts of intimidation, including arson, that have kept Quincy white.

The Massachusetts Commission Against Discrimination, threatening to cut off state and federal aid, forced the city in October to accept affirmative action in public housing, employment and contracting.

One local black leader several years ago called Quincy "the most racist city in America." And Jeff Bakken, a white attorney who chairs the housing committee of the South Shore Coalition for Human Rights, said the housing authority had removed the residential preference policy for its federally funded apartments, it had insisted on maintaining the policy for its state-funded units, which Comer said comprise two-thirds of all its apartments.

"It was just designed to take care of our own," Comer said. "If each community would take care of their own, then everyone would be happy."

He said the authority's racial problems are caused by a handful of housing project tenants whom he is determined to prosecute and evict. Comer has received high marks from all sides for the tough steps taken to prevent harassment of the few black tenants.

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As of August 1984, after years of litigation and threats by HUD, blacks occupied only 13 of Quincy's 1,700 publicly subsidized apartments. Through the housing authority, he removed the residential preference policy for its federally funded apartments, it had insisted on maintaining the policy for its state-funded units, which Comer said comprise two-thirds of all its apartments.

"He wants to give up what they have," Comer said. "We don't want Big Daddy standing over us, telling us what to do."

That philosophy, said Greater Boston Legal Services attorney Sue Castellan, who is Quincy's past landlord, is "just dragging" the city. "I think that there has traditionally been a tremendous proprietary sense that this is their housing, as if people who do not live in Quincy were outsiders."



The Germantown project is on a beachfront peninsula in Quincy, Mass., and is mostly occupied by whites.



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In February 1979, for example, the authority signed a fair housing agreement with HUD. It vowed to admit one minority for each three white tenants admitted, and to grant minorities the same priority given to city residents.

But in 1982 federal investigators discovered that the housing authority's all-white board of commissioners had ignored major portions of the agreement, particularly the promise to grant minorities the same preference as Quincy residents, and had disregarded the entire agreement in renting its state-funded apartments.

Many of Germantown's white residents have decried the violence and verbal harassment directed at Mrs. Brown's family and at several other black residents. But several noted, that does not mean they are pleased that minorities are moving in.

"It would be OK so long as not too many come in," said Mrs. Young, who has lived in Germantown for three years. "We have to be a few more than we have now."

Sharon DoCanto, a seven-year resident of the project, agreed. "If there were more minorities, I'd have to leave. I've got two daughters. I'd be afraid they would, you know, get used to the blacks. I couldn't handle that."

Mrs. Brown is aware of such attitudes but said her primary feeling toward most of her neighbors is one of gratitude, for the kindness they have extended to her by addressing "trouble making" children, by saying "good morning," by offering advice on where to find cut-rate prices on groceries.

"I feel that I am out of the ghetto," she said. "I feel like I am moving up, slowly but surely."

**Inadequate enforcement helps keep minorities in inner city**

**Continued from Page 14A.**

In fiscal 1977, the Carter administration's first, it temporarily withheld — or "conditioned" — some portion of the CDBG funds for 26 cities until they complied with equal opportunity or housing construction obligations. By fiscal 1979, the number of cities with conditioned grants had climbed to 60. But under the Reagan administration in fiscal 1984, HUD withheld grants to only four cities for reasons related to housing.

Antonio Monring, HUD's assistant secretary for fair housing and equal opportunity, attributes the decrease, in part, to better performance by localities. But other HUD officials noted that the Reagan administration persuaded Congress in 1981 to largely deregulate the grants.

The Carter administration's arm-twisting was followed by an increase in the share of new apartments that went to families. Elderly-only projects, traditionally filled with whites, had comprised 75 percent of new Section 8 apartments authorized in the first few years of the program. By 1980, according to HUD records, about 55 percent of newly authorized apartments were for the elderly.

HUD also could boast by 1980 that 75 percent of all new and rehabilitated apartments were being built outside traditional ghetto areas, said Glenda Sloane, a housing specialist at the Center for National Policy Review at Catholic University of America Law School in Washington, D.C.

But she said HUD officials under Carter "didn't say who was occupying them — white families and the elderly."

A 1981 federally commissioned study of 16 cities by ABI Associates of Cambridge, Mass., found that low-income families and minorities benefited relatively little from the projects built under the Section 8 New Construction program.

Whites benefited the most, occupying 85 percent of the apartments,

the study found. At 87 percent of the projects, more than 90 percent of the tenants were white.

Often, minorities did not get into new projects outside ghetto areas because they had no knowledge of the apartments, according to an unpublished 1980 HUD report on suburban subsidized housing for families in metropolitan Houston, New Orleans, Boston, St. Louis, Detroit and Richmond, Va.

The suburban projects were far superior to most inner-city subsidized housing but were only 18 percent black, according to the authors. A Cleveland group called The Housing Advocates Inc.

They said neighborhood racial animosity and discrimination against minorities by apartment managers contributed to the disproportionate representation of whites. But the authors blamed HUD for what they said was the biggest failure of the program — lack of marketing to minorities.

Congress led Section 8 developments almost entirely in the hands of builders, whether private, non-profit or public agencies. They were free within the confines of HUD income guidelines and the local Housing Assistance Plans to locate and manage their projects as they chose.

Projects were not required to admit tenants referred by housing authorities or HUD, and until 1979 there was no requirement that Section 8 complexes give priority admission to people traditionally given such rights in other subsidized programs, those displaced by government action or living in substandard housing, for instance.

One HUD official who helped design the Section 8 program said the government feared that because minorities comprised such a high percentage of the priority cases, use of such preferences might thwart the goal of creating racial and economic integration within each Section 8 project.

The official, who asked not to be identified, also said there was a danger that projects built in white areas would be known only to

whites. For that reason, he said, HUD enacted Affirmative Fair Housing Marketing requirements.

Developers of Section 8 New Construction projects are required to file with HUD a marketing plan indicating how the racial or ethnic groups least likely to hear of the project would be told of its availability.

The Housing Advocates report said, however, that of 40 project managers surveyed, only 29 knew of their marketing plans and only eight of those still were attempting to provide information to minorities.

In 1981, National Capital Systems Inc. completed a marketing study of 74 projects, with similar results.

Two projects had been approved by HUD without submitting marketing plans, and fewer than half actually contacted the community groups among which they had promised to spread word of their projects.

The government had monitored only one-fourth of the developers to determine compliance with marketing plans, the study said.

"Without the oversight... there were no incentives for developers and managers to comply with the regulations and conduct affirmative marketing," the report said.

Most builders, the authors said, treated the marketing plans as "just another HUD requirement" and two-thirds of them fell far short of the minority occupancy goals they had given HUD.

Even with ample HUD monitoring, the marketing plans generally would have been "worthless," said Leonard Chaires, who supervised the fair housing enforcement unit from 1974 through 1981 in the Southwest regional office of HUD, in Fort Worth.

After the marketing program began, Chaires said, the department discovered that "when a builder builds his own apartments, he usually has his own network that he uses to get the complex occupied."

"And this is done prior to the official advertising and rental of

these units," he said. "By the time he went out and advertised, it was rented."

Once the "informal" rental process creates an all-white or all-black project, integration becomes extremely difficult, Chaires said.

Chaires said he and several regional fair housing officials in February 1982 asked Monring to modify regulations to ensure that projects are properly marketed before units are rented. But, he said, Monring was not receptive to the idea. The marketing regulation problems were first detailed in a 1978 report commissioned by HUD, Chaires said.

Monring said in a January interview that he envisioned no changes in the marketing guidelines. "These things are taking off, really," he said.

Segregation has been the rule rather than the exception in another of the government's ghettoization programs: Section 8 Existing Housing.

One internal HUD study conducted in 1978 that minorities experienced a "considerably" more difficult time than whites in finding apartments who would accept their Section 8 rent vouchers.

In Quincy, Mass., the federal housing agency found two years ago that 93 percent of minorities who obtained Section 8 certificates were able to rent an apartment within the 60-day limit of the certificate, compared with 31 percent of white applicants.

Despite those difficulties, the HUD report said, minorities benefited from the Section 8 Existing Housing program, also known as "finders-keepers," approximately in proportion to their eligibility.

HUD regulations generally allow rent vouchers to be used only in the city where they are issued, though they may be used throughout metropolitan regions by agreement of the cities involved.

Abt found that the existing housing program generated little mobility from city to suburb. Half the households Abt studied did not move out of homes or apartments after obtaining rent subsidy certificates. Of those who did move, only 24 percent went from the central city to the suburbs.

Overall, the consultants said, participating households reported no change in the minority composition of their neighborhoods after they entered the program.

One notable exception to the nationwide pattern of segregation in subsidized housing has been in Chicago, where 2,505 families have been placed outside ghetto areas through the Gautreaux experiment, the nation's largest and most intensive counseling program.

It is operated by the Leadership Council for Metropolitan Open Communities and was established after a successful lawsuit by Dorothy Gautreaux and other tenants in, or applicants for, Chicago Housing Authority apartments. Their 1966 suit claimed that the authority, in concert with city government, had deliberately created massive black ghettos while excluding low-income family housing from most other parts of the city.

The experimental program sponsored by HUD involves efforts both to persuade landlords to accept minorities and to convince minorities that a move from the inner city can be in their best interest, said Kale Williams, the executive director of the leadership council. The council also serves as a civil rights watchdog for its clients.

These services currently cost \$76 per household placed, Williams said. Two-thirds of the 2,505 families placed by the program in the last nine years moved to suburban areas, with the remainder relocated in white, middle-class areas of Chicago, he said.

HUD Secretary Pierre said officials in his agency "continue to monitor" counseling programs. But he said HUD believes a Gautreaux-type effort "is not cost-effective."

Williams disagreed. A 1981 survey of 300 Gautreaux program

households indicated that employment had risen by two-thirds among participants, with 60 families heads employed after the move, compared with 61 beforehand, he said.

Embry, often cited by fair housing advocates as the Carter administration's strongest supporter of desegregation, said he believes that the counseling program "is legally required, morally required and required not from the point of view of a practical solution to the problem of our cities."

"The problem for low-income people in many cases is social and environmental — where they live, who their children are getting up with," he said. "There's only so much money for housing programs. Isn't it better to help people in a way that will honestly make a long improvement in their lives?"

Embry said he had been in the

**SEPARATE & UNEQUAL**

**SUBSIDIZED HOUSING IN AMERICA**

After a lawsuit led to mandatory integration in East Texas town in a December 1983, *The Dallas Morning News* began investigating federally assisted housing. The 14-month inquiry ultimately covered 47 cities from the Northeast to the West Coast. It included interviews with hundreds of tenants in public housing, current and former officials of federal housing authorities and the U.S. Department of Housing and Urban Development, and private housing experts. Additionally, thousands of documents were acquired from federal agencies through the Federal Freedom of Information Act.

**Monday** — National overview  
**Tuesday** — Winners and losers  
**Wednesday** — Desegregation  
**Thursday** — Focus on Dallas area  
**Friday** — Housing enforcement  
**Saturday** — Studies in failure  
**Sunday** — Prospects for future



SEPARATE & UNEQUAL: SUBSIDIZED HOUSING IN AMERICA

# Racial data on subsidized housing not compiled

By George Rodriguez  
Staff Writer of The News

No one knows precisely how segregated America's subsidized housing is. Not even the U.S. Department of Housing and Urban Development, which, for years, has failed to collect and analyze the necessary racial occupancy information.

In the last months of the Carter administration, however, HUD urban analyst Paul Fischer compiled racial information on subsidized housing programs in three major cities.

His study revealed that projects built under newer housing programs were less likely to be concentrated in ghetto areas than were traditional public housing projects. It also found that racial segregation was the rule in all programs.

Even in growing areas like Phoenix and Denver, a disproportionate share of housing is located in areas with large minority populations. Even when it is in the suburbs, it is located in minority areas.

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subsidized housing waiting lists, locating such housing in non-ghetto neighborhoods would foster racial integration.

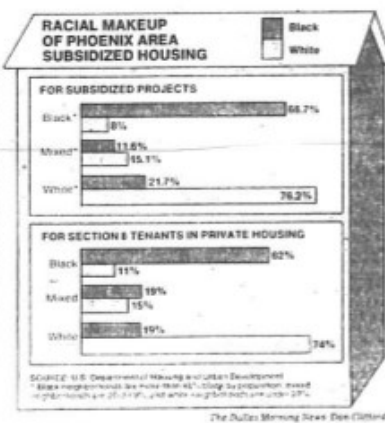
Fischer and his colleagues, University of Chicago Professor Gary Orfield, said that to test that theory, they reviewed cities that succeeded in dispersing subsidized housing—Denver, Phoenix and Columbus, Ohio.

Public housing in these cities tended to be concentrated in minority areas, but many of the units created under newer programs were in white areas, they reported. That location of the projects under the newer programs should have produced integration, but "it did not work out that way," Fischer and Orfield said in their report.

If the government's goal is to achieve meaningful integration through assisted housing programs, they said, it will have to work explicitly toward that end rather than merely providing units in white areas.

Fischer said his superior at HUD, the Carter administration, were very enthusiastic about the study. But after the Reagan administration took office, he said HUD refused to publish his findings.

The new administration was singularly uninterested, said



Some HUD administrators under Reagan did not believe the figures, Fischer said. But, he said, no one could refute his data. Other than his fieldwork, HUD had little information on the subject.

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Dr. June Koch, head of HUD's policy development and research division, confirmed the lack of information and said the hopes to improve the information-gathering system. "I am unhappy about the system that we run here," she said.

"But some of us disagree on the fact that that is a piece of information that we need as quickly as possible," she added.

Fischer speculated that some HUD administrators did not find the figures credible because the data convincingly showed a failure to integrate.

The three cities surveyed had placed subsidized housing outside ghetto areas, but none had accomplished significant integration.

Phoenix, for instance, has built about 40 percent of its assisted housing units in predominantly white urban areas.

Fischer and Orfield found that blacks who comprise 5 percent of the city's population, were strikingly segregated in subsidized housing.

They defined heavily white census tracts as those occupied at least 40 percent by whites. A tract was de-

ined as heavily minority if more than 40 percent of its residents were non-white.

In government-subsidized projects in the metropolitan area, 92 percent of all black households lived in heavily minority census tracts. Only 8 percent of all white households lived in such tracts. Heavily white tracts contained 74 percent of all white households but only 27 percent of the black households.

Fischer said those figures were misleading, however, because more than half the blacks in the white census tracts were in a single housing project just north of the downtown Phoenix ghetto. Not counting those families, 11 percent of all black households were in heavily white census tracts. Almost 70 percent of all blacks lived in heavily minority tracts.

Among elderly and family households in private apartments under the Section 8 Existing Housing program, 18 percent of all blacks lived in heavily white census tracts. But 74 percent of all whites lived in such tracts. Tracts more than 40 percent minority were home to 42 percent of all black families but to only 12 percent of all whites.

## City roadblocks to projects keep disabled woman on waiting list

By George Rodriguez  
Staff Writer of The News

HUNTINGTON, N.Y. — Vicki McLeod is sleeping the dream from her room at the Abby May Inn in Huntington, paying back and forth as she battles the Huntington Housing Authority with letters and supplies for herself and 5-year-old daughter Shan-Ta.

The two is tiny, six-ft-tall, crutches leaning from a sofa in the room. She is sitting on the bed. But the chairing goes slowly because Ms. McLeod, 23, cannot see well. She was born nearly blind in her left eye and lost the vision in her right eye a year ago when it fell on a window or bumper while floating in a swimming pool.

Ms. McLeod and Shan-Ta were brought to the hotel three weeks ago by social workers after being evicted from their last apartment for disturbing up with another tenant. Ms. McLeod said the \$20-per-day room rate at the Abby May is nearly double her \$45 monthly disability check.

Again, to work," she said, "I need to get some money for the room."

So far, she has had no luck in her search for private lodging. "I found a good place with no rent and no rent, but it was \$125 a month," McLeod said. "Social workers said I should get one for \$272. I can't hardly get a room for that."

She said she needs an apartment with several bedrooms so she can live with her 7-year-old and 5-year-old daughters who were taken from her by the state because she could not find adequate housing.

"I can see them on Friday's sometimes," if social services has someone to bring them," she said. "When they were here last week, they told me to hurry up and find a house."

Ms. McLeod said she has been on the Huntington Housing Authority's waiting list for more than a year and expects to wait at least three more years.

The town's acute shortage of housing was often cited in a 1978 HUD planning document that analyzed a need for 2,502 rent-subsidized apartments, 82 percent of them for families.

Despite the shortage of affordable units for those with low incomes, town leaders since 1969



The Dallas Morning News

the project 95 percent white. HUD is obliged, under the 147 Community Development Act, to withhold community development funds from municipalities that refuse to meet low-income housing needs or that discriminate on the basis of race. But HUD officials say the agency has never reduced or restricted housing tax's grant funds because of housing violations.

In fact, HUD has approved housing plans from the town that HUD's own fair-housing staff warned would increase racial segregation.

Huntington, a suburb of 20,322 located 27 miles from Manhattan, has concentrated its subsidized family housing in the urban renewal area around the town's Long Island Rail Road station, said Janet Hanson, executive director of a private group called Suffolk Housing Services.

The city's population is roughly 5 percent minority, according to the U.S. Census. But the Huntington Station urban renewal area that contains most of the family units is more than 52 percent minority.

project, Matmcock Court, in an affluent, 96-percent-white neighborhood. Housing Help needed rezoning because the city allowed only apartments for the elderly outside the urban renewal area.

On June 2, 1980, as HUD was considering the proposed project in the white neighborhood, Huntington applied for funds to build a 130-unit project near Huntington Station.

Town Supervisor Kenneth Butterfield's correspondence files indicate that officials feared they would lose federal grant funds unless they appeared willing to provide housing. The files also indicate officials knew that by sponsoring the ghetto project, they would weaken the case for Housing Help's Matmcock Court.

The city's application was among the reasons Butterfield cited in an October 1980 letter to HUD opposing the Housing Help project.

HUD's New York area fair-housing director, Elb Forman, objected to the city's proposed site because it was directly across from two large projects that were occupied overwhelmingly by minorities. HUD analyst William Mecena

said approval of the site would increase segregation in Huntington. Nonetheless, HUD approved the ghetto site and rejected Housing Help's proposal.

Having blocked Matmcock Court, the town council then killed its own proposal June 23, 1981, officially citing HUD's refusal to let Huntington keep the project 95 percent white.

Butterfield said the town renegeed out of concern that an influx of minority students would upset the racial balance of nearby schools.

But three years earlier, Huntington Planning Director Harold T. Letwin had concluded that if the project were built, the number of minority students in the town's schools would rise from 17.8 percent to 28.1 percent of enrollment, a net increase of 32 children.

Said Letwin's April 18, 1980, memorandum: "It seems to me that the positive advantages of 100 new housing units made available to twenty families... would tend to outweigh the aspect of expanded minority group concentration in the school district, which in any event appears minuscule."

## 14 years after ruling, Atlanta's white suburbs resist low-rent housing

By George Rodriguez  
Staff Writer of The News

ATLANTA — In 1971 U.S. District Judge Newell Edenfield ruled that the government of Fulton County had illegally banned low-income apartments which the Atlanta Housing Authority hoped to locate in affluent white suburban portions of the county — even after zoning and site plans were fully endorsed by the county's professional planners.

The Atlanta Housing Authority had permission to build projects 10 miles beyond the city limits, but "not a single unit of low-rent public housing has ever been built in the unsegregated area," Edenfield wrote. "By design and chance, most of this public housing has been concentrated within eight of Atlanta's 12 square miles, in or near Atlanta's slums."

Atlanta's 14,000-unit public housing program, he said, "has contributed, in no small way to racial concentration in a complete area," thereby making it more difficult for minorities to reach suburban jobs and reducing school desegregation "virtually impossible."

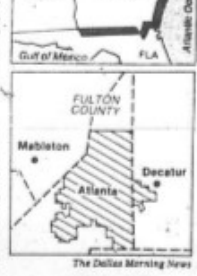
Edenfield ordered the county to permit construction of two projects for which county officials admitted building permits had been denied solely because they would house many black, low-income families. He also ordered the county and the Atlanta Housing Authority to work toward "full compliance with the national housing policy of balanced and

dispersed public housing."

In 1972 the county commissioners established their own housing authority, thus revoking the Atlanta Housing Authority's right to build projects in unsegregated areas of the county.

For the next 12 years, the Fulton County Housing Authority built not a single apartment. It did not even apply to HUD for permission to build units until 1984, after the Atlanta Housing Authority again tried to build a project outside the city.

The county's federally subsidized housing program is shown on a map of the Atlanta area. The area designated for the project is shown in the map.



debarred Housing Assistance Plan it directs a need for 13,000 units of assisted housing, 85 percent of it for families.

But the authority's application to HUD for 200 units of public housing and six acres of land that it was considering four sites in north Fulton County ignited a bitter reaction among the residents of the white community.

One group of whites tried to sue Fulton County and they succeeded, but the judge had to oppose the projects. Rich branded the attack "just plain old racial bigotry" — and then he, too, moved to block the projects.

None of the sites tentatively selected by the authority required rezoning, but Rich and his colleagues prevented HUD from approving them by refusing to promise that sewer and water services would be provided.

As the commissioners delayed, the authority lost the potential sites to other developers. The last lot was annexed by the community of Alpharetta. Several council members said they annexed the property specifically to prevent public housing. They sweetened the deal for the property owner by offering a three-year moratorium on taxes on his land.

At public hearings in North Fulton, residents raised numerous objections to the low-income project. They said building the project would "stigmatize" residents, lower property values and create slums. Frequently, opponents claimed low-income residents lived in their portion of the



Mildred Williams... "At one public hearing we had, they (opponents) said they didn't want any 'niggers' in their neighborhoods."

county. When county planners showed them statistics on housing needs, opponents demanded the names and addresses of the needy families.

"The documentation was never provided in a detailed enough manner to say who needed the housing and what their characteristics were," said Terry Newsum, an opponent of the construction plans who was named by the county commissioners to the housing authority board.

She said race was not a major factor in the community's opposition to the projects.

But former housing authority

Executive Director Mildred Williams disagreed.

"I think that a good deal of it is racism," Mrs. Williams said. "At one public hearing we had, they (opponents) said they didn't want any 'niggers' in their neighborhoods."

She also recalled that Mrs. Dorothy Felton, who spearheaded the fight against the projects, told her: "I'm surprised at you, Mildred, a white woman and a Republican, trying to put public housing in North Fulton."

Both the housing authority and the county commission eventually agreed to build 100 units of elderly

housing in north Fulton. Nothing has been done to serve the families identified as those most in need of housing assistance.

"I have heard every excuse in the book for why public housing should not be in an area," said County Planner Robert Gerber, who works for the county commission and is a former executive director of the county housing authority. "Everything's from, 'We don't want niggers out here,' to 'We don't want these people feeling bad because they will be in a neighborhood where so many people have so many wonderful things.'"

"Let me tell you a phenomenon," he said. "Public housing for families comes up in the white mind. A 30-year-old, overweight black female with illegitimate children."

"Public housing for the elderly comes up a sweet, grandmotherly, white female who recently lost her husband and who has two wonderful children who can't take care of her because mom is such an independent person."

In Fulton County, as in many other southern communities, Gerber said, questions of race inevitably are tied to questions of class, lifestyle and property values.

"We don't want anything to interfere with our perceived lifestyle," he said, "particularly that which we have in mind and anything that does that, we are going to discriminate against."

The Dallas Morning News



# SEPARATE & UNEQUAL: SUBSIDIZED HOUSING IN AMERICA

## Hispanic father never got to see results of lawsuit to disperse Toledo's housing

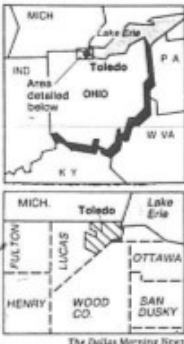
By George Rodrigue  
Staff Writer of The News

TOLEDO, Ohio — Until social workers came to take his family away 10 years ago, Tomas Gonzales and his five children had lived in Sylvania, Ohio, in a two-bedroom home without running water, heat or windowpanes.

During the winter, the children slept together, sandwiched between mattresses for warmth.

Gonzales could work only intermittently as a groundskeeper because he had lost his wife and had to tend his children. And although he could not afford decent private housing, he did not want to leave Sylvania's tightly knit Hispanic community, in which he had lived for 22 years, to move to the housing projects of Toledo.

Gonzales joined a 1976 lawsuit in an attempt to get public housing built in the suburbs. One of every four families in the Toledo metropolitan area eligible for subsidized public housing lived in the suburbs, and the Lucas Metropolitan Housing Authority was supposed to serve the nearby county-wide. But Toledo's suburbs contained only 8 percent of the



The Dallas Morning News

thority, according to court records, never attempted to build subsidized housing in many suburbs.

The authority was equally reluctant to push housing in white portions of the city of Toledo. In 1970, the authority specifically invited the city to veto four projects proposed for predominantly white areas. The city complied.

"The court later found that they (the housing authority) were prohibited from making that offer (of veto power) to the city," said attorney Glenn Galbreath, who later filed a lawsuit forcing the projects to be built.

A short time after he joined the suit, Gonzales said, his two-room house was condemned by the county health department. The county could find no decent housing for Gonzales' family, so he lost custody of his children.

"They're spread all over the state now," Gonzales said last summer. "This has cost me my life. I got no family I got no home. I got nothing."

Gonzales and his ex-spouse



Glenn Galbreath discusses the Toledo suburb case with a fair housing investigator.

won their suit in May 1983. The federal district court ordered the housing authority and HUD to develop affirmative action plans to disperse housing built in the future and to desegregate the authority's existing apartments.

But the city is appealing the decision, so new housing funds

have been made available by HUD, and not one new unit has been built as a result of the court ruling, Galbreath said.

Gonzales last summer was living in a one-bedroom, non-subsidized apartment on Toledo's south side. He was partially blind, had lost a leg to diabetes and was suf-

fering from kidney failure. The apartment was all he could afford, but it was too small for his children to live with him.

Last fall, he died. "It may have been cancer or it may have been his heart," said Galbreath. "He just sort of gave up."



Marilyn Holland... says suburban landlords often would quote her a price over the phone, "then double it or say the apartment was rented when I showed up in person."

## Blacks face barriers to using subsidies in suburban Milwaukee

By George Rodrigue  
Staff Writer of The News

MILWAUKEE — Marilyn Holland, a black Milwaukee resident who works in the suburbs at a \$6.70-per-hour nurse's aide, wanted to cut her 45-minute commute in half. She believed federal housing subsidies would allow her to find an affordable suburban apartment.

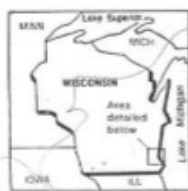
She applied in 1977 for the county's Section 8 Existing Housing program, in which tenants obtain rent voucher certificates by allowing them to use federal subsidies in private apartments.

That Mr. Holland found the county Section 8 office was an achievement in its own right, considering that the county failed to list the program in the telephone directory and presented it only in the suburbs.

When she had heard nothing about her application after three days, Ms. Holland complained to the Metropolitan Milwaukee Fair Housing Council, which advised her to reapply.

Ms. Holland said county employees greeted her rudely and she was asked by Don Tarachow, the Section 8 director, why she wanted to live in the suburbs and how she had heard about the program.

The next day, according to



The Dallas Morning News

Fred Friberg, former director of the Fair Housing Council, a white suburban resident working for the council applied. She was not asked how she had heard about the program, Friberg said, and she received her housing certificate within three weeks.

Having still not received her

housing certificate several months later, Ms. Holland sued. One day later, she was handed a Section 8 certificate.

Tarachow said in an interview last summer that the county gave Section 8 certificates to Milwaukee residents only when no suburbanites needed housing. The county believed city residents should use the city's housing program, he said.

He said race was not a factor in choosing tenants. But James Gramling, Mr. Holland's attorney, said the policy's impact was distinctly racial.

Suburban Milwaukee County is 99 percent white, Gramling said, but the population of inner-city families seeking subsidized housing is heavily minority. By excluding low-income city residents the city was excluding blacks, he said.

Federal regulations require that housing authorities grant the same preference to those employed within their jurisdictions as to those living there, Gramling said.

HUD records indicate that federal officials believed for years that the restrictions of city residents were illegal. On April 7, 1977, John E. Kane, the federal housing agency's area director, wrote county officials: "The county... may not restrict of grant a priority to residents of any

particular municipality within the county."

But HUD did not force the county to change policies.

In July 1980, a HUD reviewer found that only 6 percent of all Section 8 certificates had gone to minorities, although minorities comprised 11 percent of the county's population.

In settling Ms. Holland's suit, the county agreed to pay \$28,500 in legal fees, to advertise the program, to counsel tenants and to recruit landlords.

Friberg, however, said many barriers to integration remain. Only 19 percent of the blacks who obtained Section 8 certificates within the past few years have been able to find landlords in the suburbs who will rent to them, compared to 88 percent of all whites, he said.

Friberg said that even though HUD's maximum allowable subsidy is too low to meet suburban rents, landlords sometimes will lower their rate so white tenants can use Section 8 certificates. "Blacks, by and large, are not going to get that kind of accommodation," he said.

Ms. Holland said suburban landlords often would quote her one price in a telephone conversation, "then double it or say the apartment was rented when I showed up in person."

## DuPage County, Ill., welcomes jobs but fails to provide low-income units

By George Rodrigue  
Staff Writer of The News

CHICAGO — In the 43 years since its creation, the DuPage County, Ill., housing agency has not built a single apartment. "It would appear," U.S. District Judge Hubert Will wrote in October 1981, "that it enjoys the distinction of having done less for fewer people over a longer period of time than any other such authority."

Will ruled in a fair-housing case that the authority and the county government had violated fair-housing duties by failing to assist low-income families. His ruling later was overturned on grounds that the parties who brought suit had no legal right to do so.

Bernie Kleina, director of the HOPE Fair Housing Center in DuPage County, said the failure to build does not mean the authority neglected its job. "The authority was created for the specific purpose of keeping the Chicago Public Housing Authority from building projects in the suburbs," he said.

The DuPage authority has not operated alone. The government of DuPage, the fourth wealthiest county in the nation, has passed a zoning ordinance under which no apartments may be built in unincorporated residential areas without a special use permit.



The Dallas Morning News

1982, it gained 75,000. During those same periods, Chicago lost a total of 200,000 jobs, according to Illinois employment figures.

Consequently, Will said, more than 700 Chicago residents commute to DuPage, and more than five times as many blacks work in DuPage as live there.

County officials have made no secret of their antipathy to low-income housing. County Treasurer James H. Clark said building low-income housing was "as foolish as trying to buy cancer."

County Board Chairman Gerald B. Weeks raised the specter of "rice traps and slums" regarding a National Association for the Advancement of Colored People proposal that was rejected by county officials sight unseen. Weeks listed the project to socialism and said if any such housing were built, it should be restricted to county residents.

In 1971, county officials helped block a housing project sought by the Wheaton city government. In 1976 they rejected their approval of a \$710,000 HUD grant for a park and housing site in Glendale Heights after learning that the developer had chosen to build subsidized housing for families instead of for elderly tenants.

During the fair-housing trial, which the county lost in 1983 but won on appeal in June 1984,



Bernie Kleina is director of the HOPE Fair Housing Center in DuPage County, Ill.

county officials cited economics as the reason for their refusal to accept subsidized housing. Low-income housing and apartments drain the treasury and burden schools, they said.

But court records show that all the commissioners have not opposed all subsidized housing. There is one subsidized project for elderly residents in an unincorporated portion of the county.

Nor did DuPage oppose all apartment projects. When devel-

opers sought rezoning for non-subsidized condominiums and apartments, county officials often asked them about rental rates — which, Judge Will said, are not a legitimate zoning concern. County officials wondered, Will said, whether the projects would attract "high-class," "compatible" people, and who would "control" the type of tenants living there.

DuPage County's zoning practices have effectively excluded non-white residents," even

though race was not explicitly a basis for decision-making, Will said.

The issue of race did arise at one zoning hearing. A woman expressed concerns about "bringing colored (people) into the neighborhood."

"We can't permit any reference of that kind, ma'am," the zoning board chairman said. "You can think it, but you are not permitted to say it."



# The Dallas Morning News

Texas' Leading Newspaper

The Dallas Morning News, 1985

Dallas, Texas, Thursday, February 14, 1985

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## SEGREGATION IN DALLAS



Mary Stowers stands on the back stoop of her apartment in the West Dallas projects. She said the door to the utility room at the right has been off its hinges since she moved in several years ago.

The Dallas Morning News, William Snyder

### How integration of housing failed

Fifth in a series

By George Rodrigue, Craig Flournoy and David Tarrant  
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Janeice Washington wanted desperately to avoid the Dallas Housing Authority's deteriorating projects in West Dallas, fearing the effects that the crime and despair of the ghetto would have on her three preschool children. She thought that a new life with a new job and apartment in suburban Richardson would be a way out.

In September, there was hope. Mrs. Washington, 25, found a 640-a-month job at the Heritage Village nursing home. Because the college didn't afford a car, she took the bus during the week and rode with friends on weekends.

Within weeks, her plans had begun to go awry. Mrs. Washington

#### SEPARATE & UNEQUAL



SUBSIDIZED HOUSING IN AMERICA

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- Integration rule ignored 21A

said the cheapest three-bedroom apartment she saw in Richardson rented for \$500 a month, not including utilities, and there is no government-subsidized family housing in Richardson. Then she lost her weekend ride and had to

Please see SUBURBS on Page 20A.

### Queens of hearts

Valentine's Day means life and love for Stormie and her mom

By Rita Rubin

Medical Writer of The News

When Greg Brown proposed to Lois "Susie" Jones, he suggested they wed on Valentine's Day so their anniversary would be easy to remember.

He didn't realize Feb 14 is a date Mrs. Jones will never forget — wedding anniversary or not, it was on Feb. 14, 1984, that Mrs. Jones' daughter, Stormie, became the first person in the world to receive a new heart and liver in the same operation.

"I didn't put two and two together for a long time," said Brown, a salesman. "I had no idea Feb. 14 was the day of her operation. Believe me, it was coincidental."

A party celebrating Stormie's first anniversary has been moved

- Valentine's Day divorces 10C
- Funny, silly valentines 10C
- The origin of Valentine's Day 30C

from the University of Texas Health Science Center at Dallas to the Victory Assembly of God Church on Barnes Bridge Road, site of her mother's wedding and reception Thursday afternoon.

Seven-year-old Stormie was born with a genetic disorder that made her blood cholesterol level six times as high as normal, leading to two heart attacks between September and December 1983.

The liver is believed to be responsible for clearing at least half the cholesterol out of blood, so, as a last resort to save her life, Stormie's doctors decided to replace her liver as well as her damaged



Stormie Jones (left) and her mother, Lois "Susie" Jones, have three reasons to celebrate Thursday — Valentine's Day, the first anniversary of Stormie's historic heart-liver transplant and Mrs. Jones' wedding day.

heart. If Stormie, an energetic first-grader, remembers much about what happened a year ago at Presbyterian-University Hospital in Pittsburgh, she doesn't recall it. "What happened on Feb. 14?" Please see STORMIE on Page 25A.

### Goldblatt enters mayoral race against Taylor

By Terry Maxon

Staff Writer of The News

Dallas City Council member Max Goldblatt confirmed Wednesday that he is running for mayor, setting up a confrontation between the Pleasant Grove hardware store owner and the incumbent, North Dallas investor A. Starke Taylor.

Goldblatt, who is scheduled to make an official announcement at a news conference Friday, submitted papers to the city secretary's office Tuesday designating himself as treasurer for a campaign in the April 6 mayoral election.

Goldblatt, 71, had hinted for months that he was considering running for mayor or one of the council's two at-large places. But he had avoided confirming that he would enter any race.

"I never did deny it, did I?" he said Wednesday. "But you don't confirm something until you do it (designate a campaign treasurer)."

Goldblatt was first elected to the council in 1980 and is completing his third term — the maximum permitted by the City Charter. The charter, however, does allow a representative from a single-member district — such as Goldblatt — to run for one of the two at-large council places or for mayor.

Taylor, 62, is scheduled to officially announce Thursday his bid for re-election to a second term.



Max Goldblatt

The mayor, who had planned to spend about \$100,000 on his re-election effort, said Goldblatt's entry into the campaign will force him to work harder and spend more.

"We're going to do our dead level best to beat him," Taylor said. "We're going to run scared and we're going to do everything we can to pull out the stops."

According to a Jan. 15 filing with the city secretary, Taylor's campaign already has \$315,714.50 — including \$307,312 left from a fund-raising dinner in December 1984.

### Delay means 2 won't be tried in murder

By Steve McGonigle

Staff Writer of The News

The charges against two people accused of killing a man known in his West Dallas neighborhood as "the Can Man" nearly a year ago will be dismissed because prosecutors did not bring them to trial quickly enough.

The Texas Court of Criminal Appeals cleared the way for the dismissals last week by ruling that it cannot prohibit state District Judge

Richard Mays from dismissing the murder charges against Joe Cody, 28, and his wife, Cathy, 23.

Assistant District Attorney Jim Nelson said the Austin court's decision means the Codys will not be tried for the murder of Joseph Jones Jr., 40, who was known as "the Can Man" because he collected aluminum cans along roadways.

"I'm upset about it," Nelson said. "Two people we feel we have a very strong case against for the murder

of an innocent human being are going to never be able to be prosecuted for that murder."

State law says that if prosecutors fail to meet a requirement to bring suspects to trial within 120 days, there can be no indictment on the charges. Such new charges would amount to double jeopardy.

The victim's younger brother, Billy Ray Jones, who said he is convinced that the suspects killed his brother, said Wednesday that the legal system "ain't working worth nothing."

"What more do they need?" Jones said. "Do they have to see the man shoot my brother down?"

The Codys are accused of shooting Joseph Jones on March 12, 1984, as he walked in the 3400 block of Chicago Street. They were arrested two blocks from the shooting after a witness recognized them and denounced them.

Please see MURDER on Page 25A.

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#### Gib Lewis' ranch

Texas House Speaker Gib Lewis says that his purchase of an Ellis County ranch was "no great deal" but a "fair" one. Page 14A.

Weather on Page 14D.

### Kimberly-Clark moving to Las Colinas

By Todd Vogel

Staff Writer of The News

IRVING — Kimberly-Clark Corp., a \$1.6 billion paper and health products company that ranks 120th on the Fortune 500 list, announced Wednesday that it is moving its world headquarters to Las Colinas.

The headquarters will house 73 corporate officials and staff members, about half of whom will be moved from Kimberly-Clark's headquarters of 113 years in Neehan, Wis., chief executive officer Darwin Smith said.

The move should be completed by June 1, said Irving Mayor Bobby Joe Raper, who met with Smith and

officials said they were told it would be housed in 50,000 square feet of the Williams Square building in Las Colinas.

Banking sources said Wednesday that Kimberly-Clark will establish a major banking relationship with RepublicBank Dallas.

Irving and Dallas promise a high quality of life and a good place for business, Smith said. "I didn't let myself be sold on this area. This area sold itself to me." Smith made several trips to Dallas in "an old shirt and blue jeans" to meet the people in the area, he said.

Remors have circled around Wisconsin since 1983 that state in-

come taxes and state regulation were leading Kimberly-Clark to look for a new corporate location.

Smith said Wednesday that the state income tax did not drive Kimberly-Clark out of Wisconsin. But another senior company official, who asked not to be identified, said the Wisconsin income tax made recruiting high-level executive talent difficult. "It's murder," he said. "It's hard to get a person to get over that (tax) hurdle."

A company official, who asked not to be identified, said that Wisconsin takes almost 10 percent of the earnings of people making more than \$20,000 a year.

#### KIMBERLY-CLARK CORP.

Headquarters: Formerly Neehan, Wis. Now Dallas.

Number of employees: About 35,000 worldwide, 5,300 in Wisconsin. 75 to be stationed in Dallas.

CEO: Darwin E. Smith

4th-quarter net sales: (\$84) \$918.0; (\$83) \$835.6

4th-quarter net income: (\$84) \$32.7 million; (\$83) \$45.8 million

4th-quarter net income per share: (\$84) \$1.15; (\$83) \$1.02

1984 sales: \$2.6 billion

Stock price: Closed Wednesday at \$1

\*Earnings per share and shares outstanding amounts have been adjusted for a two-for-one stock split on May 7, 1984.

SOURCE: Kimberly-Clark Corp.

The Dallas Morning News





**SEPARATE & UNEQUAL: SUBSIDIZED HOUSING IN AMERICA**

# Suburbs slam door to subsidized housing for poor

Continued from Page 1A.

quit her job. Left only with husband Luther Washington's salary as a porter, the Washingtons moved in December from their East Dallas apartment to her mother's Oak Cliff home, which they share with Mrs. Washington's mother and six other relatives. "We put mattresses in the living room and sleep there at night," she said.

The Washingtons reluctantly joined 400 other households on the housing authority's waiting list for housing. Mrs. Washington fears that even if the family is offered an apartment, it will be in the West Dallas projects, an area where, according to crime statistics, residents are at least four times more likely than the average Dallas resident to be killed, five times more likely to be raped and six times more likely to be assaulted.

"Lord knows I don't want to live in West Dallas," Mrs. Washington said in December. "It's bad for my kids. But I have no choice."

The federal government, beginning in the early 1970s, declared it a national priority to free the poor from inner-city ghettos by opening up the suburbs to low-income housing.

Affluent communities in and around Dallas have slammed their doors to that initiative, according to interviews and records gathered during The Dallas Morning News' 14-month investigation of national housing.

Within the city, the Dallas Housing Authority, which still segregated tenants by race six years after Congress outlawed racial discrimination in 1964, has yet to build desperately needed family housing in minority neighborhoods. But the DHA has constructed many elderly-only apartments that it has had to advertise for tenants.

Prosperous white communities have vigorously resisted subsidized housing projects, especially for families. Lawsuits have been filed by residents of Richardson, Plano and Dallas to prevent such housing, and in separate incidents, reportedly, reportedly have threatened to shoot a developer and to kill a federal housing official.

Suburbs have used zoning laws as legal barriers to affordable housing for low-income groups. Mesquite changed its law several years ago to effectively prohibit federally assisted single-family homes — because, a former council member said, of fear that inner-city families would move there.

Builders say that Plano's laws effectively force them to install swimming pools and in 1983 Grand Prairie considered but dropped a proposal that would have required fireplaces in all new apartments.

Such provisions raise building costs, which can drive rents high enough to exclude low-income families. Even families with federal rent vouchers can be denied access to the more expensive apartments. The government will pay subsidies only on apartments renting for less than an officially set "fair market rent," a ceiling amount calculated to allow access to "modest" apartments.

Ivings Richardson and Plano have refused to participate in a federal grant program that would have added millions to their combined treasuries but also would have required them to accept



The Dallas Morning News: William Snyder

Two members of the Washington, Woods and Biggben families lived in a small six-room house while the Washingtons waited to get into public housing. Among the 12 are (from left) Janette Washington, holding Kedrian; and

subsidized housing in their city. Thirty-five suburbs recently rejected or ignored a proposal to allow use of DHA's rental assistance vouchers for housing in their communities, though years ago they agreed under federal pressure to participate in such a "Regional Mobility Program."

Builders and apartment managers also have denied low-income families the opportunity to move from the central city. Many developers have built for the elderly rather than for families; federal housing reports show elderly projects built in predominantly white neighborhoods normally attract predominantly white tenants.

Some apartment managers have discriminated blatantly in renting apartments, according to records obtained from the U.S. Department of Housing and Urban Development. Many have discriminated subtly by violating HUD marketing guidelines designed to give minorities a fair opportunity to find new apartments but in predominantly white neighborhoods.

As a result, low-income families find themselves locked in Dallas as the job market expands rapidly in the suburbs. Suburbs will receive more than half the jobs created in the region during the 1980s, according to figures from the North Central Texas Council of Governments, the regional planning agency.

Dallas finds itself with a poverty population that is increasing and faces the prospect of bearing financial burdens that have led some older American cities, including New York and Cleveland, to the brink of bankruptcy.

Meanwhile, the housing requirements of low-income families are acute. City officials estimate that Dallas has 54,900 subsidized dwelling units and that 52,000 low-income families are paying more rent than they can afford. More than 3,000 families are

husband, Luther; their daughter Kimiko; Foshia Woods, Janette's niece; Lefroya Washington; Barbera Biggben, Janette's sister; and Margaret Woods, Janette's sister-in-law, holding Jennifer Woods.

on waiting lists for government-assisted housing in Dallas and its suburbs, and landlords at privately owned, federally subsidized projects estimate that they have up to two-year waiting lists, according to a recent survey by The News.

The great majority of families fortunate enough to secure subsidized housing are living under racially segregated conditions. Black families live in older projects in southern Dallas, and whites occupy a disproportionate share of the newest apartments in the most affluent neighborhoods, according to The News' computer analysis of HUD's most recent occupancy data.

That pattern is perhaps both cause and effect of the larger picture of racial and economic segregation in Dallas. According to the most recent U.S. Census Bureau figures, 92 percent of Dallas County blacks live within the city, compared with 42.4 percent of whites. And 78.8 percent of the city's low-income black residents live in poverty-stricken census tracts, compared with only 24.4 percent of poor whites.

That pattern is perhaps both cause and effect of the larger picture of racial and economic segregation in Dallas. According to the most recent U.S. Census Bureau figures, 92 percent of Dallas County blacks live within the city, compared with 42.4 percent of whites. And 78.8 percent of the city's low-income black residents live in poverty-stricken census tracts, compared with only 24.4 percent of poor whites.

Irving Stanton, who was Dallas-area director of the U.S. Department of Housing and Urban Development from the early 1970s through 1982, said the federal government must share the blame for the lack of decent, affordable, non-ghetto housing.

The government decreed that housing be built outside low-income ghettos but was not willing to pay the prices for land in more expensive areas, he said. "We created problems because of fiscal insensitivity. . . . We really curtailed the production of housing. We told (impoverished) people that they had to leave their neighborhoods if they wanted to use HUD's services."

Generally, low-income housing is related to race, and several communities in the Dallas suburban area have refused to open up, he said. Mark Rosenzweig, director of the Institute for Urban Studies at the University of Texas at Arlington, said Dallas cannot continue providing the bulk of the region's low-income housing without eroding its tax base — a services-cost dilemma that led some Northeastern cities to the brink of insolvency.

Moving low-income housing closer to jobs and farther from the inner city was a recommendation of the Goals for Dallas program, created in the mid-1960s to foster city-

housing, as well as just low-income housing, I think we'll be able to protect our tax base.

"If we miss it (achieving those objectives), we'll begin to lose our competitive edge within five years in terms of commercial development," Anderson said. "The middle-income will move out. DSD will be increasingly oriented toward a minority school district, disproportionate to demographics, which I don't think is sound."

So far, suburban jurisdictions have shown scant willingness to ease what they view as Dallas' burden.

Last August, Executive Director Jack Herrington of the Dallas Housing Authority wrote the mayors of 35 suburbs, asking them to allow low-income Dallas families to use federally funded rent certificates, normally restricted to cities in which they are issued, throughout the metropolitan area.

The certificates allow low-income families to use government rent subsidies in private apartments. The program would require no new construction because it uses only existing housing in the private market.

As of January, Herrington said, only four officials had responded to his letter, all refused.

In 1980, under threat of losing federal community development funds, Fort Worth, Grand Prairie, Lancaster, Arlington, Garland, Mesquite and Dallas agreed to work toward allowing rent certificates to be used throughout the cities, without restricting the holder to the city in which the subsidy certificates were issued.

The effort was dropped after the change in presidential administration ended both federal pressure and federal funding for the initiative, said Garland Community Development Coordinator Norma Nichols.

Herrington said he tried to revive the "mobility" program last summer because the effort was required by federal regulations and would help some families on DHA assistance to find and keep better jobs.

A dozen mayors and housing officials interviewed by The News voiced opposition to Herrington's plan. Those without local housing programs said they did not need them; those with housing programs said they wanted to serve their own residents before helping Dallas residents.

"Lack of mobility is a tremendous problem," said Charles Clowson, head of the Arlington Housing Authority. "Some of them (DHA tenants) probably are not working because of that. It's easy to work 25 miles away (from home) if you have a car, but some people have to walk to work."

However, Clowson said, "We don't have enough (jobs) available now. . . plus, it's hard to justify putting someone from another community in front of someone from Arlington."

Duncanville Mayor Cliff Boyd said he opposed any federal housing program in his town. "I don't believe that government should interfere in private enterprise, and it is that private enterprise," he said.

Richardson Mayor Martha Ritter said the lack of affordable housing in her community renders Herrington's proposal unworkable. She also said no local residents had sought the program, "and that's how we handle these social programs in Richardson."

"It sounds like a Dallas program," said Carrollton Mayor Kenny Marchant. "They send us these sorts of (social) programs about as fast as we can send them back."

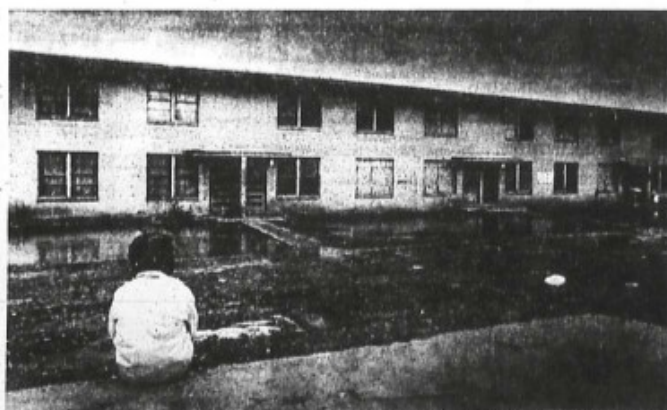
Marchant said Carrollton has no affordable housing for low-income families and feels no responsibility to provide it. "Somebody does have that responsibility," he said. "I don't know who. I'm not sure it's a phenomenon that the suburbs will ever be able to deal with. I do know where the people who like housing are going to go."

Dallas has become a last resort for low-income people who seek subsidized housing.

A News analysis of 1980 census population data and of 1980 housing data from the North Central Texas Council of Governments for Dallas and its immediate suburbs in Dallas, Collin and Denton counties showed that Dallas had twice as much public housing per capita as the suburban jurisdictions as



Easha Love Richardson, 6, lives in the West Dallas projects, where residents are four times as likely as the average Dallas resident to be killed.



Special to The Dallas Morning News: Eric Williams

Please see LOW-INCOME on Page 21A



# SEPARATE & UNEQUAL: SUBSIDIZED HOUSING IN AMERICA

## Low-income housing remains confined to ghetto

Continued from Page 20A.

whole, and 60 percent more subsidized housing of all types.

Only Grand Prairie, Denton and McKinney came close to Dallas in meeting a proportionate share of housing needs. Dallas had 28 federally assisted units per 1,000 residents, Grand Prairie had 26 and Denton and McKinney had 18 each. Many suburbs had almost none.

Had both elderly and family assisted housing been distributed in accordance with population, a target once set by HUD regulations, Dallas would have had 9,598 too many apartments, Grand Prairie would have had 638 too many and Denton would have had 63 too many. But the cities of Garland, Irving, Plano and Richardson would have had to gain more than 1,000 apartments each.

The News also found, through a computer-assisted analysis of HUD's most recent project occupancy reports, that subsidized housing provided in Dallas and the suburbs has underserved minorities, disproportionately benefited whites, and perpetuated segregation.

The figures represented HUD's most recent data as of August — though a HUD spokesman cautioned that some figures could be several years old. They cover 142 projects operated under nine federal programs in Dallas, Collin and Denton counties. Suburbs contained 43 of the projects and 27.4 percent of the households.

Of whites in subsidized housing, 58.4 percent lived in Dallas. But the city contained 89 percent of the minorities in subsidized housing and 93.9 percent of the blacks.

Within Dallas, blacks were concentrated in ghetto areas. The city contained 99 projects, but 37 of them — each more than 85 percent black — contained more than four out of five of the blacks in subsidized Dallas housing.

HUD has said that in a racially diverse community, a project with only 15 percent occupancy by the minority race, whether black or white, shows signs of segregation. Dallas County's population is 18.5 percent black, but its poverty population is 47.7 percent black, according to the 1980 census.

In the suburbs, 63 percent of the projects were more than 85 percent white, and just over 90 percent of the projects were less than 15 percent black. One project in McKinney is completely black.

In Dallas, 30 percent of the projects were more than 85 percent white, and 40 percent of the projects were less than 15 percent black. Eleven projects contained no blacks. Another 40 percent of Dallas' projects are less than 15 percent white.

Overall, HUD's latest available data showed that based on the department's former 15-percent standard, 89 percent of the projects in Dallas and 92.3 percent of those in the suburbs showed signs of black-white segregation.

Applying the same measure of segregation to the balance between whites and all minorities, 85 percent of the suburban projects and 69.6 percent of the Dallas projects showed signs of segregation.

Similarly, minorities comprised only 4 percent of the 413 households using the Section 8 rent voucher program in the cities of Lancaster, Mesquite and Plano, according to housing officials there.

Among the suburbs, only Grand

Prairie reported substantial numbers of minority Section 8 tenants: 46 percent of its 789 vouchers were used by minority households. Garland officials would not divulge racial data on the suburb's Section 8 tenants. The Section 8 program, the largest operated by HUD, issues low-income people subsidy certificates for use in apartments in the private market.

Stattman, the former Dallas-area HUD director, maintained that segregation in American cities results, in part, from a fact overlooked by federal planners when they determined that subsidized housing should be built outside minority ghettos. One person's ghetto is another's neighborhood, and few would be willing to leave family and friends to venture into an area where they fear they would be unwelcome.

HUD's own files, however, indicate that many minorities have not been allowed to make that choice for themselves.

Some were victims of outright discrimination. A HUD-funded national study in 1977 determined that blacks encountered serious housing discrimination — such as being lied to about the availability of apartments — in 27 percent of their contacts with apartment managers. In Dallas, the figure was 17.3 percent. But in 28 percent of the local visits by investigators in the HUD-financed study, blacks were subjected to other forms of discrimination, such as being denied necessary information about apartments.

The role of discrimination was higher against dark-skinned Hispanics, according to a 1979 HUD-funded study of discrimination in the Dallas area. It found that dark-skinned Hispanics were lied to about the availability of an apartment at 42.5 percent of the complexes they visited, while light-skinned Hispanics suffered such discrimination on 16 percent of their visits.

The News also found that actions by HUD and by developers subverted 1972 fair housing marketing guidelines that were a linchpin in the federal effort to provide blacks and Hispanics with housing outside the ghetto.

HUD regulations required that in all but the most exceptional cases, rent-subsidy projects be built outside minority areas. The marketing guidelines required that HUD approve construction of projects only after their developers had submitted marketing plans describing how they planned to attract minority tenants and how many apartments they hoped to rent to minorities.

Records examined by The News, however, indicate that HUD approved marketing plans that called for no marketing efforts whatsoever and failed to enforce plans that did call for marketing.

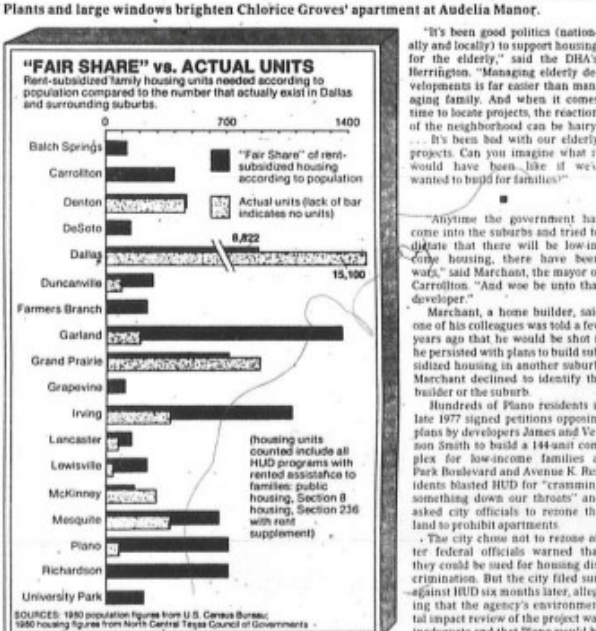
"(deghettoization) was a bell of a good idea," said local civil rights attorney Michael Daniel, who has made a specialty of housing-related cases, including the public-suiting Young vs. Pierce suit alleging discrimination in public housing in East Texas.

But HUD's inadequate enforcement of marketing rules "has subverted this and turned it into a method of denying housing to blacks," Daniel said.

Stattman conceded that he "showed very little interest in those (marketing) plans."



Plants and large windows brighten Chlorice Groves' apartment at Audelia Manor.



The Dallas Morning News, Dan Clifford

"It looked like I didn't give a damn, and frankly I didn't. ... I thought that it (marketing) just wasn't important," he said.

"Everyone thought that as soon as you open up a white area, blacks will rush to live there," Stattman said. "But that's not true. There's a lot of apprehension and fear, number one. Number two, there's still disbelief, because anytime you've got a sign that says you've got fair housing, equal opportunity, you know that's just a sign that they have to put up. You don't know how

serious they are."

The lack of integration also can be attributed to the failure to build family projects for low-income tenants, said DHA Deputy Director David Morton. DHA and other authorities have found integrating elderly projects in white neighborhoods very difficult but integrating family projects relatively easy because young minority families are more willing to relocate, he said.

One of the federal government's largest building programs, Section 8 New Construction, was designed to allow any qualified developer to build in virtually any suburban community. But since its inception in 1974, Section 8 has not created a single suburban subsidized apartment in the Dallas area, according to reports from HUD and the regional council of governments.

In white areas of Dallas, three Section 8 projects have been built, all for the elderly; whites occupied 85 percent of those apartments.

HUD provided information concerning 53 federally assisted projects built since 1972 in the Dallas area. Of those, 16 were intended for families, 15 for the elderly and four for both. But at nine of the 17 subsidized family complexes sampled this fall by The News, at least one-fifth of the apartments were occupied by elderly tenants, according to the managers.

Whites occupy 81 percent of all subsidized apartments built outside the city under all nine of the federal government's housing programs.

Given the public hostility toward housing for low-income families, Stattman said, building apartments for the elderly gave developers an easy way out. "Your developers, they weren't going to make any trouble."

"It's been good politics (nationally and locally) to support housing for the elderly," said the DHA's Herrington. "Managing elderly developments is far easier than managing family. And when it comes time to locate projects, the reaction of the neighborhood can be hairy."

It's been bad with our elderly projects. Can you imagine what it would have been like if we'd wanted to build for families?"

Anytime the government has come into the suburbs and tried to dictate that there will be low-income housing, there have been wars," said Marchant, the mayor of Carrollton. "And we're onto that developer."

Marchant, a home builder, said one of his colleagues was told a few years ago that he would be shot if he persisted with plans to build subsidized housing in another suburb; Marchant declined to identify the builder or the suburb.

Hundreds of Plano residents in late 1977 signed petitions opposing plans for developers James and Vernon Smith to build a 144-unit complex for low-income families at Park Boulevard and Avenue K. Residents blasted HUD for "cranking something down our throats" and asked city officials to rescind the land to prohibit apartments.

The city chose not to rezone after federal officials warned that they could be used for housing discrimination. But the city filed suit against HUD six months later, alleging that the agency's environmental impact review of the project was inadequate and that Plano would be harmed by, among other things, "serious overcrowding of schools."

The suit was dropped about a year later, after the Smiths sold the land to a developer who was not interested in building a subsidized complex, city officials said.

Conflicts have not been restricted to the suburbs.

During discussions five years ago on construction of the partially subsidized Walnut Place family apartment complex at Skillman and Audelia streets in northwest Dallas, Stattman recalled. "People were threatening my life, threatening to poison my little black-and-white dog." The threat against his pet was especially chilling, the former HUD official said, because "I know they had gotten close enough to my house to see my dog."

Private citizens in Dallas and nearby Richardson filed suit in a futile attempt to block the project.

They cited concerns such as school crowding in connection with that project, but Stattman said HUD's criteria for the project allowed for fewer units than did existing city zoning. "They don't complain when you impact the schools with whites," he said of the neighborhood opposition.

Since 1974, the federal government has spent \$37 billion in Community Development Block Grant funds. Cities receiving the money have been obliged to help meet the housing needs of low-income families, both those already living in their communities and those who could be expected to move if suitable housing were available. That obligation is a contractual commitment required by Congress.

Dallas, Denton, Garland, Grand Prairie, Irving, Mesquite, Richardson and Plano all are eligible for program money. Eligibility and annual grant amounts are determined by population. Dallas, with the largest number of residents, is eligible

for \$15.6 million annually, while Richardson, at the other end of the scale, is eligible for \$416,000.

But, Stattman said, Richardson and Plano, which is eligible for \$470,000, opted in 1977 not to participate when the federal housing agency made it clear that it would enforce the low-income housing provisions of the grants.

"They just got tired of messing with us," the former HUD official said. "They said, 'Just take your money and shove it.'" Irving, which is eligible for \$1 million, also chose not to accept Community Development Block Grant funds, federal records show.

Bob Baffington, director of community development for Plano, said he knew only that "in the past, the city has made the determination not to go after the funds."

Former Richardson Mayor Raymond Noah said the amount of federal money that Richardson would have received was "not sufficient" for the city to participate. He said Richardson does not participate in any federal programs.

Noah rejected Stattman's statement that city officials refused the funds because of the program's low-income housing provisions. "They (HUD) always see some type of problem," he said. "At the time we were a city of 48,000 and we were not large enough to get into public housing."

Stattman said Dallas sometimes seemed to be starting community development regulations. On the one hand, the city told HUD, "You're building all your stuff in South Dallas; now put some in North Dallas," he said. On the other hand, Stattman said, city officials made that request "knowing that it was not economically feasible to build it (in North Dallas)."

Case-by-case efforts to exclude subsidized housing in suburbs have created most of the controversy, but a more important restriction on housing for low-income families is zoning, according to Dr. Kerry Vandell, a professor of real estate at SMU. The requirements for large lots and expensive construction materials drive up both construction costs and rents, he said.

The increased rents, he said, serve to exclude low-income families — though depending on local market conditions and on available federal subsidies, zoning may have a smaller impact on rental rates than the cost of land.

Given the failure of incentive programs to open up suburbs to low-income housing, LITA's Rosenbaum said, the state government eventually will have to act.

Only "when the state gets to the point that they're tired of picking up the costs," Rosenbaum said, will legislators "say to the Irving, the Richardson, the Arlington: 'Look, you're going to have to pick up your fair share of the lower-income people in this region because we can't strap one city with it and the state's not going to bail it out.'"

Kaylan, the University of Colorado public affairs dean, said he believes localities have a moral duty to act, regardless of outside pressure.

"It's harmful, and in a romantic sense it is un-American," he kept the pace and minorities in ghetto housing, he said.

"We are a nation of opportunity, and minorities are excluded from opportunities that they should have as Americans," he said. "Apartheid is wrong, whether in the U.S. or in South Africa."

### SEPARATE & UNEQUAL SUBSIDIZED HOUSING IN AMERICA

After a lawsuit led to mandatory integration in an East Texas town in December 1983, The Dallas Morning News began investigating federally assisted housing. The 12-month inquiry ultimately covered 47 cities from the Northeast to the West Coast. It included interviews with hundreds of tenants in public housing, current and former officials of local housing authorities and the U.S. Department of Housing and Urban Development, and private housing experts. Additionally, thousands of documents were acquired from federal agencies through the federal Freedom of Information Act.

- Sunday — National overview
- Monday — Winners and losers
- Tuesday — Jim Crow in L.A. teens
- Wednesday — De ghettoization
- Thursday — Focus on Dallas area
- Friday — Housing enforcement
- Saturday — Studies in failure
- Sunday — Prospects for future



The Dallas Morning News, William Snyder

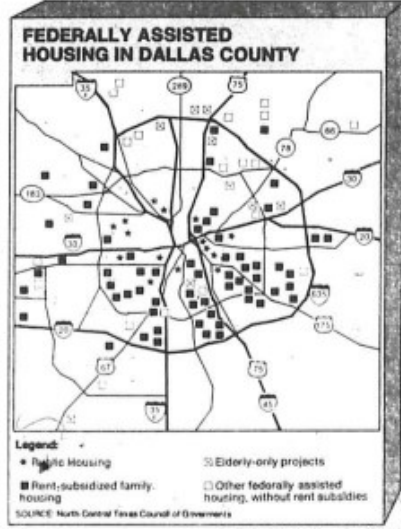
At the Audelia Manor apartments for the elderly, amenities include sinks built to accommodate the wheelchair-bound.



SEPARATE & UNEQUAL: SUBSIDIZED HOUSING IN AMERICA

Bias by landlords is common but hard to detect

By George Rodrigue Staff Writer of The News



The Dallas Morning News. Dan Clifton

Some landlords face discrimination with racial slurs, like the Dallas man who evicted an American Indian after he discovered she had a black boyfriend.

In April 1981, Beverly Arlose Senior told HUD that, as resident manager of the Riviera Apartments in East Dallas, she had been instructed to discriminate against minorities.

She said her boss, LAW Property Co. President Paul Landwehrmeyer, told her "We have far too many blacks on this property, so don't rent to any more." Her sworn complaint quoted Landwehrmeyer as saying "Just try your best to disqualify them. We can't let you come right out and say we won't rent to you because you're black."

Regis Square was owned by Dallas investment banker Stanley Marcus and had been built with a federally subsidized mortgage. A fraction of its 174 units were set aside for rent-subsidized low-income families.

The tenant who complained to HUD claimed that she had asked unsuccessfully for Section 8 rent subsidies since 1980 but that white tenants who moved in after her were allowed to live in the special subsidized units.

Slums: a Dallas tradition Legacy of segregation reflected in public housing population

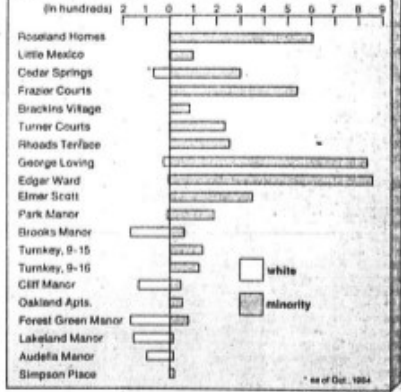
By George Rodrigue Staff Writer of The News

North after he was appointed to lead the Dallas Housing Authority's office in 1982, Jack Herrington took a look around.

He believed he had the very worst public housing situation he had seen in the executive director's office. He should be at embarking on the whole community.

It was not until 1966, after Cabell had been elected to the US House of Representatives, that the authority agreed to the elderly housing portion of Cabell's plan. By that time the builder's association and the Dallas Real Estate Board also were calling for federal funds at least to provide housing for the aged.

RACIAL OCCUPANCY OF DALLAS HOUSING AUTHORITY PROJECTS



The Dallas Morning News

members of the church and the power structure own the biggest chunks of slums."

Discouraging construction in poverty or minority impacted areas, the Turnkey project was built on two sites near Bishop College, in a black neighborhood already cluttered with housing for those with low incomes.

At the time, federal housing officials were making a strong effort to give minority families a chance to live outside ghetto neighborhoods, said Statman, who headed DHA from its creation in 1938, declined recently to answer any housing-related questions.



# SEPARATE & UNEQUAL: SUBSIDIZED HOUSING IN AMERICA

## Zoning: a fiscal barrier

### Land-use laws help keep poor out of suburbs

By David Tarrant and Maggie Kivas  
Staff Writers of the News

Rigid zoning requirements defended by communities as a way to protect their lifestyles are the same restrictions that some experts blame for discrimination against the poor and minorities.

Several Dallas suburbs, under pressure from homeowners concerned about property values, have implemented stringent zoning ordinances that not only prevent the construction of federally subsidized, low-income housing complexes but also limit apartment developments in general and preclude construction of complexes with moderate rents.

Some suburban ordinances include provisions such as mandatory "green space," minimum interior square footage, limits on the number of apartments per acre and requirements for brick construction, many of which are cosmetic and all of which boost construction costs.

"We know it's illegal to say you don't allow certain groups of people to live in your city," said Mark Rosenbaum, director of the Institute for Urban Studies at the University of Texas at Arlington. "But you fiscally zone them out by requiring certain kinds of housing standards that force up the price of rents so they don't come into the area."

Larry Louis Nichols, who has represented developers in city zoning cases and has served as city attorney for 14 suburban communities — including Carrollton, Duncanville, Richardson and Rowlett — said he regards many of the more restrictive zoning provisions as both socially distasteful and legally impermissible.

Zoning laws were enacted in 1929 by the Legislature to protect public health, safety and welfare, he said. Since then, Nichols said, zoning "has become a means of regulating lifestyle."

"I think that it is very questionable, if someone had the time and money to bring a case, to say that provisions regarding the size of a home or its construction materials have to do with the public health, safety and welfare," he said.

Suburban officials said cosmetic zoning requirements create compatibility between apartments and nearby homes. Tight zoning restrictions on apartment densities, they said, also shield their communities from traffic congestion and overcrowded schools and protect the local quality of life.

"Our philosophy is that we're a single-family residential city, and those apartments... need to fit into the same type of philosophy," said Richardson Mayor Martha Ritter.

"That philosophy was developed by the type of businesses we had come to Richardson in its formative years," she said.

"We had the professional people from TI (Texas Instruments), the professional people from Collins Radio, and they wanted good school districts, they wanted nice homes, and I think that's what helped set the tone. And that philosophy has pretty well carried through since then."

Some communities have not confined their zoning restrictions to apartments.

In the mid-1970s, Mesquite raised its minimum interior floor space requirement for new homes from under 800 square feet to more than 1,300 square feet, said developer Len Gibbens, who served on the City Council from 1978 to 1983. At the time, many federally subsidized homes were being built in the city, "some as small as 850 square feet," he said.

Because federal cost controls forbade construction of larger homes, the new zoning law served to exclude housing affordable to low-income families, Gibbens said.

"The city's concern was not the construction standards of the smaller homes but rather the people who lived in them."

"People were moving out of the city at the time, coming out to the suburbs," Gibbens said. "Zoning was tightened if it (subsidized housing)."

"There was talk of a lawsuit (by several builders) after Mesquite's zoning changes," he said. "At the time, I thought it was discriminatory." But builders don't want to sue. They have to work with all areas of city government. They want to get along."

Gibbens declined to comment on whether he believed Mesquite's zoning laws were or are discriminatory.

Many suburban officials contend that their zoning laws are far less important than land values in impacting affordable housing.

But several specialists said highly restrictive zoning inflates land values.

Nichols said that zoning "can make a difference of 2,000 or 3,000 cents on land values, and Ross Adams, president of the Dallas County Home and Apartment Builders' Association, said that 'if zoning laws were relaxed or made more enforceable, it would definitely result in lower land costs and a lower price per unit.'"

A real estate professor at Southern Methodist University, Dr. Kerry

Vandell, said: "The building codes and the zoning ordinances clearly affect the economics of multifamily and single-family housing, and they have the effect of driving up rents."

"By definition, they exclude families that cannot pay the higher rents," he said.

A survey by The Dallas Morning News of the zoning laws and building codes of Dallas and 25 suburban communities found that 22 of the suburbs have stricter limits than Dallas on the maximum number of apartments that can be built per acre.

Two of the other three communities, Hutchins and Wilmer, have no set maximum density requirements but impose a variety of restrictions on building height and bedroom size that limit the number of apartments that can be built.

The third city, Sachse, banned all apartment zoning in 1983, except for projects already approved. "We had a public hearing, and the general consensus was that we had enough multifamily — period," said Sue Lynes, city secretary and director of finance.

Homeowners believed that developers were building too many duplexes, which were attracting "transients," she said. "In order to have a higher quality of life, people wanted to eliminate multifamily, and they were willing to pay higher taxes to have more single-family homes."

There are no apartments in Sunnyvale. The city allows a maximum of four apartment units per acre with a maximum of five acres per development. A city official conceded that the restrictions are meant to keep apartments out of the northeastern Dallas County suburb of 2,866. "That's the way all the people in Sunnyvale feel; we want to maintain our open space out here," said Doris Padgett, city secretary.

Dallas, where about 43 units per acre is a common zoning category, in some cases allows more than 100 units per acre for high-rise. The Soles, Colleyville, Colleyville, Mesquite and Richardson limit builders to 20 units per acre or less. The most common zoning allowed in Plano is 16 units per acre or less.

Si McHugh, a spokesman for the Dallas County Home and Apartment Builders' Association, said more than 20 units per acre generally are necessary under current market conditions to make a project economically feasible.

Sixteen of the cities surveyed require that apartment complexes cover no more than 50 percent of the lot area. Richardson, the most restrictive, allows 39 percent coverage; Dallas allows coverage of from 61 percent to 100 percent of the lot.

apartments occupied primarily by whites.

"They're always saying they don't know where to find elderly black applicants," he said. "Here they've deliberately not looking at them."

### APARTMENT ZONING REQUIREMENTS AND RENTALS FOR DALLAS SUBURBAN AREA

City	Maximum Units per acre*	Maximum Lot Coverage	Masonry Requirements	Mean Apartment Rental cost per month \$444
Addison	24	35%	80%	N.A.
Baich Springs	16, 28	none	70%	444
Carrollton	15, 25	40%	70%	385
Goddar Hill	20	N.A.	50%	N.A.
Colleyville	8	50%	75%	N.A.
Coppell	16, 22	40-50%	50%	N.A.
Dallas	30, 43, 100-150	60-100%	none	428
DeSoto	14.5, 18	40%	80%	385
Duncanville	14, 21	60%	none	355
Farmers Branch	23	40%	none	444
Garland	18	60%	none	429
Grand Prairie	38, 30	40%	80%	395
Highland Park	29	40-50%	none	413
Hutchins	none	30%	none	N.A.
Irving	18, 25	70%	none	420
Lancaster	14, 22	40%	none	408
Lowville	20, 24	40-50%	70%	400
Mesquite	12, 16	none	75%	400
Piano	12, 16, 21	35%	75%	480
Richardson	18	30%	50%	448
Rowlett	20 not to exceed 40 bedrooms	60%	75%**	N.A.
Sachse	apartment development ban	50%	100%	N.A.
Seagoville	22-24	50%	100%	N.A.
Sunnyvale	4	30%	80%	N.A.
University Park	18, 24, 36	50%	80%	N.A.
Wilmer	none**	none	80%	N.A.

\* varying numbers address different zoning categories  
\*\* proposed change pending

\*\* See city zoning code  
SOURCE: Local Governments; rental costs information from MAPP Research. Figures not available for some cities.

N.A. not available

The Dallas Morning News

Fourteen suburbs require that 75 percent or more of an apartment building's exterior be covered with stone or brick. Dallas has no masonry requirements for its apartment buildings.

Plano's codes typically require 500 square feet of land set aside for each one-bedroom apartment, or 1,500 square feet for a three-bedroom unit. A credit of three square feet, however, is given for each square foot used for such amenities as swimming pools, decks or children's play areas.

Of the apartment complexes built in Plano within the last five years, 77 percent have included swimming pools, according to a 1984 Plano study. "We want apartments, but we want quality," said Plano Mayor Jack Harward.

"It's not necessarily because our people want to build pools," said McHugh, the apartment builders' association spokesman. On the other hand, he said, "Most people who look for an apartment, if they're going to pay a substantial amount of rent, do look for a pool. If the density requires so much open space, you might as well put a pool in."

Grand Prairie Mayor Jerry Debo said his city has taken several steps in the last two years to discourage apartment construction, including requirements that apartments average at least 750 square feet, that parking lots be made of concrete and that roofing materials be of high-grade materials. Eighteen units per acre is now the most common multifamily zoning in the suburb.

"We considered requiring fireplaces," Debo said. "But we backed off from that because they're not really that practical."

Zoning, perhaps more than any other single issue in municipal government, draws widespread community involvement in affluent communities.

"Normally, when there is a multifamily piece of property coming up (for zoning consideration), we will get a pretty neat packed chamber of homeowners, organized groups and individual homeowners," said Carolyn Buros, a planning and zoning commissioner for the city.

And with apartments now typically zoned at 12 units per acre, Ms. Buros said, the situation is not likely to change soon. "We feel we have had our share of multifamily," she said.

Insecurity, SMU's Vandell said, is at the root of many zoning decisions. Communities fear that the slightest change could cause a rapid decline in neighborhood quality and property values.

"They are doing whatever they can in terms of the physical environment to minimize the possibility of a change in that lifestyle," he said.

Many residents view any influx of minorities as particularly undesirable, for both racial and economic reasons, Vandell said. "I don't think that you can separate race and class. The perception is that lower income is black, especially in the South."

Dr. Paul Geisel, professor of urban affairs at the University of

Texas at Arlington, said, "Zoning is used as a tool for protection. It all builds as a kind of pyramid with single-family (zoning) at the top."

Zoning ordinances regulate only land use and building. But some suburban leaders said they are less concerned with the structures than with the types of people who might live there.

"I don't mind apartments," said DeSoto Mayor Ernie Roberts. "They serve a purpose. In fact, a lot of our younger people move into them and eventually they're the next homebuyers."

"But what happened to most of our apartments, a lot of people moved into them and they're from out of town. They're not necessarily our children."

Plano's zoning laws distinguish among various types of apartment construction and make special provisions for apartments for the elderly. The city imposes a one-story limit on family apartments within 150 feet of single-family homes, but allows up to three stories for elderly developments.

"We don't have that many elderly people in the city of Plano," Mayor Harward said. "What we did was set up zoning so that when there's a demand for the elderly, then they'll come in and build there."

"Older people want to come in and live in Plano, be closer to the grandchildren," the mayor said. "Plus, the people who live here will get older, and they might want a place to live without fardwerk."

Staff writer George Rodriguez contributed to this report.

## Legacy of segregation reflected in public housing

Continued from Page 22A

know they didn't apply for any," the former HUD official said.

The Turnkey homes originally were part of a 1,000-unit allotment approved by HUD in 1968. About one year later, however, HUD rescinded construction funds for the units. The remaining homes became DHA had failed to bid sites outside the black community.

Nor did the authority rush to integrate its newly constructed elderly projects. As late as 1973, federal officials still were "requesting" that Stephenson follow new waiting list procedures in filling Cliff Manor to avoid the black-white segregation that both federal and local officials sought at the Park Manor and Brooks Manor elderly complexes.

Not until November 1974, as Stephenson was taking early retirement in the face of a hostile new DHA board appointed by Mayor Wes Wise, did DHA announce that it was adopting federally required procedures. Tenants were to be selected on a first-come, first-served basis from a centralized waiting list and offered apartments at the complexes where DHA had the most vacancies.

project West Dallas complex. Auditors later criticized DHA's administration for lax supervision and poor record keeping. Twenty-nine DHA employees resigned or were fired in 1976 amid an investigation into charges that jobs were being stolen and that workers were being paid for jobs done shoddily or not at all.

Two workers later were convicted of collecting thousands of dollars for hours they never worked and expenses they never incurred.

Herrington, hired in 1979, made restoring order to the authority and cleaning up the aging projects his first priority.

By January 1983, Herrington could say that most of the authority's family projects had been modernized and rehabilitated, except those in West Dallas, where work continued.

Reversing the effects of past segregation, Herrington said, has been most difficult.



"I don't know what more we can do in a free country to encourage integration."

— Jack Herrington, Dallas Housing Authority director

failure to build family projects in white areas are themselves indicators of racial discrimination.

The fair housing laws of 1964 and 1968 were followed by federal rules changes that virtually prohibited construction of new public housing in minority neighborhoods.

Faced with those requirements, Daniel charged, local officials merely changed tactics. Unable to keep minority families out of white public housing projects and prevented from building in minority areas, they quit building family projects.

"It marked the end of all public housing construction for families," Daniel said. "What you saw was a rapid movement to other types of subsidized housing — apartment, which disproportionately served whites, and to elderly housing projects."

Herrington said the Dallas Housing Authority cannot be blamed for its failure over the past half-dozen years to build new apartments for families. "There simply were no significant family construction funds available" from HUD, he said.

Stattman confirmed that he had restricted funds for DHA because of poor management before Herrington arrived. The restrictions were lifted during Herrington's tenure, Stattman said, but by then few funds were available from Washington.

One city official responsible for citywide housing planning, who asked not to be identified, said DHA has not pursued all avenues for funds in recent years. He said the authority has turned down offers of city assistance in obtaining what funds were available for family

projects.

Herrington said that he wanted to fix up what they already owned before they developed anything new, which made sense," the planner said.

Four years ago, despite an acute shortage of family housing, the authority tried to sell its 37-apartment Washington Place project without obtaining replacement apartments from HUD for all of the units lost, as required by federal regulations.

Instead, Herrington said, DHA sought a waiver of the replacement requirement because it believed that the federal government could not provide sufficient replacement funds and that the profit from the sale to Baylor University Medical Center would allow it to renovate existing apartments.

Federal officials held up the sale of the East Dallas project after a group of tenants sued, alleging that HUD could not waive the requirement.

Prior to the tenant lawsuit, HUD had waived the full replacement requirement and offered to provide DHA with 238 new units. After the suit was filed, it agreed to add another 156 public housing apartments and 75 Section 8 rent-subsidy apartments to its previous offer.

Herrington said the final deal was far better than the one originally pushed by DHA. He said he had the housing authority had not asked for more because they believed that the original terms were the best they could expect from HUD.

DHA has not decided where to locate the new family apartments, Herrington said.



**SEPARATE & UNEQUAL:**  
**SUBSIDIZED HOUSING IN AMERICA**

# Integration rule widely ignored

## HUD, private developers pay little attention to occupancy goals

By George Rodriguez  
 Staff Writer of The News

A U.S. Department of Housing and Urban Development regulation crucial to federal efforts to "deghetto" inner cities has been widely ignored in Dallas, both by private developers and by HUD officials.

The "affirmative fair housing marketing plans," a requirement for builders of federally assisted housing projects, requires developers to submit goals for the number of minority tenants they hope to attract to their apartment complexes.

The regulation, which also requires developers to establish and implement plans to market the complexes to minorities, was an integral part of HUD's attempts to ensure that new subsidized projects would be built in integrated areas and would attract minorities from central cities.

Because each project's management was responsible for selecting tenants and keeping a waiting list, the agency feared that without special marketing, the newest apartments would go only to whites, said Leonard Chaires, HUD's regional fair housing enforcement director from 1974 until 1981.

However, HUD records obtained by The Dallas Morning News show that the agency approved projects that set only token minority occupancy goals and whose plans contained no provisions for marketing to prospective minority tenants.

When The News surveyed 26 Dallas-area federally subsidized housing developments last fall, it found that none was conducting an affirmative marketing program. The apartment managers said the tenants generally learned of the apartments by word of mouth.

Managers of all the complexes said they were unfamiliar with the marketing plans for their developments. Some said lengthy waiting lists for apartments made marketing plans unnecessary.

The plans were essential to ensure that minorities got their fair share of the new units, said Chaires. But he added, "With the exception of the PR (public relations) effect, it was useless. It was a waste of money."

HUD's Dallas area office had five to seven workers to supervise the marketing of projects from Houston to the Oklahoma line, as well as the entire state of New Mexico, he said. "They were never able to do effective monitoring."

When monitoring was done, Chaires said, HUD investigators found the marketing provisions difficult to enforce because the plans amounted to promises of good faith effort and had no clear, quantifiable goals. Developers "were not encouraged to set some goals (for minority occupancy), but those goals were kind of loose," he said.

The biggest problem, he added, is that builders generally have related their apartments through informal, word-of-mouth networks, "prior to the official advertising and rental of those units."

Once the "informal" rental process creates an all-white or all-black project, integration becomes extremely difficult, he said.

A 1981 nationwide study by National Capital Systems Inc., commissioned by HUD, found that most builders treated the marketing plans as "just another HUD requirement" and fell far short of the minority recruitment goals they had promised HUD they would meet.

Only 47 percent of the 76 projects

HUD "approved (marketing) plans that are on the face of it not just inadequate, but laughable."

— Michael Daniel, civil rights attorney



studied actually contacted the community groups among which they had promised to spread word of their projects, and only one-fourth had ever been monitored by HUD, the study found.

"Without the oversight... there were no incentives for developers and managers to comply with the purpose and conduct affirmative marketing," the report on the study warned.

HUD records indicate that only 33 of more than 53 projects built in the Dallas area since the requirement of marketing plans was imposed in 1972 were ever reviewed in detail by HUD for compliance.

Local HUD spokesman Edith Teague noted that projects built after 1972 but given final approval by HUD before that date are not subject to the marketing requirements. She said it was difficult to determine how many such projects there might be.

When The News last year requested copies of marketing plans under the federal Freedom of Information Act, local HUD officials said they could find copies of only eight plans. Later, under a court order in connection with a lawsuit filed by Dallas civil rights lawyer Michael Daniel, HUD produced 35 plans.

Having surveyed those plans, Daniel concluded that HUD "approved marketing plans that are on the face of it not just inadequate, but laughable."

"I had to admit that I showed very little interest in those plans," said Irving Statton, who was head of the federal housing agency's Dallas region until 1982. "I looked like I didn't give a damn and, frankly, I didn't."

"I thought that it just wasn't important," Dallas County, according to the 1981 study, is 18.5 percent black and 9.8 percent Hispanic. But HUD's files show that the agency approved developers' plans that called for little or no minority occupancy.

Midpark Towers, a North Dallas complex for the elderly, set a 5 percent goal for black and Hispanic tenants combined, according to HUD files. At The Royal Arms II, a family project in Cedar Hill, the goal was 2 percent for blacks and Hispanics combined.

Irvingdale Apartments, a family project in Irving, was approved with a goal of 1.5 percent black occupancy. Northwest Terrace Apartments in Dallas failed to state any minority occupancy goals.

And Hillcrest Park, a 192-unit elderly project developed in Dallas by the Hillcrest Baptist Church, was approved for federal funding although its plan stated that it anticipated renting to no minorities and that it would make no special efforts to attract them.

In the 13 compliance reviews made available by HUD, only two

report dealing with fair housing training for employees, solicitation of prospective tenants referred by HUD, content of advertisements, contacts with community groups, submission of reports to HUD, marketing efforts in general, the economic and racial breakdown of the eligible population, possible disparities in maintenance services to white and minority tenants, pending applications and evictions.

Nevertheless, after speaking to three tenants and the manager, he found that the project was in compliance.

He noted, with reference to the overwhelming Anglo occupancy of the project, that it was "in keeping with" the 95 percent white character of the surrounding neighborhood.

projects' marketing efforts clearly met all of the federal housing agency's requirements. Three others were ruled in compliance despite investigators' findings of poorly kept records, outdated marketing plans or all-white occupancy. Eight were found by HUD investigators to be out of compliance with their plans.

The plan for North Dallas' Jackson Manor complex was approved in 1976 by HUD although the developer failed to list a minority group that the complex would try to attract. The project's management, however, had promised to contact minority organizations, to recruit minority employees and to distribute literature about the project among minorities.

According to a 1980 compliance review, a federal housing investigator found that Jackson Manor had never contacted any of the minority organizations it named. Nor had it printed the fair housing pamphlets, recruited minority employees or told lower-level staff members that the complex had an affirmative action plan. There were no blacks and only 11 minorities of any description at the 140-unit project in 1979, HUD found.

Managers of the complex later hope that HUD had brought them into compliance.

At the Midpark Towers elderly complex in 1979, the management conceded that no advertising had been used and no minority groups contacted, according to HUD reports. The project was 100 percent white.

At Walnut Place, later renamed Honeybrook Apartments, a HUD investigator found in 1982 that Vernon and James Smith's firm, Landmark Properties Inc., which managed the apartments had conducted only "minimal" attempts to contact minorities. The 202-unit project contained 24 minority households, though Landmark had told HUD it planned to rent to 16 black and 22 Hispanic families.

The Smiths failed to return several telephone calls from The News, and a secretary for the firm said they would have no comment on subsidized housing.

In 1979, an investigator who interviewed managers at the Lake June Village Apartments in Dallas found that none "appeared to have any knowledge of the marketing plan's existence or its connection with their operation."

The HUD files indicate that investigators sometimes were less than completely thorough.

One investigator in 1979 found that the occupancy of the Prairie Ridge complex in Grand Prairie was 86 percent white, that management could not locate a copy of its marketing plan, that the sales staff was all white and that the waiting list "was not well organized."

He left blank the sections of his



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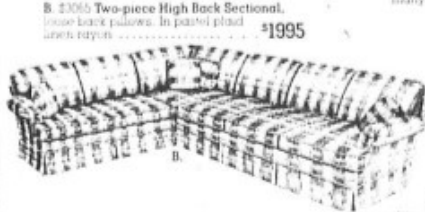
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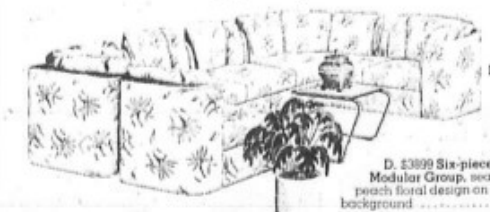


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# Senate OKs bingo, health spa bills

**AUSTIN** — The Senate on Wednesday approved bills to keep health spa members from being cheated and to discourage any "criminal element" from moving in on bingo in Texas.

Senators also approved an voice vote and sent to the House one of a series of proposals in a new state war appropriations bill, which strikes over 4,000 jobs in a year.

Sen. Carlos Truan offered two bills to tighten state regulation of bingo games. One would make penalties more consistent and allow the state comptroller to suspend games if he determines they are a "public threat." The other measure would allow the comptroller to obtain criminal records in investigat-

ing those applying for or holding bingo licenses.

Truan, D-Corpus Christi, said, "We're concerned that a dangerous element might come into our state and take over these games," which are designed to benefit nonprofit charitable and fraternal organizations.

Sen. Roy Blake, D-Nacogdoches, said, "The criminal element has become involved in these would be no need for this legislation."

"There is a concern," Truan said. The health spa proposal by Sen. Lesdon Williams, D-Houston, was designed to protect Texans against "chain operations."

Health spa regulations administered by the Texas Department of Labor and Standards, would require

all funds collected as prepayments for joining a spa to be deposited in an escrow account, where the funds would be held until 30 days after the spa had opened for business.

Full membership refunds would be made if the spa did not open for business within six months of the sale of the first membership. Spa owners in business for two years would be exempt from the escrow provision.

Spas would have to file a bond of \$20,000 to \$50,000 as security against possible financial losses.

Violators of the law could be sent to jail for a year and fined \$2,000, and spas that violated any injunction would be subject to civil penalties of up to \$50,000.



## FAIR-HOUSING FAILURE

### 5 administrations have refused to enforce anti-discrimination laws

#### SEPARATE & UNEQUAL



SUBSIDIZED HOUSING IN AMERICA

- Segregation found nationwide: 18A
- High-rise ghettos in New York: 17A
- Bias don't halt HUD funds: 18A

"In other words, our government, unfortunately, has been sanctioning discrimination in housing throughout this nation."

— Sen. Edward W. Brooke (R-Mass.) 1968

Starts in a series  
By Craig Flournoy  
and George Rodrigue  
Staff Writers of The News

©1988, The Dallas Morning News  
Five presidential administrations have refused to use the strongest penalties provided under federal laws to remedy racial discrimination in the nation's subsidized housing.

Based on interviews with current and former members of the U.S. Department of Housing and Urban Development and the U.S. Department of Justice, top members of some administrations also have blocked enforcement and prosecution efforts under federal fair-housing laws. The Dallas Morning News found in a 14-month investigation of federally subsidized housing.

Almost 90 percent of the nation's 1.7 million federally assisted apartments were provided after Congress approved the Civil Rights Act of 1968, which includes the Title VI provision prohibiting racial discrimination in all federally funded programs.

HUD, which funds and oversees more than 90 percent of federal rent-subsidy apartments, is responsible for enforcing Title VI in all federally assisted housing. Yet that system today remains badly segregated and more unequal in the housing and services provided to

Please see 5 ADMINISTRATIONS on Page 18A.



"HUD contributed as much to creating segregated housing patterns as any institution in America, because we knew (HUD policies were contributing to racial segregation) and we went along with it."

— Irving Statman, ex-HUD official

## Flat-tax proposal attacked

### Plan could hurt Texas, White says

By G. Robert Hillman  
Austin Bureau of The News

AUSTIN — The U.S. Treasury Department's flat-tax proposal could cost Texas 170,000 jobs and \$500 million in oil severance taxes over the next five years, Gov. Mark White said Thursday.

And he warned that Texas oil investors could lose another \$30 million a year in royalties if the tax becomes law.

"By eliminating many of the tax exemptions which have historically underwritten the risks associated with energy exploration," White said, "the Treasury proposal would bring about a drastic decline in domestic oil and gas production."

In a sternly worded letter to President Reagan, the Democratic governor sought a meeting with the Republican president to discuss the proposal, which White contended would impair the nation's economic stability and security.

"As the governor of the largest oil- and gas-producing state, I am deeply concerned," White wrote.

"Twelve years ago," he said, "this nation's economy was driven nearly to its knees by the Arab oil embargo."

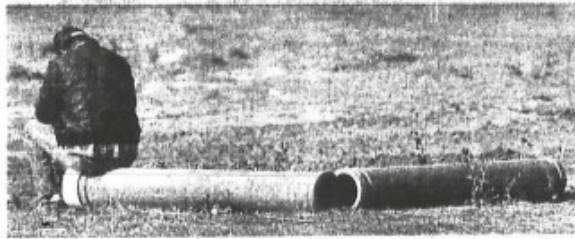
"Have we forgotten so quickly?"

What concerns him most, White said, is the Treasury Department's call for elimination of incentives for the oil and gas industry: the oil depletion allowance, which allows independent producers to recover their capital costs, and intangible drilling costs — labor, fuel and other expenses above the cost of equipment.

By 1991, if the Treasury plan is adopted, there could be a national reduction of more than 250,000 barrels of oil per day, costing the state \$5,000 to 170,000 oil and gas jobs and more than \$100 million a year in severance taxes, White said.

The plan was proposed three months ago, but White said he had withheld comment until he and the Interstate Oil Compact Commission, which he co-chairs with Oklahoma Gov. George Nigh, had studied the issue.

## Searchers don't find boy



Searchers on horseback watch as a helicopter-borne team looks for 2-year-old Jeffrey DeWayne Magee of Lewisville (top). Thursday was frustrating for the 200 searchers, especially for father Len Magee (bottom). (Story on Page 25A.)

## Taylor to seek second term as Dallas mayor

By Terry Maxon  
Staff Writer of The News

Dallas Mayor Starke Taylor formally announced Thursday that he would seek re-election, saying that a two-year term had not allowed him enough time to carry out all of his programs.

Taylor, 62, said he felt he had a commitment to the city and his supporters to seek reelection April 6.

"When I originally made the decision to run for mayor, I did not tell anyone what I was going to do this five-four years," Taylor said. "Dip deep in my heart, I felt... a commitment to do that. Two years really isn't long enough to put into action the things that I want to see."

Taylor said he wants to focus the city's energies on social programs in his second term. Dallas should be known as the "successful city with a heart," he said.

"Together, we can help our children, our senior citizens, the hungry, the homeless and the jobless in our city," he said.

The announcement — and subsequent filing of candidacy papers Thursday morning — should end the recurrent rumors that Taylor desired the mayoral job so much that he would not seek re-election.

Those doubts persisted even after an unusual news conference in January 1984, during which Taylor announced more than 14 months in advance that he would seek re-election. Taylor's announcement then had an exit clause — he said he was running as long as his business, his family and he remained healthy.



Starke Taylor... "Together, we can help our children, our senior citizens, the hungry, the homeless and the jobless in our city."

City Council member Max Goldblatt, who on Wednesday confirmed that he is running for mayor, will officially announce his candidacy Friday. Four other candidates also have indicated through the designation of campaign treasurers that they intend to seek the mayor's job.

Although the Dallas Homeowners League recently gave Taylor only a 16 percent rating — meaning the league agreed with 16 percent of his votes on 19 key issues — Taylor said he is pleased with his record on planning and growth in 1987.

## Museum plans to add \$10 million in art per year in '90s

By Janet Kutner  
Art Critic of The News

The Dallas Museum of Art's board of trustees gave unanimous approval Thursday to an ambitious long-range plan that proposes adding \$10 million worth of art — almost one-third the estimated value

of the current collection — each year beginning in 1990. The plan envisions \$5 million each in purchases and gifts.

If successful, the museum could rank among the top museums in the country in terms of purchasing power. The only American art mu-

seums with larger art endowments are the Getty Art Museum in Los Angeles, the Kimbell Art Museum in Fort Worth and the Cleveland Museum of Art.

The plan proposes a \$70 million endowment fund-raising campaign to begin in the fall.

Of this, \$60 million is earmarked for the museum's art-acquisition endowment, which currently is only \$2 million. Interest generated by the endowment would fund the proposed \$5 million in annual acquisitions.

Another \$10 million is car-

marked for the museum's program endowment, which currently is \$9.4 million. Expanded exhibition, educational and other programs will be funded by interest from this endowment.

Fund-raising methods are not set. Please see DALLAS on Page 11A.

## Stamp revamp

### Postal Service rates will go up Monday

By Doug Bedell  
Staff Writer of The News

Historians tell us the British devised the first postage stamp in 1840 to put an end to complicated mail rate systems.

More than a century later, the problem still hasn't been fixed. Beginning at 13:01 a.m. Monday, the latest U.S. Postal Service rate increase goes into effect.

A regular first-class letter will require either a 22-cent stamp or a temporary green stamp costing 22 cents and bearing the letter "D." The 22-cent stamps replace the 20-cent stamps that have been circulating for three years. Later this year, the "Ds" will be re-

placed by an official 22-cent general-issue stamp. In the meantime, post offices will carry extra supplies of 2-cent stamps.

■ Precanceled first-class mail will cost 18 cents, and carrier route precanceled first-class mail will move up to 17 cents.

■ Post cards will cost 14 cents.

■ And third-class regular bulk mail rates will jump 13.8 percent.

The "D" stamps can be used only inside the United States.

More than 12 million sheets of the "Ds" have arrived in Dallas area post offices, so there should be an adequate supply, local spokesman Barbara Haisley said. But Monday, the first day of the



"D" stamp costs 22 cents.

new rates, is George Washington's birthday and post offices will be closed. As a result, Ms. Haisley said, most mail picked up that day will not be stamped "postage due" unless the service encounters large amounts of 20-cent stamped mail from a single mailer.

## American abducted in Lebanon escapes

Associated Press

DAMASCUS, Syria — American journalist Jeremy Levin, kidnapped 11 months ago in Beirut, escaped Thursday and will be turned over to the U.S. ambassador, the Syrian government said.

The official Syrian News Agency reported late Thursday that Foreign Minister Feroz al-Sharaa summoned U.S. Ambassador William Eagleston and told him Levin escaped from his captors in Lebanon and would be turned over to the ambassador Friday morning at the Foreign Ministry in Damascus.

The official report said Levin

"escaped and arrived at a Syrian army position in Lebanon," but did not elaborate.

Earlier, the Syrian government had said it won Levin's release through negotiations, but Levin — the Beirut bureau chief for Cable News Network — was quoted as saying he fled from his captors and walked for two hours.

"He looks beautiful." Levin's wife Lucille said in Washington after she was shown a news photograph of her husband with a beard, rumpled hair and a bewildered look.

Please see AMERICAN on Page 11A.

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### Sunny

Dallas-Fort Worth area — Early Friday with a high near 60 and low near 30. Cloudy Saturday with a 30 percent chance of thunderstorms. High in the lower 60s and low in the mid-30s. Thursday's high 64, low 34. More weather on Page 10E.



SEPARATE & UNEQUAL: SUBSIDIZED HOUSING IN AMERICA

5 administrations have failed to enforce laws

Continued from Page 1A  
whites and minorities this in previous decades.

Except in isolated cases, the administrations of Presidents Johnson, Nixon, Ford, Carter and Reagan have failed to aggressively enforce Title VI and the doctrine in the 1968 Fair Housing Act to act "affirmatively" to remedy the effects of earlier racial discrimination in federally assisted rental housing.

HUD contributed as much to creating segregated housing patterns as any institution in America, because we know HUD policies were contributing to racial segregation and we went along with it," said Irving Stetman, who was director of HUD's Dallas-area office during the last three years of his 1971-82 tenure there.

Stetman, in a 1980 deposition for a civil rights case, said that during those 11 years he approved funding for public housing projects throughout East Texas, knowing that many local housing authorities already would segregate tenants by race.

Nationally, top HUD officials from the Johnson administration to the Reagan administration have approved funding for the construction of subsidized projects with knowledge that tenants would be segregated and that minority tenants often would be concentrated in government-subsidized projects as a means to enforce residential segregation laws. HUD's own records and interviews with HUD officials

in various NA HUD offices show that HUD's Carter and Reagan administrations approved housing projects in 1973 and 1981 that violated the 1968 Fair Housing Act. HUD's records show that the agency was aware as early as 1971 that Yonkers-Urban renewal plans violated the anti-discrimination provisions of the 1968 and 1968 Civil Rights Act.

Robert Weaver, appointed in 1968 by President Lyndon Johnson as the U.S. secretary of HUD, acknowledged that he and other federal housing officials knew that cities and local housing agencies would segregate tenants by race. Weaver said he believed the racial segregation because he did not want to upset further opposition to the 1968 Fair Housing Act.

"If we had either tried to prevent or would have enforced the 1968 act," said Weaver, "it would have been a lot of trouble in housing and civil rights suits 30 years ago. The 1968 act was the act that really put into motion beyond this thing that we have seen today a very serious violation of the 1968 act."

The federal act, it was said, "was used to the degree that it could be enforced was because there wasn't the will to do so."

Weaver said HUD's failure to aggressively enforce the federal act is "a prime cause of the federal government's failure to enforce its responsibilities."

Congress provided HUD with general powers to ensure that cities and local housing agencies would not practice de facto segregation with fair housing laws.

The 1964 Civil Rights Act gave HUD the power to order federal assistance to an agency or individual who "engages in racial discrimination" under the Housing and Community Development Act of 1974. HUD can suspend funds or stop the flow of Community Development Block Grant funds to a city that makes fair housing laws or does not act to the maximum within its authority to enforce fair housing. HUD is empowered to refer violations of fair housing laws and of the 1974 act to the Justice Department for prosecution.

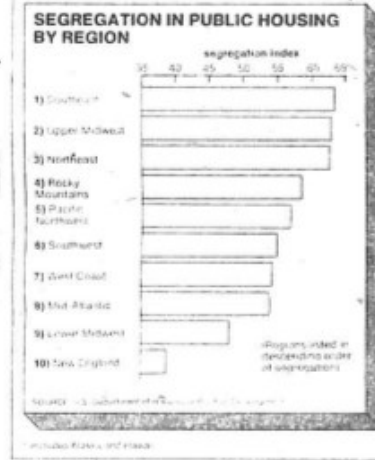
With few exceptions, the eight HUD secretaries during the past 19 years have not invoked the law's strongest measures. For example:

• No HUD secretary has ever used the authority provided under Title VI to cut off federal funds to a local housing authority, private developer or landlord who operated a federal rental subsidy development, according to HUD records obtained by The News under the Federal Freedom of Information Act. HUD secretaries have threatened to cut off funds in 11 instances to public housing authorities, but never followed through. HUD records show that federal lawsuits and HUD records reveal studies of alleged failures to comply with fair housing laws. An internal 1981 HUD report concluded that "public housing remains racially segregated."

• Top HUD officials seldom have revoked discriminatory development funds from communities despite evidence that many other were violating fair housing laws or failing to make a good-faith effort to provide low-income housing, one of the act's primary goals. Records compiled during the early years of the community development program



SEGREGATION IN AMERICA



Segregation exists nationwide, statistics show

By George Rodriguez

Subsidized projects that segregate housing in the rural Southern region to the housing units of Chicago, according to a new study, segregation is the 1st in terms of housing units in the United States. The Dallas Morning News conducted a computer-aided analysis of 1983 small area projects HUD's southern region using factors provided to HUD in 1974.

That study showed that 81 percent of the white households and 87 percent of the black households lived on projects in which their racial group comprised more than 80 percent of the households. Other than white and black projects were within blocks of each other. These smaller Southern public housing projects, however, contain only 60,000 households, a fraction of the 136 million households in public housing, or the 34 mil-

lion households in federally subsidized rental housing of all types. The News using HUD data to conduct computerized data base from 1977. It used an equally strong pattern of segregation in urban and Southern public housing projects. HUD data said that projects in racially diverse areas show 50 percent segregation, 45 percent of those of their households are of the same race.

A study that studied as a definition of what HUD calls "racial identifiability." The News found that 41 percent of the white households living in projects lived in racially identifiable white projects, only 12 percent of the blacks lived in overwhelmingly white projects. Among the white elderly in projects, 80 percent lived in white projects. HUD studies of other subsidized programs have found much higher concentrations of elderly whites in white developments. Seventy-one percent of blacks

live in projects in which their racial group comprised 87 percent of elderly blacks. Segregation of blacks into black projects was most severe in the non-Southern settings. In the District of Columbia 88 percent of black households in public housing lived in black projects, in the state of Illinois, home to Chicago's massive projects, 85 percent of black public housing tenants lived in black projects.

The concentration of low-income housing within Southern central cities has contributed strongly to that region's high overall level of residential segregation, according to Dr. Karl Taeuber, director of the Center for Demography and Ecology at the University of Wisconsin. In many Northern cities, he said, white areas are given over to low-income housing, occupied almost entirely by minorities. Taeuber, one of the nation's leading authorities on racial residential segregation, has developed an "index of dissimilarity" to measure

segregation. Under Taeuber's formula, a totally segregated community would have a score of 100, a completely integrated community would have a score of 0. HUD, according to Taeuber, HUD officials, generally use such scores for the suburbs, which often have little subsidized housing. A federal court in Tennessee seized upon his developed a mathematical test for possible public housing segregation. Projects are racially identifiable if their racial makeup varies by more than 15 percentage points either way from the housing authority's overall racial profile.

The News applied that test to housing authorities in which more than 15 percent of the tenant households were minorities, and found that more than 90 percent of the projects would be considered racially identifiable using that test in the HUD regions headquartered in Boston, Chicago, Kansas City, Denver and Seattle. Two years later, HUD and Justice officials signed an agreement in which HUD promised to develop a new plan within 180 days. But Carter administration officials never implemented a new plan, HUD records show. Antonio Moore, HUD's assistant secretary for Fair Housing and Equal Opportunity, said in a recent interview that the agency still is operating under the same plan and is not working on a new one. The Commission on Civil Rights, created by Congress in 1957 to monitor federal efforts against racially discriminatory practices, concluded in 1979 in its most comprehensive examination of fair housing

enforcement that "for more than a decade, the Departments of Housing and Urban Development and Justice... have largely failed in their responsibilities to prevent and eliminate discrimination and segregation in housing."

Interviews with current and former administration officials showed that some enforcement efforts and attempts to prosecute under fair housing laws were blocked in virtually all administrations. In 1978, according to Joel Selig, a deputy chief in the Justice Department's Housing and Credit Section, civil rights prosecutors became impatient with HUD's "bureaucratic inertia" and launched their own investigations under the 1974 act. Prosecutors developed cases against two cities, alleging community development violations, and asked HUD to refer the cases to the Justice Department for prosecution, as required by law.

In July 1980 and again in December 1980, HUD officials said they would not refer the cases for prosecution, according to Selig, now a University of Wyoming law professor because of their concerns about possible "political reaction." Jane McGrew, HUD's chief legal officer during the Carter administration, confirmed that agency officials chose not to allow the filing of the cases. She said the government spent a chance of winning the lawsuits were slim.

In another case during the Carter administration, top HUD officials urged Justice Department efforts to enforce civil rights laws, according to Selig, the former deputy chief.

In the case of the third city, Civil Rights Division prosecutors contended the city had violated the 1968 Fair Housing Act by maintaining a segregated system of subsidized housing, Selig said. The city, which Selig declined to identify, had concentrated its minority-occupied family housing only in predominantly black areas. The city later stopped building new public housing for families, despite pressing needs for such housing.

The News learned from former Justice Department attorneys who asked not to be identified that the city was Memphis, Tenn.

HUD agreed, Selig said, that the city had acted illegally but the agency adamantly opposed filing the suit. HUD, represented by the Justice Department's Civil Division, already was fighting a private lawsuit involving HUD's earlier role in allowing segregation to continue in the city's public housing, Selig said. But, he said, housing section attorneys saw the case as "a matter of the Justice Department's responsibility to do something about the city's massive violation of the Fair Housing Act."

Selig said Carter administration officials during their last days in office, decided against filing the case.

McGrew, who served as HUD's chief legal advisor during the Carter administration, acknowledged HUD officials discussed the Memphis litigation. She declined to comment on the case, however, citing her previous lawyer-client relationship.

Drew S. Days III, who was in charge of the Justice Department's Civil Rights Division during the Carter administration, and HUD officials consistently measured scores by the number of apartments built "and not whether they are getting built in the right places for the right people, in ways that do not reinforce segregation."

Days, now a law professor at Yale University, said his staff repeatedly asked HUD to refer cases of housing discrimination for prosecution but had little success. HUD officials cited several reasons, Days said, but "there were less obvious reasons for refusing to refer cases, namely that they did not want to rock the boat."

"It was not in their best interest politically to take strong action against major recipients of federal funds," said the former Justice Department official.

The Carter administration, according to current and former HUD and Justice Department fair housing officials and federal court findings, was not the only administration in which enforcement efforts were blocked.

During the Nixon administration in the early 1970s, officials of the city of Philadelphia, the local housing authority and another municipal agency tried to halt construction of a federally subsidized development in a white neighborhood. The contractor asked HUD to

Please see VIOLATIONS on Page 17A.



SEPARATE & UNEQUAL: SUBSIDIZED HOUSING IN AMERICA

Violations of fair-housing laws go unpenalized

Continued from Page 16A.

stop federal funds to the city because of its interference in the project, but HUD stated that it would not follow that course of action for political reasons, a federal court later found.

Shortly after a local HUD official in Philadelphia had criticized the city's intervention in the project, Mayor Frank L. Rizzo contacted a Nixon White House staff member in July 1972 seeking relief. HUD's general counsel later ordered the local HUD official to keep a "low profile" in the controversy, an action which, a federal court ruled, violated the 1968 Fair Housing Act.

In the Reagan administration, officials of the Justice Department's Civil Rights Division declined to prosecute the Newark Redevelopment and Housing Authority despite HUD's findings that the New Jersey agency was not complying with federal anti-discrimination laws.

Charles M. Furberstein, a top official in HUD's legal office, said in an October 1982 letter to Assistant Attorney General William Bradford Reynolds that segregation was a fact of life in Newark "maintained and exacerbated by the Newark housing authority's tenant selection and assignment policies."

Reynolds, head of the Civil Rights Division, replied in a March 1983 letter to HUD that "we have concluded that there is not sufficient evidence at this time to make a claim of intentional discrimination on account of race of the Newark Housing and Redevelopment Authority."

In another instance in the Reagan administration, Robert J. D'Agostino, Reynolds' deputy in the Civil Rights Division, tried unsuccessfully to get the Justice Department to withdraw a case filed against Yonkers, N.Y., alleging housing and school discrimination.

D'Agostino also recommended that the Civil Rights Division implement a "complete rethinking" of housing discrimination cases.

During the Johnson administration, HUD officials continued to sanction a secret and illegal agreement between the Chicago Housing Authority and the City Council that allowed each city council member to veto subsidized housing projects planned for his ward, a practice that restricted about 10,000 poor black families to federally financed blocks.

An appeals court later ruled that HUD's "knowing acquiescence in the admittedly discriminatory housing program" violated Title VI of the 1964 Civil Rights Act and constitutional guarantees of racial equality.

The Chicago incident, known as the Gautreaux case, was not yet over, however. The U.S. 7th Circuit Court of Appeals, convinced that the remedy must extend beyond the city's limits, mandated "the adoption of a comprehensive metropolitan-area plan that will not only disestablish the segregated public housing system in the city of Chicago, but will increase the supply of dwelling units as rapidly



The Dallas Morning News: George Rodriguez

Children play baseball below a high-rise in Chicago's Cabrini-Green complex, an overwhelmingly minority-occupied group of buildings whose tenants complain of frequent crime and gang violence and poor maintenance.

as possible."

HUD officials asked the Justice Department's Civil Division to appeal the ruling to the U.S. Supreme Court. Civil Rights Division attorneys, meanwhile, urged the Justice Department not to appeal the case.

The final decision was made by Robert Bork, Solicitor General in the Nixon and Ford administrations and today an appeals judge in Washington, D.C., widely considered a leading candidate to fill the next Supreme Court vacancy.

Bork decided in favor of HUD, but the Supreme Court in a unanimous decision upheld the lower court ruling and directed HUD to design a metropolitanwide plan to correct housing discrimination in Chicago.

In a letter to the Civil Rights Commission, Frank Schwab, head of the Civil Rights Division's housing section, wrote, "The position taken by the United States in Gautreaux was highly publicized and was not helpful in persuading people that we were truly interested in promoting equal opportunity."

Each of the past five administrations has ignored its responsibility to enforce civil rights laws in federal rent-subsidy housing, according to Gary Orfield, a University of Chicago housing expert and HUD consultant.

"I think if it had been an important national priority to do something about segregation in the country, we would have figured out some way to do that within the bureaucracy," Orfield said.

"But it is not. Throughout the whole period that HUD has had the responsibility for enforcement of fair-housing laws, no administration in power has made this a pri-

ority issue. And several of them have been rather hostile," he said.

The News interviewed more than a dozen current and former top HUD officials, including one HUD secretary from each of the last five administrations. All said they made determined efforts to enforce federal fair-housing laws, but they differed sharply on the effectiveness of their efforts and the support they received from other top administration officials.

Some, like Carla Hills, who served as HUD secretary during the Ford administration, said her strongest efforts were to suppress and sharply reduce racial segregation and discrimination in housing.

"I would not say the federal government has been less effective in

enforcing the (fair) housing law than in enforcing voting laws," she said.

Current HUD Secretary Samuel R. Pierce Jr., in response to written questions submitted by The News, echoed the opinion of former Secretary Hills.

"HUD has been dedicated sincerely and seriously to fulfilling this responsibility during my administration, and I have no reason to be critical of past HUD administrations in this respect," Pierce said.

However, Pierce recently initiated a nationwide drive against segregation in public housing in response to a federal lawsuit in East Texas. Last year, he sent a memorandum to HUD's Southwest fair-housing enforcement office in Fort Worth, emphasizing that officials sanctioned segregation in public housing "violates the Constitution."

"If you look at the secretary's memorandum . . . it says that the only (desegregation) plan that is satisfactory is one that works," said Lawrence Pearl, a top official in HUD's fair-housing enforcement office. "And if you are talking about that, then you are not talking about what we did in the past."

George Romney, appointed HUD secretary in 1969 by President Richard Nixon, said he took an aggressive approach to fair housing enforcement but found his efforts blocked by the president.

Romney said he wanted to implement HUD's legal duty to act "affirmatively" by opening up the suburbs to minority and low-income people. Nixon, he said, did not.

Romney, a former governor of Michigan, said Nixon never explained why he blocked his efforts. "He doesn't have to tell you why," Romney said.

He said he also had problems getting the Justice Department to file cases.

Romney left after serving one term. "I resigned," he said, "that I was banging my head up against a brick wall."

Other former HUD secretaries, such as Weaver and Patricia Roberts Harris, who served as head of HUD during the first two years of the Carter administration, said an administration has effectively enforced fair-housing laws, largely because efforts to eliminate housing segregation and discrimination were not being treated as a key issue.

"I think for most administrations, it (fair housing) just wasn't a high priority," said former Secretary Harris said. "And when I was secretary, it was just that the staff and the operation of Fair Housing and Equal Opportunity were just inadequate."

"I must say I consider that one of the areas where we left much to be desired."

The failure of HUD and other federal agencies to provide integrated housing has had dramatic effects in some areas. High concentrations of public housing in a handful of neighborhoods in many Northern cities have played a significant role in fostering high levels of seg-

regation.

In 1980, the central cities and the metropolitan areas of the Northeast and Midwest were the most highly segregated in the nation, according to studies by Karl Tauber, one of the country's leading authorities on racial residential segregation.

"The North has these old high-rise public housing projects where whole areas of a city are given over to cheap housing," said Tauber, director of the Center for Demography and Ecology at the University of Wisconsin.

Several experts on housing patterns and flaws said the pervasive pattern of racial segregation and discrimination in federally assisted housing demonstrates the federal government's failure to mount a serious effort to enforce fair-housing laws.

"There's never been any attempt to seriously enforce the laws," said James Kushner, professor of law at Southwestern University School of Law in Los Angeles and an expert in housing and constitutional law and land use.

"The Justice Department has never been adequately funded or staffed," Kushner said. "HUD could have taken its grant conditions much more seriously, but it never did, so HUD didn't use the limited tools it was provided with."

And frankly, no one has ever placed housing integration at a very high priority in Congress. Certainly every administration has only given lip service to equal opportunity in housing,"

Martin Sklar, executive vice president of the National Committee Against Discrimination in Housing, the nation's oldest fair-housing group, said HUD's failure to enforce fair-housing laws "certainly have sent out a message to the housing and home finance industry and certain suburban municipalities that say, 'Don't worry about our (federal government) being too strict. It's business as usual.'"

SEPARATE & UNEQUAL

SUBSIDIZED HOUSING IN AMERICA

After a lawsuit led to mandatory integration in an East Texas town in December 1983, The Dallas Morning News began investigating federally assisted housing. The 14-month inquiry ultimately covered 47 cities from the Northeast to the West Coast. It included interviews with hundreds of tenants in public housing, current and former officials of local housing authorities and the U.S. Department of Housing and Urban Development, and private housing experts. Additionally, thousands of documents were acquired from federal agencies through the federal Freedom of Information Act.

- Sunday — National overview
- Monday — Winners and losers
- Tuesday — Jim Crow in E. Texas
- Wednesday — Deinstitutionalization
- Thursday — Focus on Dallas area
- Friday — Housing enforcement
- Saturday — Studies in failure
- Sunday — Prospects for future

U.S. knowingly helped Yonkers build high-rise ghettos

By George Rodriguez  
Staff Writer of The News

YONKERS, N.Y. — In one decaying square mile of New York state's fourth-largest city stand about 7,000 subsidized apartments in dozens of high-rise buildings, vertical ghettos bearing brick-and-mortar testimony to a modern American pattern of segregation.

The segregation was conceived by the U.S. Department of Housing and Urban Development has chan-



The Dallas Morning News: George Rodriguez

Yonkers NAACP official Herman Keith . . . opposed the city's plan to displace blacks.

in local policies but nurtured and sanctioned by the federal government, according to evidence gathered during the past three years for a civil rights trial — the first ever in which the U.S. Justice Department simultaneously prosecuted a community on charges of both housing and school discrimination.

The U.S. Department of Housing and Urban Development has chan-

nelled more than \$50 million into Yonkers since 1971, when its own staff members noted that the city's segregationist construction policies violated federal law, according to calculations by the National Association for the Advancement of Colored People, a party to the federal suit against Yonkers.

For more than 12 years during four presidential administrations, as the federal housing agency was issuing those checks, its staff wrote internal memorandums warning that Yonkers had broken every major fair-housing promise it had ever made, according to HUD files obtained by attorneys for the NAACP.

In 1980, the Carter administration warned Yonkers that if it did not provide housing for the poor outside of ghettos, the city would lose its federal community development funds. That December, the Justice Department filed suit alleging a litany of civil rights violations.

But the Reagan administration in its first year backed away from the HUD threat to suspend funds. It also has approved a discretionary urban development grant for the city. HUD in 1983 did enforce the conditions originally set out in 1980 and cut off community development funds to Yonkers, according to officials in Washington. The city is eligible for \$16 million annually.

Yonkers used its federal funds to

pack its southwestern corner with assisted housing, southwest Yonkers contains 6 percent of the city's land area and 97 percent of its subsidized apartments.

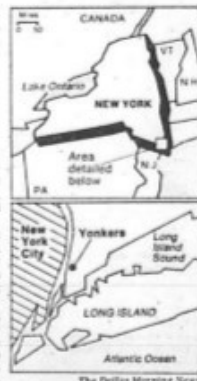
Despite protests from the city's professional planners and from the NAACP, only two of the city's 16 projects have been built outside that ghetto area. One is for the elderly and is occupied overwhelmingly by whites. The other is the 26-story, 28-year-old Hall Court family project in Rye-on-Highs, the city's minority neighborhood outside southwest Yonkers.

Minorities, who comprise about 22 percent of the city's population, are concentrated within southwest Yonkers. Many East Yonkers census tracts are more than 95 percent white, according to trial testimony.

That testimony, heard during the summer and fall of 1984, indicated that the ghettoization of minorities can be attributed both to the lack of affordable housing outside southwest Yonkers and to widespread racism in the private housing market.

Therein, violence and other forms of discrimination have not blacks' attempts to rent or buy private housing in the city's fully integrated white neighborhoods, according to trial testimony.

Evidence also indicated that after HUD asked the city to approve a



The Dallas Morning News

fair-housing ordinance in 1981, Yonkers replied in writing that it would not comply. HUD dropped the request.

The only times Yonkers' leadership enthusiastically supported integration were to justify quotas on Blacks designed to ensure overwhelmingly white occupancy at three subsidized housing proj-

ects. One bordered a white community in southwest Yonkers, the other two were in the center of downtown, which lies within southwest Yonkers.

With HUD's knowledge, testimony indicated, hundreds of new government-subsidized apartments were kept vacant over a period of 2½ years, although thousands of qualified blacks had applied for the units. Meanwhile, city officials scoured newspaper-walking announcements for photos or names of whites who appeared to be white, and wrote letters inviting them to apply for the apartments.

Discrimination has long pervaded life in this Hudson River city of 200,000, where local politicians have built entire campaigns around opposition to subsidized housing and school integration. Documents, sworn depositions and trial testimony given in U.S. District Judge Leonard R. Sand's court indicate that:

- Some blacks who tried to buy houses or rent private apartments outside the ghetto were forced to use white intermediaries. Some who made the move were mobbed by crowds of whites who chanted "Go home, niggers," testified Dorothy Downes, a black real estate agent. One Mack family bought a home in a white neighborhood.

Please see U.S. on Page 18A.



SEPARATE & UNEQUAL: SUBSIDIZED HOUSING IN AMERICA

U.S. helped Yonkers build high-rise ghettos

Continued from Page 17A

around 1985 the house was first described the day they moved in, according to trial testimony.

The school board, appointed by the mayor and funded by the City Council, altered school attendance zones, with the result that black children were kept in south-west Yonkers' segregated schools where both the faculty and the facilities were inferior to those found in white East Yonkers.

Both children and adults reportedly threw rocks at minority children from the Barton Heights neighborhood when they attempted to attend the Emerson Middle School in northwest Yonkers.

Other blacks became pawns in a desegregation numbers game. Technically, they attended white schools in reality many had been unfairly labeled as retarded, then bused across town for "special education" classes at white schools. At some schools they would be kept strictly from their buses to have their classrooms and bus lunch separately from their classmates not in the special program.

Their white contemporaries never had the opportunity to attend classes with "real" blacks, and often taunted the special education students, calling them "dummies" and "retards."

The city was reinforcing in so many ways the idea that blacks are inferior," said Michael Sussman, a white attorney who prosecuted the case for the NAACP. "There are times during the trial when it was hard to keep breathing."

The NAACP entered the case in May 1983, three months after the Justice Department filed suit and named HUD as a co-defendant. HUD withdrew out of court before the case went to trial last summer.

Said the district judge, he not only ruled on the case, but Yonkers Mayor Angelo Martinelli, one of the chief defendants, expected to lose.

Long before the trial started Martinelli said, "Our lawyers came back to me and said, 'Major, we are going to lose this case. Do you want this? The Justice Department and the NAACP were doing studies of research, and every time they did another volume every time they got someone new it was getting more and more detrimental to the city.'"

Martinelli, who has been Yonkers mayor for all but two of the last 12 years, was the only elected city official to support a settlement of the case by the NAACP and the government before the trial. He said the depth of the city's racial animosity can be gauged by its decision to spend \$8 million on its legal fight rather than settle the case.

The mayor acknowledged in an interview with The News last fall that the city has played its public housing in an adroit and to ghettoize and that some trial evidence "made us look very bad."

HUD in dedicated Yonkers' record on providing low-cost housing.

The city has accepted more than our share of public housing, Martinelli said. "We have 41 percent of the low-income housing in Westchester County and only 21 percent of the county's population."

Trial testimony indicated that Yonkers accepted much of its public housing because it faced a common big-city situation: It needed federal aid that renewal funds to keep businesses from fleeing its deteriorating downtown area. But in return for the funds, it had to provide new housing for families displaced by urban renewal projects.

Yonkers leadership viewed urban renewal as a hard to drive blacks from the city according to a sworn deposition by Martin Yelich, who headed Yonkers' development department from 1974 to 1974. Yelich testified that city council members, whom he described as "very, very conservative aimed to the point of being reactionary," told him they opposed urban renewal unless it would help them uproot minorities and force them to move to other communities.

Most of the displaced families were black, and many white homeowners in Yonkers adamantly opposed allowing them into their neighborhoods.

But beginning in 1985, said Sussman, the NAACP attorney, HUD rules and federal civil rights laws forbade the concentration of assisted housing in minority ghettos. HUD civil rights analyst Grace Maining wrote last September in 1974 that Yonkers' urban renewal plan violated the Civil Rights Act of 1964 and 1968 because it "fails to provide minority displaced... the ability to relocate outside of areas of minority concentration."



Children gather in the Riverview complex in Yonkers, N.Y. HUD at least tacitly approved racial quotas at three Yonkers projects — Parkledge, Riverview I and Riverview II — during the 1970s, according to testimony.



Source: U.S. Department of Justice

Yonkers promised to adopt a policy of scattering subsidized housing throughout the community, but Mr. Mahon retorted that HUD's office urban renewal funds, which Yonkers first two housing projects were placed outside minority areas.

Within three months, however, the housing agency released funds for two new projects, both in HUD's area in the heart of the ghetto. Over the 1971-1981 decade, HUD approved 11 sites in or adjacent to ghetto areas.

Government documents show that city planners had found more than 50 sites suitable for subsidized housing in the white East Yonkers area. But the City Council rejected those locations, citing concerns such as zoning, traffic and lack of adequate services. If allowed to subsidize family housing outside the minority ghettos.

The objections to the sites in white neighborhoods, testified former Yonkers Mayor Alfred DeBellis, now lieutenant governor of New York, were "superficial" and masked racial considerations.

Race was "deliberately" considered, although it was never stated as such, he testified. Former City Council member William Schneider testified that scores of good sites for subsidized housing in the white community were rejected on the pretext of "inadequate city services."

Behind the scenes, Schneider said, his colleagues told him "the reasons were racially motivated because their constituents were afraid that black people would be moved into their neighborhoods."

While incompatible zoning and inadequate city services were cited as reasons for blocking projects in white neighborhoods, they did not prevent construction in the south-west Yonkers ghetto. There, on at least eight occasions, the city altered zoning, allowed construction of a project in a flood plain, ignored planners' recommendations or disregarded height restrictions, ac-

described it as "the most unfortunate I have ever seen."

Cartman testified he found that normal, intelligent black children had been relegated to the special education classes based on invalid tests or pressures by teachers.

Several depositions indicated that such pressures was not unique to one school. Officials and teachers said one elementary school principal called for black students "ruggers" and "punks," threatened to ship them in Clinton and made one black youngster perform for other teachers by rap-singing and talking about his mother's boyfriend.

He was forced into retirement by a tuberculosis diagnosis, said after she discovered that black children were susceptible to hearing and that she would never have a black teacher. But Martinelli, the mayor named her to the school board, she visited the superintendent.

DiAgostino defended the "racial" action program in his memorandum to Reynolds. He wrote that blacks, because of their family, cultural and economic background, are more disruptive in the classroom on the average.

The Carter administration's lawsuit DiAgostino complained, claimed segregationist in virtually all that did not lead "to the ultimate goal as defined by the Justice Department, namely, racial mixing."

He called the suit "one of the opening shots in a new attempt to reinvigorate America through evicted residential integration. Yonkers' problem, he said, was "they were stupid enough or arrogant enough" to build subsidized housing.

DiAgostino's memo ultimately appeared in the press and the Congressional Record. The tone of his note "gave the case a great deal of visibility," said one senior Justice Department attorney close to the case.

The attorney, who asked not to be identified, said Reynolds, the Civil Rights Division head, also "gave as those interested in pursuing the case a hard time."

The department was dubious about shutting down the case," he said. "It was like he (Reynolds) was a lawyer for the city. He said, 'Certainly wouldn't file the case today.'"

Reynolds, though department spokesman John Wilson, declined to comment on the allegation. Wilson noted that Reynolds did decide to go forward with the case.

But several Justice Department attorneys said publicly over DiAgostino's memo may have influenced Reynolds' decision. "If the administration had shut it down, it would have looked like they got a memo from this maniac — with racial implications — saying they should shut down the case, and they did," said the Justice Department lawyer who has knowledge of the case.

HUD's settlement with the NAACP included a commitment to fund 296 new units of public housing in East Yonkers. But before

reaching that agreement, HUD's attorneys insisted that the department was not responsible for any problems that might have been caused by Yonkers' use of federal funds.

Federal policy dictated that HUD not "second-guess" cities but "give deference to the decisions of the local authorities," they argued in pre-trial discussions.

Sussman, representing the NAACP, countered that under the 1968 Fair Housing Act, HUD must not only prevent discrimination but also strive to foster integration and to increase housing opportunities for minorities.

The 1974 Community Development Act obligated HUD not to reduce community development funds to cities that purposely failed to provide subsidized housing opportunities outside poverty areas, Sussman said.

A massive collection of sworn depositions and documentary evidence indicated that HUD had failed to enforce those laws, Sussman said.

HUD's urban renewal funds allowed the city to demolish subsidized apartments occupied by blacks in a racially transitional neighborhood known as the Hilltowns. But former project manager Herman Keith, president of the Yonkers NAACP, testified that the city did not demolish equally rent-subsidized apartments occupied by whites.

The city supported a project for the elderly near the Hilltowns, and the project became virtually all white. But the city opposed any plans to build family housing, which Keith said almost certainly would have been filled with blacks. He said he told HUD of his concerns, but the agency took no action.

HUD at least tacitly approved racial quotas at three Yonkers projects — Parkledge, Riverview I and Riverview II — during the 1970s, according to testimony.

In the mid-1970s, testimony showed that city officials kept more than 2,000 minorities on housing waiting lists for years while hundreds of newly built federally assisted apartments remained vacant.

The city mailed notices to empty complexes who appeared to be white in hopes that Caucasians would fill 75 percent of the new Riverview apartments downtown. HUD approved the racial quota despite complaints from the Yonkers NAACP.

The federal housing agency also allowed the city to impose an 80 percent white quota on the Parkledge project, which was approved by HUD as a "scattered site" non-ghetto housing opportunity for minorities.

Keith, however, argued that Parkledge was hardly a "scattered site" as it was in a white census tract but stood directly across Yonkers Avenue from the minority ghetto.

Elizabeth Covington, a day-care worker and mother of three, was among the blacks on Riverview's waiting list. She said that in an interview last fall that she had been living on the seventh floor of a rent-subsidized building that had been elevated and a family housing system.

She applied at Riverview in 1975 but heard nothing for nine months, she said. Then, Ms. Covington said, she returned to the rental office and was told that she had not received an apartment because the city, state and federal governments preferred to rent to whites.

"I felt like a second-class person," she said. "How dare anybody tell me that whites are better than me — or that blacks are better than whites."

Ms. Covington said she wrote to every politician she could think of, asking them, "if they could look at

up in the law books to see if federal housing could be rented like that."

"I wasn't arguing I just wanted to see it in black and white," she said. Ms. Covington finally got an apartment at Riverview but said many of her black friends — "good, hard-working people" — did not.

Because Yonkers had accepted Community Development Block Grant funds, the 1974 Housing and Community Development Act required that it draft a realistic plan to meet housing needs of low-income families and that it locate any new projects outside ghetto areas.

Yonkers' first plan, in 1975, included no provision for construction of family apartments, despite what the plan itself said was a critical shortage of affordable family housing, HUD approved the plan.

HUD reviewer Nelson Diamond said the city argued that new family units were unnecessary because apartments at Riverview were vacant. Diamond testified that he later learned the units were vacant because of the city's racial quota at the complex. They did have a number of minority families who could move in today and fill up Riverview," he said.

In mid-1978, HUD once more approved Yonkers' eligibility for community development funds on the theory that it would allow minorities to leave the ghetto using the Section 8 Existing Housing program, under which tenants may apply federal subsidies at 10 percent below or apartment of moderate rent.

But six months earlier in July 1978, the City Council had specifically voted to reject federal Section 8 Existing Housing funds to assist 30 families. The voucher program does not involve construction of new apartments, but council members complained at its previous "scattered site" housing initiatives rejected by the city, which would have permitted blacks to move into white neighborhoods.

The Justice Department attorney, familiar with the case said the city's racially discriminatory subsidized housing policies were bad enough in their own right, and worse when considered in the larger context of Yonkers' bitter race relations.

The pattern of segregated government housing "told the private real estate market that it was OK to discriminate," he said.

Mrs. Downes, the real estate agent, testified that when she moved into the white Hilltowns area, one neighbor claimed off the street to black her. "She claimed the street belonged to her," Mrs. Downes said.

Blacks in Yonkers generally paid more than whites for housing and received less for their money, but met local housing discrimination investigator Sidonia Trimmer testified blacks also tended to have inferior appliances or were offered apartments in poorer condition, she said.

It was just an overwhelming experience for me as a white," she testified. "I did not know that."

Major Martinelli said he was confused by some of the NAACP's complaints, such as its displeasure at the racial quota at Riverview.

If it could have produced a racial mix in the buildings, I think that it would have been worth it," he said. "But that's what the NAACP really wanted."

What the NAACP wanted, said Sussman, its attorney, was for the city and federal governments to get fostering segregation — to stop branding blacks as unworthy of associating with whites.

"The fundamental question is whether this is or is not going to be one society," Sussman said, "and whether government will help it become one society or continue to perpetuate the dual nature of society."



Michael Sussman, a lawyer for the NAACP... "The city was reinforcing, in so many ways, the idea that blacks are inferior... There were times during the trial when it was hard to keep from crying."



SEPARATE & UNEQUAL: SUBSIDIZED HOUSING IN AMERICA

# Bias in housing didn't halt flow of HUD funds

By Craig Flournoy and Walter D. Byers

The U.S. Department of Housing and Urban Development, required by law to affirmatively enforce the nation's fair-housing laws, has funneled billions of dollars to public housing authorities and private developers, some of whom consistently have thwarted government attempts to integrate public housing.

An analysis of federal court records covering the last two decades reveals that the federal housing agency itself frequently has condoned discriminatory policies of local governments and housing authorities that defy the laws HUD was ordered to enforce.

Those cases in which HUD's alleged and negligent activities were documented range from some of the nation's largest cities, like Chicago and Philadelphia, to smaller towns, like Bogalusa, La., and Texarkana, Ark.

From 1969 to 1979, five people served as secretary of the U.S. Department of Housing and Urban Development under three presidential administrations. Each head of the federal housing agency, under the Fair Housing Act of 1968, was charged with providing fair housing and with acting affirmatively to overcome housing discrimination.

The U.S. Eighth Circuit Court of Appeals, in a 1983 decision, determined that none of the HUD chiefs acted to stop a pattern of segregation and discrimination in public housing in Texarkana, Ark., that had been documented by federal reports over a decade.

"It is inconceivable that HUD would have so frequently acted to approve the Texarkana (Texarkana Housing Authority) actions for so long, unless its officials held the view that segregation and discrimination were acceptable," the appeals court wrote.

The objective evidence contained in HUD's own files mandates the conclusion that the agency's officials acted because of a discriminatory purpose.

In 1969, the seven Texarkana public housing projects were completely segregated. A HUD investigative report that year noted, "The THA executive director (B.R. McCarley) admitted that projects were segregated and that no effort was being made to integrate."

housing authority, but according to the appeals court, "This action was settled by a consent order, which required nothing of the THA other than it continue to comply with the law."

Debra Wyatt and Marlene McLaughlin, two black women, filed suit against the authority and HUD in 1979 and, in 1983, the appeals court ruled that HUD had violated the Fair Housing Act and constitutional guarantees of racial equality.

The entire record reveals that for over a decade HUD consistently responded to its own findings of non-compliance in ways that allowed the THA to continue discriminating, "the appeals court found."

HUD argues that its actions were an inevitable consequence of its legitimate desire to provide low-income housing, but the agency did not have to approve, support and lobby in favor of the THA's discrimination in order to provide adequate low-income housing in this case.

"In our view," the appeals court wrote, "the only reasonable inference that can be drawn is that HUD's actions were motivated at least in part by a discriminatory purpose."

Officials of the U.S. Department of Housing and Urban Development sanctioned for 15 years a secret agreement between the Chicago Housing Authority and the City Council that illegally restricted 10,000 low-income black families to federally financed quarters, according to testimony and evidence introduced in a federal civil rights trial.

The agreement between the housing authority and the City Council gave each council member who presided over the selection of sites for public housing projects in the city, court records show. City Council members in Chicago, which has the nation's second-largest number of public housing apartments, used the agreement to systematically veto virtually every family project proposed for predominantly white areas from 1954 to 1969.

The vetoes, according to September 1971 findings of the U.S. Third Circuit Court of Appeals, effectively barred black families, who would have benefited most from the construction of family apartments, from white neighborhoods.

During the same period, the Chicago Housing Authority, with HUD's approval, continued to search for 10,000 black families in housing projects in crime-ridden neighborhoods. HUD and Chicago housing officials later admitted that better, less-expensive sites were available in white neighborhoods.

Despite the illegal segregation, HUD granted almost \$20 million in fair-housing funds to the Chicago Housing Authority from 1959 to 1966. The process of illegally segregating tenants, according to federal court testimony, continued during the administration of President Lyndon Johnson until a group of black applicants and public housing tenants sued the authority and HUD in 1966.

In 1969, five years after passage of Title VI of the Civil Rights Act of 1964 prohibited discrimination in federally funded programs, a federal district judge halted the secret site selection process. He found Chicago Housing Authority officials guilty of intentionally using the plan to segregate minority tenants.

Two years later, a federal appeals court ruled that HUD's "knowing acquiescence in the admittedly discriminatory housing program violated Title VI and constitutional guarantees of racial equality."



The Dallas Morning News, George Rodriguez

Sally Nagelski (right), who lives with her young daughter in Philadelphia's Whitman Park development, was



The Dallas Morning News, George Rodriguez

Sally Nagelski says of the protests, "When I was 16, I was out there picketing because everyone else was."



The Dallas Morning News, George Rodriguez

Richard Van Blunk was among the demonstrators arrested for protests against the Whitman Park development near his home in Philadelphia. "I don't care now. They (residents) don't bother me and I don't bother them. I say 'hi' to a few of them. The white ones."

among the neighborhood residents who bitterly protested the public housing project in the early 1970s.

by then Mayor Frank L. Rizzo, who was elected in November 1971.

Rizzo, who publicly opposed the Whitman project, said he considered public housing the same as black housing. The mayor said he was opposed to any public housing in white neighborhoods because whites did not want to live near blacks.

In spring 1972, the Philadelphia Housing Authority, the Philadelphia Redevelopment Authority and the city each moved to stop construction work.

Theodore Robb, director of the HUD area office in Philadelphia, wrote a letter in July 1972 to the chairman of the redevelopment board, calling the board's attempts to void the builder's contract "highly improper" and expressing HUD's disapproval.

"Possibly before 1964 the administrators of the federal housing programs could... remain blind to the very real effect that racial concentration has had in the development of urban blight. Today such color blindness is impermissible."

— 1970 appeals court ruling on Philadelphia project

The day after the letter was received, according to court evidence, Rizzo wrote to John Whitaker, President Richard Nixon's deputy assistant for domestic affairs, complaining that "HUD is attempting to foster (Whitman Park) on unwilling communities." Rizzo asked for "any help" the White House could provide.

"Shortly thereafter," according to court evidence, HUD's general counsel, David Maxwell, gave instructions by telephone to HUD Regional Director Theodore Robb to keep a low profile in the Whitman controversy.

The contractor ultimately dropped the project. Several potential tenants of the housing development and tenant groups filed suit.

In finding that the city, the redevelopment board, the housing authority and HUD had violated the law, the district judge wrote:

"The evidence is clear that HUD was aware that the other defendants were not in compliance with the Fair Housing Act of 1968 in their opposition to the Whitman Park Townhouse project, and that there was racial motivation involved in the opposition to the project."

Despite the contractor's repeated requests for help in building the project, HUD heeded the suggestion from Washington to keep a low profile in the dispute after the Rizzo administration wrote its letter criticizing HUD to a member of President Nixon's White House staff.





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in 'Mean Season'  
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**Mavericks lose**  
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Sunny and windy.  
High in 60s Low in 30s  
Details on Page 20B

# The Dallas Morning News

Texas' Leading Newspaper • The Dallas Morning News, Inc. Dallas, Texas, Saturday, February 16, 1985 H-3 ••••• 25 Cents

## Official to seek housing inquiry

**Associated Press**  
LAREDO, Texas — The U.S. Commission on Civil Rights' staff director says she will push for an investigation into reports of racial discrimination in federally assisted public housing projects.  
Linda Chavez, in Laredo for a reception, sought the investigation after reading news reports of The Dallas Morning News' series on public housing.  
The articles document racially segregated public housing and unequal quality of housing for minorities and whites across the United States.  
Ms. Chavez said Thursday that the commission already had authorized a study of discrimination in public and private housing, and that report is due this year.



Special to The Dallas Morning News. AP/W. Carter Smith  
A resident plays golf at Port Arthur's Park Central development, one of the New Communities.

## RUDE AWAKENING

### Realities shattered dream of New Communities

**Seventh in a series**  
By George Rodrigue and Craig Flournoy  
Staff Writers of The News  
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On congressional paper, the experiment looked good.  
The federal government would help developers buy land outside of cities and build new communities that would offer housing and job opportunities for an economic and racial mix of households.  
With help from the U.S. Department of Housing and Urban Development, the towns would serve as national models of sound physical and social planning. They would break patterns of segregation and urban sprawl.

**SEPARATE & UNEQUAL**  
  
**SUBSIDIZED HOUSING IN AMERICA**  
■ Agency ignored civil rights 22A  
As with many experiments, however, this one blew up in the faces of its designers.  
The program is dead today, its lofty goals victimized by bureaucratic bungling, broken promises, and racial bias.

defaults, according to former HUD officials and documents obtained by The Dallas Morning News under the federal Freedom of Information Act.  
Before Congress passed the New Communities Act of 1981, Sen. William Proxmire, D-Wis., reminded his colleagues that they recently had approved the landmark Fair Housing Act, which banned discrimination in public and private housing and set integration as a national goal.  
"This bill provides the economic muscle that makes the open-housing legislation meaningful," Proxmire said.  
Minorities should have an opportunity to benefit from the program. Please see NEW on Page 20A.

## Europeans smuggled into Texas

### East bloc influx on rise, bauer say

By Esther M. Bauer  
Special to The News  
EL PASO — An increasing number of Eastern Europeans are joining the flood of illegal aliens crossing from Mexico into Texas, U.S. Border Patrol officials say.  
El Paso is part of what may be a new smuggling pipeline for immigrants from Eastern European countries, said Larry Richardson, chief of the Border Patrol's El Paso sector.  
"There is a lot of money involved, and the main destination is Chicago and other major U.S. cities," Richardson said.  
"Generally, aliens from European nations go to Mexico City and then travel to the border, where they are met by smugglers who get them into this country," he said. "It is pretty much financed by a family member who also got into this country illegally and is now working."  
Most of the Eastern Europeans say they are economic refugees.  
"We don't have many that claim political asylum," Richardson said. "They state pure economic need. Please see BORDER on Page 16A."

## Wife greets escaped reporter



Associated Press  
Jeremy Levin (left), the American television correspondent who escaped after 11 months in captivity in Lebanon, is welcomed by his wife, Lucille, at an Air Force base in West Germany. (Story on Page 12A.)

## Backers bet pari-mutuel wins in House

By Sam Attlesoy  
Special Writer of The News  
AUSTIN — The odds of horse-race gambling in Texas have been greatly increased by private negotiations with black legislators and law enforcement officials, sponsors of the controversial legislation say.  
State Rep. George Pierce, R-Son Antonio, a sponsor of the measure, was so encouraged Friday that he predicted the bill would go to the House floor for a vote within two weeks and would win by 10 or 12 votes.  
"This was our week," said Ricky Knox, director of the Texas Horse Racing Association.  
Despite the confidence of the proponents, however, the groups opposing pari-mutuel remained optimistic the bill would fail.  
"They can remove whatever obstacles they want," said Sue Cox, director of the Anti-Crime Council of Texas. "But they still have a bad piece of legislation."  
Horse betting advocates were encouraged by three main reasons:  
■ They added a statewide referendum to the bill, addressing one of Gov. Mark White's concerns.

**TEXAS LEGISLATURE '85**  
■ They are adding provisions that apparently will ease the objections of most of the 12-member Black Caucus.  
■ And they have agreed to make "technical" changes in the law-enforcement part of the bill that were requested by the Department of Public Safety.  
Pierce and public safety officials met for three hours Thursday and added several proposals sought by law officers.  
The additions would give the Department of Public Safety greater subpoena power in investigating persons involved in race track operations and would tighten qualifications for Texas Racing Commission members, Pierce said.  
Horse-racing proponents said the safeguards were critical to the bill's success because they would help ease the concerns of the public safety director, Col. Jim Adams, as well as White.  
White has vowed repeatedly that he will veto any gambling bill that does not provide for county-option. Please see BACKERS on Page 16A.

## Artificial heart to be implanted Sunday

**Associated Press**  
LOUISVILLE, Ky. — Doctors will perform the world's third permanent artificial heart implant Sunday on a 58-year-old retired auto worker who would otherwise die in "a matter of days," the Hamann Heart Institute International announced Friday.  
The patient, Murray P. Hayden of Louisville, has suffered from congestive heart trouble since 1981, said Hamann spokesman Bob Irvine.  
"He is seriously ill and dying," Irvine said.  
Hayden has not suffered heart attacks or had previous heart surgery. He elected to receive the air-driven plastic and metal pump after being told by doctors that his heart medication was no longer effective.  
At 58, he is eight years beyond the point that doctors usually are willing to perform human heart



Murray Hayden  
Hayden, a Louisville native, spent seven years in the Army and Air Force and saw combat duty in Germany in World War II. He became a barber, then spent 14 years at Ford Motor Co.'s Kentucky Truck Plant just outside Louisville. He retired in June 1983 because of his heart problems.

## Dallas area officially in race for GM plant

By Maria Halkias  
Staff Writer of The News  
Dallas has officially entered the race for the most sought-after plant in the United States.  
Six to eight sites in the Dallas area will be among the Texas locations that the Texas Economic Development Commission will pitch to General Motors Corp. next week as possible homes for its Saturn auto plant.  
The city is among hundreds of U.S. communities working hard to convince GM that they have the perfect location for a revolutionary plant — designed to produce cars that will compete with low-cost Japanese imports.  
The Texas commission had 73 sites from 52 cities as of 5 p.m. Friday and is expecting more this weekend. The staff will work during the Monday holiday on the list

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**Soviet's health**  
Intelligence reports have led the Reagan administration to conclude that Soviet President Konstantin Chernenko is terminally ill with a brain aneurysm and may have only about six months to live, it has been learned.  
International, Page 25A.



SEPARATE & UNEQUAL: SUBSIDIZED HOUSING IN AMERICA

New Communities dream never became reality

Continued from Page 1A. qualify to live "in areas where they can have the same kind of fine education so many Americans have and to live in areas where they will have access to good jobs." Prosser said.

Largely at his suggestion, the bill contained several social goals, among them commitments to "encourage housing and employment opportunities" and to "insure a proper balance of housing for families of low and moderate income."

Federal loan guarantees of up to \$50 million were made available for the projects, as were grants for construction of public facilities and for construction of subsidized housing.

In order to obtain the money, developers promised in their contracts with HUD to provide specific numbers of apartments, a substantial share of which were to be set aside for low-income families using federal rent subsidies. They also agreed that their projects eventually would reflect the racial and economic diversity of their metropolitan areas.

Two Texas developments, Park Central in Port Arthur and The Woodlands near Houston, are examples of how the New Communities program failed to benefit low-income families, particularly minorities.

Analysts for the Department of Housing and Urban Development learned in 1978 that the proposed Park Central development could be instrumental in establishing a new segregated housing market in Port Arthur. A Gulf Coast retail and shopping center.

The federal government never believed approved the project on July 28, 1979. It funneled more than \$22 million into the project after developer Lloyd Hayes, a former Port Arthur mayor, promised to build an integrated community.

HUD calculates that blacks make up 36 percent of the Port Arthur housing market, last year. Hayes said 7 percent of the residents at Park Central were black.

In 1972, Houston oilman George Mitchell won a \$50 million federal loan guarantee to build The Woodlands in a picturesque pine-wooded area near Conroe, north of Houston. Mitchell, like Hayes, vowed that his proposed community eventually would reflect the economic and ethnic diversity of the surrounding metropolitan area.

After an additional \$27 million in federal grants and what one federal official called a "hate-hate" relationship between U.S. fair-housing deputies and The Woodlands, the project is 2 percent black, according to HUD figures released last year. The Houston metropolitan area is 25 percent black, according to U.S. Census Bureau data.

Park Central and The Woodlands were among 18 developments across the nation that were avoided under the federal New Communities program. The first 13 received both grants and loan guarantees; the final five, including Park Central, received only grants.

Total cost to the government, \$560 million. The Woodlands was the only original New Community not to default on its loan. After most of the new communities had defaulted, the Carter administration began dismantling the program; the Reagan administration finished the task in 1983.

The program, said HUD Secretary Samuel R. Pierce Jr., "turned out to be a more complex and difficult undertaking than had been anticipated."

Several of the new communities did attain meaningful integration, said A. Russell Marane, the former general manager of the U.S. New Communities Development Corp., a HUD subsidiary that operated the program.

But overall, Marane said, "in terms of achieving the goals that the government planners wanted, it (the program) probably failed."

The federal housing agency's first and biggest mistake with The Woodlands was approving the site, said Everett Wallace, formerly HUD's second-in-command for fair-housing enforcement.

Economics dictated that new communities be located where land was cheap, vacant and abundant. Inevitably, Wallace said, those sites were far from the central cities where most blacks lived.

The Woodlands lies on 25,000 pine-covered acres in southern Montgomery County, about 25 miles north of Houston. About 20,000 residents live in its various "villages," and 5500 work in the glass office buildings tucked among the trees.

The development's proximity to Houston Intercontinental Airport almost guaranteed that property values would rise, Wallace said. But he said HUD should have considered the social ramifications of the location.

It's near Conroe, which was famous in the 1950s as a black community for being where blacks got lynched, Wallace said. It was not a place that you would wish to raise your children."

But he added, fair housing concerns were ignored in HUD's haste to get the New Communities dirt flying.

"Bricks and mortar really drive that department," Wallace said. "They were more concerned about getting things on the board than they were with whether what was on the board would succeed."



Former Port Arthur Mayor Lloyd Hayes stands in front of the sign marking one of his developments.



Workers from the Port Arthur public library visit the Stonegate Retirement Village, part of the Park Central development, so residents can check out books.

After surveying Hayes' project proposal in late 1977, HUD planner Alan P. Kurland wrote: "The overriding question... is does the combination of a limited overall market and the limited market focus of the developer justify the expenditures of considerable federal funding when conventional sources are available."

From the start, according to HUD files, Hayes hedged his promises of economic integration. He vowed that his project would have "a population mix which approximates the Beaumont and Port Arthur SMSA (Standard Metropolitan Statistical Area) in which it is located." But the contract he and the federal development corporation signed indicated that Park Central planned to serve half as many low-income residents and twice as many upper-income residents as would be necessary to reflect the makeup of the local population.

Former HUD officials in the New Communities program said they can recall no aspect of the Park Central proposal that would have advanced the program's goals significantly. But, they added, that did not necessarily make Park Central uncommon.

Partly because of "political exigencies," said Marane, the former general manager of the federal development corporation, HUD funded many projects in poor, loca-

constantly having to remind them that this was still experimental, that we didn't know how they'd work out."

Political pork-barrering — the desire to bring the bacon home to one's district — partly explained the congressional interest, he said, "but there was also the feeling that they would be an important solution to the urban problem... a planned, integrated community."

Park Central, while not a bad business risk, was one of the projects built for political reasons, Marane said. "It was approved long after they had decided not to do any more projects."

According to HUD records obtained by The News, U.S. Rep. Jack Brooks, a Beaumont Democrat and chairman of the powerful House Government Operations Committee, persuaded his colleagues to redraft qualifications for the program after a moratorium on new projects was declared in 1975. Hayes' project fit the revised qualifications.

Brooks did not return several telephone calls to his office.

Commercial pressures frequently pushed developers toward serving affluent families, Marane said. The developers had bills to pay, he said, and the only way to meet their obligations was to sell homes quickly to buyers who could afford them.

Contracts with New Community developers specified a mixture of housing, but HUD and developers often differed on when low-income housing should be built, said Albert Diehl, the last director of operations for the U.S. New Community

Development Corp. The issue, Diehl said, was income. The developments had to appeal to affluent consumers, but HUD did not want the developments to make low-income families feel they would be out of place or unwelcome.

Deretchin, The Woodlands' community operations director, said HUD wanted the development to install "a hefty component of low- and middle-income housing" early on.

But, he said, Mitchell's staff feared that if The Woodlands became known as a "low-income" development, it could neither achieve HUD's goal of economic integration nor survive financially.

At Park Central in Port Arthur, developer Hayes insists there was no conflict between serving low-income families and attracting wealthy home buyers. "To reverse the white flight, we did not have to design a program to keep blacks out," he said.

But Elbert Wain, formerly HUD deputy director of the Dallas HUD office that supervises projects in eastern Texas, said Hayes told him in 1980 that "he would not occupy the projects with minorities first because that would frighten off the white folks."

Marane said virtually all builders believed that meeting HUD's social agenda might be fiscal suicide. The rigid financial structure of the program and HUD's vigorous efforts to get projects under way, Marane conceded, may have aggravated developers' financial concerns.

In its eagerness to see progress, he said, HUD inadvertently pushed builders to make unwise investments — spending money to prepare 400 lots for sale when 100 would have been more prudent, or sinking all of their government-backed funds into land, streets and sewers, leaving nothing in reserve.

HUD also released all project money up front and insisted that repayments begin immediately, but the first lot was sold, Marane said.

Both The Woodlands and Park Central had agreed to provide rent-subsidized family housing, the type most likely to attract low-income minorities. But neither rushed to meet that commitment.

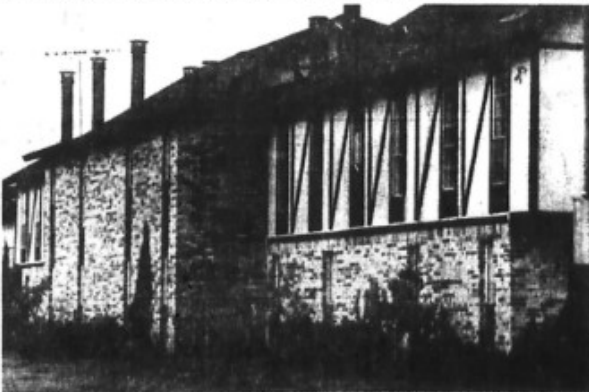
The Woodlands opened in October 1974. Half a year later, a HUD reviewer found "little social concern expressed." No subsidized apartments were available until August 1978.

Initially, said fair housing official Wallace, The Woodlands "fought tooth and nail" against building subsidized housing.

By 1976 The Woodlands had asked HUD for money to build a Section 236 complex for families of low and moderate income. Over the federal development corporation's strident objections, however, another HUD office blocked the application.

"Neither the regional office nor the (Houston) housing office think that economic mix in neighborhoods is appropriate," David C. Nimmer, a development corporation field liaison officer, wrote in March 1976. Local HUD officers also do not believe Mitchell "really wants a Section 236 project, because it will hurt the marketability of the other housing," he said.

Deretchin said that in later years HUD never gave The Woodlands all the subsidized housing it asked for. Wallace, however, said "The Please see \$500 MILLION on Page 21A.



Park Central reflects neither the racial nor economic mix of the Port Arthur area.

Special to The Dallas Morning News; Don Diehl



# SEPARATE & UNEQUAL: SUBSIDIZED HOUSING IN AMERICA

## \$509 million experiment didn't work as planned

Continued from Page 20A.

Woodlands became interested in subsidized housing programs for poor families only after experience had shown that the apartments were guaranteed money-makers. By then, he said, HUD was phasing out the subsidized housing construction programs.

Before the new construction projects were virtually halted in 1981 by the Reagan administration, the Woodlands had built 876 subsidized homes or apartments. More than half, 450, were rent-subsidized Section 8 units for the elderly. Of the family units, only 181 apartments carried rent subsidies. The remainder were Section 236 apartments or Section 235 homes, which carry mortgage interest-rate subsidies and are designed to serve families of moderate income.

The pattern at Port Arthur's Park Central was, if anything, more skewed against low-income families.

On May 22, 1978, one year after he began negotiations with federal officials for the development grant, Hayes wrote that when he vowed to build housing for moderate-income families, he did not realize he would have to follow the New Communities definition of "moderate income." He sought permission to build fewer federally subsidized units — 589 instead of the 1,300 HUD originally had stipulated.

HUD's staff said the lack of subsidized family housing would increase segregation in Port Arthur's housing market. But Hayes said that 1,300 units would not be "workable."

Port Arthur Mayor Bernis W. Sadler intervened on Hayes' behalf. In a May 19, 1978, letter, he told HUD the city opposed the addition of subsidized family housing at Park Central.

The city, Sadler wrote, believed Park Central should provide new housing for the elderly, who by and large were whites fleeing the central city as black families moved in. But, he said, the city wished to restrict the supply of inexpensive family housing outside the inner city.

If HUD's units competed with the inner-city homes, the private units "will remain vacant and in a very short time require demolition," he wrote.

HUD compromised at 900 subsidized units, of which 422 were to be built by 1984.

As of November 1982, HUD records show, Park Central had 83 rent-subsidized family apartments and 428 rent-subsidized Section 8 elderly apartments planned or occupied. Another 120 homes or apartments were planned or built under other federal programs designed to serve families of moderate income.

Both Hayes and Deretchin say their staffs never discriminated against minorities and, in fact, went to great lengths to encourage minority occupancy. But HUD's correspondence files contain evidence of a lack of commitment to affirmative efforts.

Grant and housing applications filed with HUD by Hayes in 1980 and 1981 indicate that although Hayes previously pledged that his project would have a racial makeup similar to that of the Port Arthur area —

which HUD says is 30 percent black — he planned on a development that would be 99 percent white, 6 percent black and 4 percent Hispanic.

Despite HUD's obligation under federal fair-housing laws to promote integration, the department accepted both applications.

Hayes said in an interview last year that the 10 percent minority figure was only a goal. "Any time I have a goal, I try to exceed it," he said.

In the case of Heatherbrook Park, a retirement village within the Park Central development, Hayes did not come close to his goal. He told HUD the project should be 6 percent black; as of February 1984, it was less than 2 percent black. He said few black elderly persons lived in the project because "the blacks do a good job of taking care of their parents."

HUD documents indicate that fair-housing officials found several "deficiencies" in Hayes' affirmative action efforts. And Winn, the former Dallas regional deputy director of HUD, said the agency found in 1980 that whites were getting "easy access" to the subsidized units but that there was evidence that blacks "were routinely being turned down."

The Woodlands by 1981 was receiving monthly admissions from New Communities Development Corp. fair-housing officer Thelma Watson. She said that management was brokering promises to actively solicit black renters and buyers and that it sometimes violated HUD standards for non-discriminatory advertising. Of 24 specific fair-housing promises The Woodlands had made, Ms. Watson wrote on June 5, 1982, it could prove compliance with only two.

Marane, himself a developer, said in an interview that he blocked some enforcement efforts sought by Ms. Watson, because he felt that she did not understand The Woodlands' business problems and because he understood that it was very difficult to draw blacks out of Houston.

But Winn, the former Dallas-area HUD official, and another HUD official, who asked that he not be named, said they watched one afternoon as Ms. Watson herself became the target of racial discrimination. When the three HUD officials entered the marketing office of a subdivision-home development, Winn said, they heard the white saleswoman tell a white visitor "Give us a week and we'll have you one (a house)."

Ms. Watson, a black, asked for an application but did not identify herself as a federal employee, he said. The saleswoman "had a stack of them (applications) right under her hand." Winn recalled, but rather than handing one to Ms. Watson, "he said, 'What do you want with it?'"

He said the saleswoman gave Ms. Watson an application after several minutes of unpopulated but told her: "We don't have any vacancies; it'll be about six months."

That night, Winn said, he met with a ranking Woodlands official to discuss fair housing and to advocate a campaign to counteract what Winn regarded as the development's "for-whites-only" image.

He said the official, who has since left The Woodlands, "told me

to forget it, they weren't going to do it, they had as much of HUD's money as they wanted, and in fact, HUD was beginning to be a pain in the behind. So they were going to terminate their contracts with HUD."

Deretchin said The Woodlands had good reason to be frustrated with HUD.

He said routine contract approvals would ricochet through HUD's bureaucracy for up to nine months because every development corporation staff member seemed to have a private ax to grind and because the corporation's ever-shifting leadership never seemed to gain control over its staff.

Marane said the corporation did have leadership problems, partly because it had 12 general managers in 11 years.

In order to deal with that anarchic bureaucracy, Deretchin said, The Woodlands sometimes agreed to perform nonsensical or counter-productive tasks.

"Some of the things HUD wanted should have been contested more forcefully, but that would have shut the project down in its tracks," he said.

Before the New Communities Development Corp. and The Woodlands agreed on the final project contract, a team of experts from Washington toured the site to determine how the development should progress. One of the federal experts was an environmental specialist, Deretchin said.

She was escorted around by one of The Woodlands' environmental specialists, who drove her just a shopping center on the edge of the project. In the window of a grocery store, Deretchin said, was a sign that read "Bounty socks, three for 99 cents."

Deretchin said the HUD environmental specialist asked what the sign meant and was told by the Woodlands' employee, a practical joker, that it referred to a small nature bird. "There's a hunting season on them, and some people kill more than they can eat. So they sell them."

Later, when the final project agreement was returned to The Woodlands, tucked in the middle of a lengthy paragraph of conditions there appeared the clause: "The developer will protect bounty owls in the project."

The advertisement in the grocery store window, Deretchin explained, actually had dropped a letter; it had referred to Bounty paper towels.

"We signed it (the contract condition). We didn't even know it was in there," he said. "She just slipped it right past everyone."

Deretchin said Ms. Watson's requests often seemed equally absurd. "We were contacting (minority) groups (to fulfill HUD's affirmative action requirements) for the sake of contacting them," he said. Ms. Watson seemed to have personality conflicts with most Woodlands officials, he said.

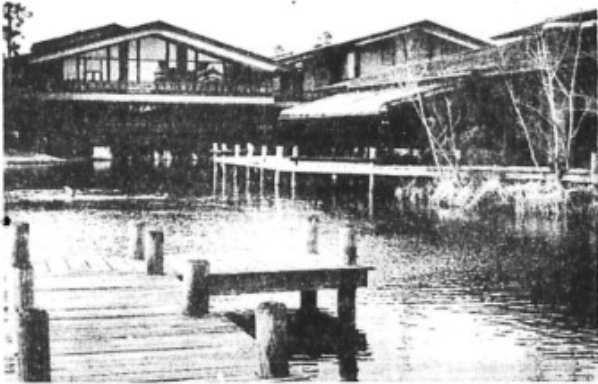
Wallace, however, said Ms. Watson's efforts were designed to provide HUD and the developer with objective measurements of The Woodlands' efforts to attract minorities.

Those efforts, he said, were "misericable."

"What you often heard (develop-



The Woodlands, built partially with a \$50 million federal loan guarantee in the pine-wooded area near Conroe, north of Houston, features a golf course.



The Woodlands is 2 percent black, whereas the Houston area is 25 percent black.

ers say) was, 'Our best efforts didn't produce.'" Wallace recalled. "So you'd say, 'Show us what your best efforts were.' And they'd say, 'Ah, well. You could talk to Joe or Bob.' Or, 'Some of our best friends are black.'"

At The Woodlands, he said, officials were justly proud of the quality of their development.

But when it came to affirmative action, Wallace said, "They spent a lot of time arguing about whether they really should do A, B, C or D, rather than doing anything... I had the sense that there was some belief on the part of The Woodlands that if they waited long enough the problem would just go away."

Wallace said he met with Mitchell, The Woodlands' developer, and believed that "he wanted to create a community where everyone could live." But, Wallace said, "there is a lot of distance between what the guy at the top wants and what the people implementing those programs do."

Russ Wylie, a spokesman for The Woodlands, said officials there were trying to remain true to Congress' intent. Somehow, he said, HUD and the New Communities Development Corp. were taken over

by bureaucrats who tried to turn New Communities into a "social program."

Marane, the federal development corporation's former executive, sympathized with Wylie's viewpoint.

The speedy attainment of social goals, affirmative action and low-income housing was "a very sensitive topic," he said. "The developers resisted, and I think properly so. They didn't want to blow the deal. The primary goal was to create a viable project. The affirmative action came on top of that."

Wallace, however, said the traditional brick-and-mortar orientation — both at HUD and among the private builders — became one of the program's major weaknesses. "One whole point of the program was to show that integration could work," he said. "It was a desegregation experiment."

"The developers would say that they did not believe it should have been a goal, I told them, 'if you don't want to build an economically integrated development, you should have said so. Because once you've taken the money, you've got that obligation.'"

### SEPARATE & UNEQUAL SUBSIDIZED HOUSING IN AMERICA

After a lawsuit led to mandatory integration in an East Texas town in December 1983, *The Dallas Morning News* began investigating federally assisted housing. The 14-month inquiry ultimately covered 47 cities from the Northeast to the West Coast. It included interviews with hundreds of tenants in public housing, current and former officials of local housing authorities and the U.S. Department of Housing and Urban Development, and private housing experts. Additionally, thousands of documents were acquired from federal agencies through the federal Freedom of Information Act.

- ☐ Sunday — National overview
- ☐ Monday — Winners and losers
- ☐ Tuesday — Jim Crow in E. Texas
- ☐ Wednesday — Desegregation
- ☐ Thursday — Focus on Dallas area
- ☐ Friday — Housing enforcement
- ☐ Saturday — Studies in failure
- ☐ Sunday — Prospects for future



By November 1982, Park Central had 428 Section 8 elderly apartments planned or occupied.

**Heatherbrook Park**  
HOUSING  
FOR SENIOR CITIZENS  
APPLICATIONS NOW AVAILABLE

722-6527

Port Arthur Mayor Bernis W. Sadler wanted Park Central to provide homes for the elderly.



SEPARATE & UNEQUAL: SUBSIDIZED HOUSING IN AMERICA

Agency ignored civil rights rules on rural housing

By George Rodrigue and Craig Flournoy Staff Writers of The News

Two years ago, a top U.S. Department of Agriculture official recommended that his agency lead a federal effort to diminish enforcement of federal civil rights regulations...

by minorities lacked landscaping, sidewalks, curbing, laundry facilities, play areas and were indeed modest in design...

...September, after his Subcommittee on Civil and Constitutional Rights concluded hearings on the Agriculture Department...

"That is nothing new... What is new is that they seem to have elevated this (disregard) from a matter of fact to a matter of policy."

During the hearings, Rep. George E. Brown, D-Calif., chairman of the House Agriculture Committee and a cosponsor of the 1984 Civil Rights Act...

Landmarks: Agriculture Department sources and the agency's own Inspector General's Office say that the USDA's civil rights performance has worsened dramatically under the Reagan administration...

It's difficult to see how you can investigate fairly and with justice any complaint without going out to the field and interviewing people...

Headquarters investigations of civil rights complaints about the Agriculture Department's programs have dropped from 91 in fiscal year 1981...

The Agriculture Department's policy now is to refer civil rights complaints back to the agencies against which complaints have been lodged...

None of the state or local Agriculture Department offices have full-time civil rights personnel...

They are apparently an old-boy network... that have about as dismal a reputation as any group of civil servants in America...

Until November, the Agriculture Department had violated federal regulations for three years by failing to draft a required annual affirmative action plan...

The maximum number of staff members budgeted for the FmHA's Office of Equal Opportunity has been cut from 62 in fiscal year 1981 to 48 in fiscal year 1984...

The Agriculture Department for several years ceased to set minority participation goals for its program as required by federal regulations...

They found more than mere segregation. They found that complexes occurred exclusively or predominantly

"We have found (under the Reagan administration) a great unconcern and perhaps even ignorance of their duties under the civil rights laws. That is nothing new... What is new is that they seem to have elevated this (disregard) from a matter of fact to a matter of policy."

— U.S. Rep. Don Edwards



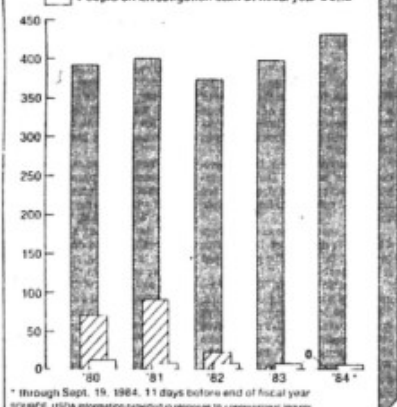
Detailed reports on the Rural Rental Housing Program in several states, including Texas, were prepared by the Agriculture Department's civil rights staff in 1981...

Then FmHA Administrator Gordon Cavanaugh, a former civil rights worker appointed by the Carter administration, formally agreed with many of the criticisms and promised improvements...

Two years later, however, the Justice Department declared that agency officials had blatantly disregarded statutes and regulations...

Between 1976 and 1983, lower-level officials performed civil rights reviews on 18,533 projects...

CIVIL RIGHTS ENFORCEMENT AT THE DEPARTMENT OF AGRICULTURE



Through Sept. 15, 1984, 11 days before end of fiscal year SOURCE: USDA, information provided in response to congressional inquiry

conduct civil rights investigations, how agencies should be targeted for review and how reviews should be performed...

Ms. Esparza dismissed the charges as personal griping by disgruntled employees in a memorandum obtained by The News from sources within the Agriculture Department...

The Agriculture Department had done nothing to overcome the obvious segregation and inequalities in the report...

Numerous deficiencies in FmHA's compliance review procedures and instructions account for the worthlessness of compliance reviews...

Among the Justice Department's findings, the Office of Equal Opportunity had never been important to the Agriculture Department...

Department regulations, the agency had not given its Washington headquarters' civil rights office the authority to review enforcement efforts by state and local Agriculture Department officials...

The headquarters civil rights staff was "incredibly understaffed" and therefore could perform or review few civil rights investigations...

As a result, civil rights responsibilities were concentrated in the FmHA's state and county office. There, supervisors might be asked to investigate civil rights complaints against the offices in which they worked...

Objectivity of investigation can be obstructed by close business ties between the program agency people and recipient organizations under investigation...

None of the trained personnel had ever found an instance of non-compliance, despite the fact that there are significant lapses in the delivery of services to minorities...

At one training session, 24 FmHA officials were asked how they would combat segregation. One said integration could not be forced...

The information furnished by project managers to the FmHA was "useless and inadequate," and the agency "disregards what data it does have," the report said...

A 1976 review by the FmHA deemed a project in Candler County, Ga., to be in compliance with civil rights laws even though segregation and inequalities in the project were reported by federal fair-housing regulations...

Compliance reviews often failed to list racial information and, the Justice Department noted, "incomplete forms submitted by compliance reviewers are accepted by state offices as readily as forms which are totally complete..."

As a rule, the report said, the FmHA's compliance review form served less as a guidepost for conducting a thorough investigation than as an excuse for conducting a slipshod probe...

Despite the lack of non-compliance findings, the number of civil rights complaints received annually by the Agriculture Department was in the hundreds...

But William C. Payne, a veteran supervisor working for Ms. Esparza, said that the Office of Equal Opportunity apparently has ceased to conduct complaint investigations...

In a letter to Reagan last summer protesting what he considered to be the agency's abandonment of enforcement, Payne said...

"Those faces haunt me... When I am not allowed to do my job, it is they who suffer."

ties due notice of the availability of units.

William True, director of equal opportunity for the FmHA, said in late January that he was not in a position to judge whether the fair-housing situation has improved since the Justice Department's comprehensive report.

The FmHA has not analyzed the racial data available to it and the Justice report "was never responded to or followed up on by the (Agriculture) Department or by Justice," he said.

Cavanaugh, in an interview with The News last fall, said that he had tried to appoint minorities and civil rights advocates to top posts in that FmHA but found the agency difficult to change because each state and each of the 2,800 counties with FmHA programs has a separate administrator.

"FmHA is very decentralized. In some ways that is a very positive thing," the former FmHA administrator said. "But at the same time, I often thought that it inhibited some of the equal opportunity projects... I guess you can become too hemmed in by the local scene."

"Some local officials were very aggressive about enforcing civil rights laws," some, however, would just as soon let it pass.

In light of the agency's decentralization, Cavanaugh said, the only way to attack the problem was to appoint conscientious people and to see that they set meaningful goals for serving minorities.

Under the Reagan administration, however, such "targets" have been abolished or ignored, according to Agriculture Department sources.

Across the whole range of Agriculture Department programs, benefits to minorities have fallen sharply during the past three fiscal years.

Within the department, recent staff reductions disproportionately hurt minorities, who comprise 13.5 percent of the agency's work force but 30.7 percent of those hired or reduced in grade...

In the field, the number of farm ownership loans to blacks dropped by more than 70 percent, from 300 in 1980 to 109 in 1983, according to Agriculture Department reports provided to Congress...

The number of housing loans to blacks fell by 45 percent between 1980 and 1983, from 14,829 to 7,588, while loans to whites dropped by 36 percent...

Cavanaugh said that based on his experience with the agency, the decrease in service to minorities may be connected with what he said was the Reagan administration's retreat from civil rights enforcement.

"You either want to do it (benefit low-income and minority children) or you do not. And no one needs to tell the world that the Reagan administration does not want to do that," he said.

Ms. Esparza told Rep. Edwards' Subcommittee on Civil and Constitutional Rights that civil rights issues are discussed "at the highest management level possible" within the Agriculture Department...

The U.S. Civil Rights Commission, however, criticized the Agriculture Department in 1983 because the USDA's Office of Equal Opportunity office had not reviewed a plan to alter the Limited Resource Loan Program, which was designed largely to aid minority farmers.

Ms. Esparza also told the panel that she hoped to strengthen civil rights enforcement through improved management.

"In the past," she said, "emphasis has been placed on prolonged periods of drafting of reports, which, in most cases, are complied with by the time the report is completed."

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SPORTS DAY  
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Section B

# The Dallas Morning News

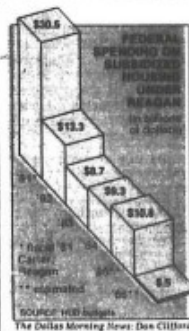
Texas' Leading Newspaper

The Dallas Morning News, Inc.

Dallas, Texas, Sunday, February 17, 1985

H-2

75 Cents



Left in a series  
By George Rodrigue  
and Craig Flournoy  
Staff Writers of The News  
© 1985, The Dallas Morning News

The nation's government-assisted housing system, in which segregation is the rule and equal conditions for whites and minorities the exception, is facing a test that could shake the structure to its foundation.  
President Reagan has proposed to cut 47 percent from the budget of the U.S. Department and Housing and Urban Development, the agency that funds and oversees

## HOUSING ON THE HIT LIST

### Reagan proposes deep cuts in HUD funding

more than 90 percent of federally subsidized housing.  
For the 1986 fiscal year, the administration proposes a two-year moratorium on construction of apartments and on issuance of additional rent subsidy vouchers that allow low-income people to use government assistance in the private rental market.  
The administration also would cut operating subsidies to housing authorities 10 percent, reduce special assistance to "troubled" projects 40 percent, and eliminate 90

**SEPARATE & UNEQUAL**

**SUBSIDIZED HOUSING IN AMERICA**

- Chicago plan working 27A
- percent of HUD funds for renovating older projects.
- Clearly, 1985 is the year when

all of ex. all the departments and agencies of government and all the American people, must make small sacrifices for the national good." HUD Secretary Samuel R. Pierce Jr. said earlier this month.  
The former HUD executive and local directors of public housing authorities say the proposed cuts would threaten the very existence of the system of government-subsidized housing.  
"The fact is that this administration is ideologically opposed to these programs and is using the

deficit issue as an excuse to terminate or cripple them," said Robert W. Mullin, executive director of the National Association of Housing and Redevelopment Officials.  
The association, which represents about 2,200 of the nation's local housing and community development agencies, estimates an immediate need for 100,000 new government-assisted apartments.  
Last year, HUD estimated that 200,000 Americans were homeless. Pierce, in written responses to questions from The Dallas Morning News, said local officials have  
Please see REAGAN on Page 26A.

## Israel begins pullback

### Army evacuates strip along coast

By Michael Precker  
Middle East Bureau of The News  
JERUSALEM — Israel executed the first stage of its troop withdrawal from southern Lebanon Saturday in a smooth four-hour operation. As the Israelis left Sidon, the Lebanese army entered the city to a jubilant welcome.  
Residents of Sidon, the region's largest city, danced in the streets and cheered. Fires wailed and horns blared.  
The Israeli forces evacuated a coastal strip extending south to the Litani River. The maneuver was carried out two days ahead of schedule to prevent sabotage against the retreating Israelis.  
The Sidon area comprises 5 percent of Lebanon's territory and roughly 500,000 people. The move leaves the Israelis in control of 21 percent of the Lebanese, where an estimated 400,000 Lebanese and Palestinians live.  
When Israel withdrew from the  
Please see ISRAEL on Page 22A.

## Lebanese rejoice



Thousands pour into the streets of Sidon, Lebanon, Saturday to greet Lebanese troops entering the city after Israeli troops pulled out, ending a 32-month occupation.

## MCC's Inman assails proposed education cuts

By G. Robert Hillman  
Austin Bureau of The News  
AUSTIN — When Bobby Ray Inman and the new Microelectronics and Computer Technology Corp. chose to locate in Texas two years ago, legislators swept the state's power brokers.  
There was the biggest catch of the day.  
MCC's decision to settle in Austin, near the University of Texas and not far from Texas A&M University, was expected to bring not only new jobs but a new technological base. And that could secure the future of the Hill Country, if not the state.  
Now there is some second-guessing. If MCC were deciding again, Inman is not sure Texas would make the grade.  
The proposals in the Legislature to cut university spending — by as much as 26 percent — are at best unsettling and at worst disaster, he said.  
Gov. Mark White, who has suggested cuts of his own of nearly 21 percent, has cautioned otherwise.  
reminding Inman that it is still early in the legislative budget process and all of the options, including a tax increase, have yet to be fully considered.  
But Inman said even the mere suggestion of higher-education cuts has threatened university recruiting, not only of "superstar" professors but also of top-notch graduate students.  
In an interview at his Austin office on Research Boulevard, the retired U.S. Navy admiral rained few words.  
"Retrayal is too strong a term," said the chairman and president of MCC, the growing consortium of 20 corporations dedicated to a new generation of computer technology.  
"I am troubled."  
"If we were making the site selection decision for MCC in the spring of 1985 instead of the spring of 1983, I would have to think very carefully about whether I would  
Please see PROPOSED on Page 14A.

## New volunteers return luster to Peace Corps image

By Ed Timms  
Staff Writer of The News  
Jamie Matthews is a 26-year-old nurse who works in Denton's Flow Hospital emergency room and is ready to give a different side of life.  
An Goldstein is a New York native who spent three decades looking for potatoes that would make good chips. At 63, the retired executive of a Dallas food products firm is contemplating putting a master's degree in agriculture to work in a distant land.

Agency's class of '87 older, more skilled than those in past  
France's Plume's only trip outside the United States has been to a Mexican border town. At 60, the Irving businessman wants to follow in the footsteps of his daughter, a Peace Corps volunteer in Paraguay.  
They are part of a new generation that hopes to spend two years serving overseas as the Peace Corps Class of '87. They are also one  
Looking ahead to service 31A  
Looking back on service 31A  
The response in Texas ranks third in the nation.  
The people who have responded are in many ways different from the college students who joined up in the 1960s. They are, on the average, older, and a greater percentage have technical skills.  
Unlike past Peace Corps pro-

grams, the African Food Systems Initiative will take a long-term, team approach to solving the continent's severe agricultural deficiencies, with a nucleus of agriculture experts providing technical support for volunteers in the field.  
In addition to its push in Africa, the agency intends to significantly increase the number of volunteers in Central America, a step recommended last year by the bipartisan  
Please see NEW on Page 34A.

## Texas Poll finds support for cuts, tax boost

By Terrence Stutz  
Austin Bureau of The News  
AUSTIN — A slim majority of Texans would support a tax increase to balance the state's budget if it were coupled with cuts in state spending, a new Texas Poll shows.  
The poll also indicates that nearly two of every three residents favor legalized betting on horse races, an issue being debated in both chambers of the Legislature.  
A quarterly survey of public opinion by Texas A&M University, the Texas Poll is based on telephone

interviews of 1,000 randomly selected residents. The stated margin of error in the survey is 3 percent at points in either direction.  
Other results of the poll, conducted in late January:  
■ Only 27 percent disagreed with the sweeping school reform enacted by the Legislature last summer.  
■ Fifty-one percent favored the change, and 22 percent had no opinion.  
■ Texans give their local schools

higher ratings than Americans do overall.  
Asked to grade their schools, 15 percent of the Texans gave them an A and 36 percent gave a B, compared with 10 percent and 32 percent in a 1984 nationwide Gallup Poll.  
■ Texans believe health and welfare programs should be the highest funding priority of the Legislature.  
■ Public schools ranked second among those surveyed. And prisons and highways were ranked last among five categories of spending priorities.  
■ There is an even split on the suggestion that Texas start contracting with private firms to build and manage some of its prisons.  
Although the poll indicated that Texans would tolerate a tax increase if it were coupled with budget cuts, Gov. Mark White and legislative leaders said they still are determined to avoid a tax increase this year.  
White said the public attitude report.  
Please see MOST on Page 21A.

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### Baker's first day



Follow James Baker through his first day as treasury secretary. Today, Page 1F.



SEPARATE & UNEQUAL: SUBSIDIZED HOUSING IN AMERICA

Reagan budget plan slices into housing

Continued from Page 1A told HUD the figure has increased 10 percent a year since 1980. Private estimates of homelessness run as high as 2.5 million.

Although 37 million households live in federally subsidized apartments, more than 30 percent of those eligible for assistance are not served, according to an unpublished 1984 HUD study. The study also found that "in the very lowest income" the programs accomplish almost nothing, 94 percent remain unserved.

HUD's lowest estimate of the number of Americans with a severe need for housing assistance — those who live in substandard housing and pay more than 50 percent their income for rent — is 2.6 million.

The proposed budget cuts would fall most heavily on large, defense-related projects, which are occupied by minorities. HUD officials say that while other budget cuts would curtail housing opportunities for low-income families outside the projects, said William Rattain, president of the American Housing Development Council. "What we are going to have," he said, "is public cities. It's not talking about the troubled housing authorities that HUD's always talking about. It's talking about good housing authorities."

"It's down to bare bones," said Rattain, also executive director of the Housing Assistance Council. "I'm not sure how many of the medium- and large housing authorities will be able to operate at all."

"I just don't think that we can maintain our buildings and supplies."

Pierce said the housing program is to be returned to full strength once the immediate fiscal emergency is past. HUD is not getting out of the housing business.

Since Reagan was sworn in as president on Jan. 20, 1981, annual appropriations for federally subsidized housing have shrunk from more than \$30 billion to about \$10 billion. If Reagan's 1985 budget is enacted, spending on federally subsidized apartments will drop below \$500 million — less than 2 percent of the level when he took office.

Ernest Dolbear, former president of the National Low Income Housing Coalition, noted that the federal government loses four times as much annually on "implicit" housing expenses — primarily tax exemptions for low-income tenants — as it spends on housing programs.

In 1981, Mr. Dolbear said, 28 percent of the direct and indirect housing expenditures went to tenants, almost more than twice as much as they comprise only 16 percent of federal income tax payers.

In 1977, the government spent 26 cents on housing for every dollar it spent on military programs, Mr. Dolbear said. "Now, after they lift their so-called moratorium, they are calling for 1 cent per dollar."

Pierce said he believes "that the balance the president has proposed between housing and urban development expenditures and other proposed expenditures is fair and appropriate."

HUD's proposed budget, which includes a \$50-million experimental voucher program, would provide \$2 billion to strengthen the fair housing enforcement program. But without additional subsidized units even a full audit on demonstration will do little to expand housing opportunities for low-income families, Mr. Dolbear said.

"They are not going to be able to help people move into communities where they can't afford to live. It's too bad. I think that Sam Pierce really has a considerable interest in leaving a mark in this area," she said.

Robert Weaver, appointed by President Lyndon Johnson in 1966 as the first HUD secretary, said Reagan "has shifted the benefits which emanate from HUD and other programs from the poor to the rich." And, he said, "the proportion of funds cut back for HUD is much larger than that for any other department."

Patricia Roberts Harris, HUD secretary during the Carter administration, said spending so little in the face of so great a need "is a disaster."

"It is coldblooded; it is hardhearted," said Ms. Harris. "But apparently the American people don't mind."

The News, in its visits to 47 U.S. cities and reviews of published and unpublished government studies, discovered a pattern of widespread

segregation and unequal conditions in the nation's subsidized housing system, which provides shelter to almost 10 million Americans. In some cities and towns tenants were deliberately segregated by race in public housing, with the minority projects consistently inferior to those occupied by whites.

In many metropolitan areas, the News found, minority families were concentrated in decaying inner-city projects, while the elderly, particularly the white elderly, reaped a disproportionate share of the newer, better-appointed HUD housing outside ghetto areas. Zoning laws and suburban resistance to low-income family housing have prevented the poor from following the expansion of the job market from the cities to the suburbs.

Pierce and his staff have offered a modified version of the Section 8 Existing Housing Voucher program as a solution to many housing problems.

The HUD secretary proposed scattering many of the vouchers and other HUD subsidies to encourage the construction of new apartments for low-income families in favor of the vouchers. They would allow landlords to apply rent subsidies in apartments in the private market, regardless of the location, cost or condition of the apartment.

HUD officials say their proposal offers more freedom of choice than the current Section 8 Existing Housing Voucher program, which imposes restrictions on the cost and condition of apartments, and which often elicits rejections to the rent certificates in the cities where they are issued.

"We have redirected our assisted housing policy away from new construction programs because I believe that is simply the wrong way to provide housing assistance to the poor," Pierce told The News.

"Our estimates show that we can house about three times as many families with vouchers as with previous new construction programs,"

said Pierce. He also said that traditional public housing projects may continue for years to be the best available housing for minorities, said Jane McGrew, a HUD general counsel during the Carter administration.

But the White House intends to "put public housing authorities out of business," said Ms. McGrew, now a Washington attorney for many of the nation's largest housing authorities, including the Dallas Housing Authority.

Public housing projects are the nation's oldest form of subsidized housing. The program houses 3.1 million Americans. It is the largest subsidized housing program that involves apartment construction. And it is the only program in which more than 50 percent of the tenants are minorities.

The Reagan administration pushed several changes in public housing laws that will increase income and some through HUD regulations and policies.

In 1981, the administration won passage of a bill to gradually raise a tenant's maximum rent payment from 25 percent to 30 percent of income. A 1982 study projected that the result would be the loss of higher income tenants.

The 1981 law also restricted rent units to households earning less than 55 percent of their area's median income, down from the 80 percent level previously used for eligibility.

"This lowers our income and ghettoes our projects and raises our need for subsidies," said Ratsiff, head of the Greater Housing Authority.

In 1984 HUD began sending bills to housing authorities across the country, advising that they had received excess revenues from tenants' rents and other sources since December 1980.

"They [HUD officials] basically showed up at the door and said 'Here is a bill. You either pay us out of your reserves or we will deduct it from the operating subsidy you will normally be entitled to in this fiscal year,'" said Gordon Cavanaugh, legislative counsel to the Council of Large Public Housing Authorities.

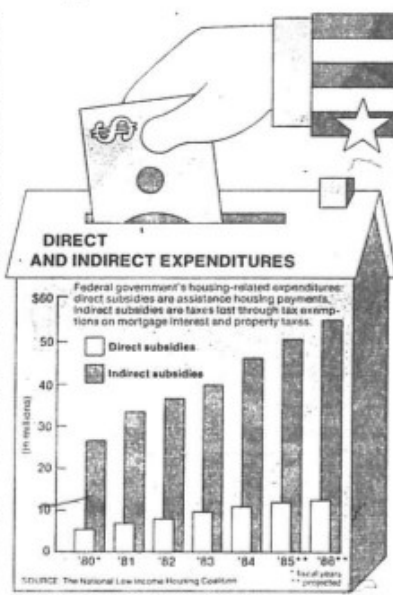
Those members operate about 40 percent of all public housing units. His organization filed out in September to block the bill collecting. The suit is pending.

Reagan's budget proposes \$1 billion in operating subsidies for housing authorities, a drop from the \$1.3 billion that housing authorities had expected. Public housing officials said the reduction will force them to cut maintenance.

A 1983 law makes it easier for a housing authority to demolish projects and also removes a decades-old requirement that apartments lost through demolition be replaced on a one-for-one basis.

But many housing authority officials said the administration has made it much tougher to carry out renovation programs. Changes in a HUD handbook, Cavanaugh said, will restrict the number of projects that qualify for renovation funds.

Given the administration's proposal to freeze funding of new sub-



THE DALLAS MORNING NEWS. PAUL CLOFFORD

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But many housing authority officials said the administration has made it much tougher to carry out renovation programs. Changes in a HUD handbook, Cavanaugh said, will restrict the number of projects that qualify for renovation funds.

The Reagan administration's proposed reduction in the federal housing agency's fiscal 1986 budget, however, would cut emergency assistance to "troubled" housing projects to \$54 million, about half the current funding.

A 1979 HUD study of almost 1,500 projects defined "troubled" projects as those in bad or very bad condition. The study found that the vast majority of troubled projects "are found disproportionately among family... projects which are old, large, located in urban areas, and situated in neighborhoods which themselves could be classified as troubled."

Ms. McGrew, the former HUD general counsel, said the question is "anyone could operate a housing agency, a major housing resource, particularly one with heavy social demands, under those circumstances."

"To me it is absolutely outrageous that they could be in this position now," she said.

The budget proposed by the White House would add another \$10 million to HUD's fair housing program for what HUD Assistant Secretary Anthony Monroig called "a major fair housing initiative designed to attack housing discrimination on the local level."

Monroig, HUD's chief fair housing official, said stronger enforcement efforts against widespread and sometimes subtle discrimination would open up more housing opportunities for minorities.

A 1979 HUD study found that 2.5 million acts of housing discrimination are committed annually against the nation's 9 million black households. But federal and local investigators receive fewer than 5,000 complaints each year, Monroig said.

The budget proposal would give HUD about \$3 million to educate prospective tenants on the signs of

discrimination, \$4 million to assist state and local agencies that enforce fair housing laws, and \$1 million to fund activities such as discrimination testing by women, nonprofit fair-housing groups, Monroig said.

Testing programs, in which black and white undercover investigators apply to rent the same apartment, often are the only way to prove cases of intentional discrimination, he said.

"We think that the private housing groups have been doing a very good job, and they will be eligible to receive money for testing and such," Monroig said.

Monroig and the staff of U.S. Sen. Charles Mathias, R-Md., predicted that Congress would make another attempt this year to pass a stronger fair-housing law.

Mathias and Sen. Edward Kennedy, D-Mass., proposed a bill last year to empower administrative law judges to hear fair housing cases and to allow the HUD secretary to order private apartments be held vacant for a period of several days while discrimination cases are resolved.

During the last session of Congress, the Reagan administration introduced a bill that did not give jurisdiction to administrative law judges but allowed punitive damages of \$50,000 for a first discrimination offense and \$100,000 for a repeat offense.

Even if those measures had

passed, they could not have provided access to housing that was priced beyond the means of moderate-income families, said Glenda Sloane, a civil rights activist at the Catholic University of America in Washington, D.C. She said some communities deny access to low-income families by excluding low-income housing or imposing zoning laws that make housing prohibitively expensive.

The Carter administration tried to use federal Community Development Block Grant funds as leverage to persuade suburbs to accept low-income housing. The effort was "pretty successful, considering that you are dealing with a very recalcitrant bunch of communities," said Martin Sloane. Mrs. Sloane's husband and head of the National Committee Against Discrimination in Housing.

The Reagan administration, he said, has abandoned that effort. In 1979 under President Jimmy Carter, HUD temporarily withheld or threatened to withhold some portion of grant funds from 30 cities that HUD found had violated housing or civil rights regulations. In 1984, the Reagan administration imposed such sanctions on four cities.

Carter HUD officials attribute the decrease in passage of an administrative-blocked bill in 1981 that largely deregulated the grant program, and to the lack of funds for construction of new projects. In the past, they said, communities most often were found in violation of the housing rules when they attempted to block low-income projects.

The Reagan administration also has cut larger Carter-era efforts by the Justice Department to overturn zoning or building ordinances that exclude the poor by raising the cost of housing, according to Thomas Keeling, a longtime Justice Department attorney who now heads the housing section of the department's Civil Rights Division.

The administration, Keeling said, has vigorously prosecuted discriminatory landlords, but has "de-emphasized" zoning cases. It has sued two municipalities where there was evidence of intent to deliberately exclude minorities for racial reasons. But, Keeling said, it has not developed cases against municipalities whose zoning laws clearly exclude low-income minorities, but where there is no obvious evidence of racial intent.

Keeling said the lead of the Civil Rights Division, Assistant Attorney General William Bradford Reynolds, has set forth new policies making it difficult to win approval to file such cases.

"Real reality didn't want to focus on these larger zoning-type cases," Keeling said. "He would say he's interested in any case where you could show racial intent and a violation of Title VIII [the Fair Housing Act]. Well, you know, you look and see how difficult it is to develop the intent issue."

Reynolds declined several requests for an interview.

Under the Carter administration, Keeling said, the Justice Department had developed cases involving exclusionary zoning. "I don't know that you can say this administration would never do that, but you can say they haven't done it yet," he said.



"We have redirected our assisted housing policy away from new construction programs because I believe that is simply the wrong way to provide housing assistance to the poor." — HUD Secretary Samuel R. Pierce Jr.



"It is coldblooded; it is hardhearted. But apparently the American people don't mind." — Patricia Harris, HUD secretary in Carter Cabinet



SEPARATE & UNEQUAL: SUBSIDIZED HOUSING IN AMERICA

Out of the ghetto

Suburban housing plan helps Chicago families

By George Rodrigue

CHICAGO — Rosie Riggins moved to Chicago eight years ago from Wynne, Ark., after her husband walked out on her.

She was hired to the big city by factory work but found unemployment instead. The apartment for which she paid \$300 a month was infested with rats and roaches.

Only her living room was heated, and her water pipes froze every winter for days at a time.

Youth gangs and drug dealers roamed the housing project. The streets provided the only playground for her two children. Every few weeks, Mrs. Riggins and her children would see a neighbor's car stripped bare at the curb.

In hopes of finding decent housing in a safe environment, Mrs. Riggins joined a program established by court order to desegregate Chicago's government-subsidized housing.

It is known as the Gautreaux Housing Demonstration and is the only federally funded metropolitan desegregation effort in the nation. Through the program, Mrs. Riggins found a rent-subsidized apartment in suburban Palos Hills five years ago.

The program was named for Dorothy Gautreaux, leader of a group of Chicago Housing Authority tenants and applicants who filed a desegregation lawsuit in 1966.

In a string of cases lasting 10 years, the tenants' lawyers argued all the way to the Supreme Court, which ruled that the program was required because Chicago, advised by the U.S. Department of Housing and Urban Development, had illegally and unconsciously segregated public housing residents.

The Gautreaux program recruits landlords outside minority areas who provide housing for rent-subsidized families and it offers minority tenants counseling and relocation assistance.

As of Feb. 1, the program had helped 2,845 families leave the government-built ghettos of Chicago. Two-thirds have relocated to suburban areas. The vast majority of those families are single-parent households headed by black women.

The merits of the program have been debated extensively. HUD Secretary Samuel R. Pierce Jr. has said agency officials believe the program is not cost-effective because of the high price of constructing, currently \$76 per participating household.

But Mrs. Riggins said there can be no doubt that the program has benefited her family. At 31, Mrs. Riggins returned to school. Last summer, she was one semester away from graduating from the respiratory therapy program at Moraine Valley Community College, a five-minute walk from her apartment.

The greatest gain from the move, she said, has been the opportunities for her children. Her 8-year-old daughter has cerebral palsy and can barely walk without assistance. "In Chicago, I couldn't find anything to help her," Mrs. Riggins said. "As soon as I got to the suburbs, I contacted United Cerebral Palsy, and they have been a big help. And the schools have been a big help."

"I just think that this neighborhood is better for my kids. I think they will have a better chance here. This neighborhood gives them something to shoot for."

— Rosie Riggins

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Mrs. Riggins' feelings are typical of families who have participated in the Gautreaux program, according to a 1981 study of 360 households. The study was conducted by the Chicago Leadership Council for Metropolitan Open Communities, which administers the program. It involved a third of the participants at the time. The council's executive director, Kale Williams, said it confirmed his belief "that for a large number of these families, they have a chance to rebuild their lives, and get out of the cycle of poverty."

Minority households headed by women are the nation's poorest, and are the fastest growing segment of the poor, the council said in its report on the survey results. The report concluded that those families had succeeded in the program, and that their success "is evidence that a relatively modest housing program, administered so as to broaden opportunity, can make a real difference in the quality of present life for these families and in their hope for financial independence."

"For a society in which such poverty has sometimes seemed to be an intractable problem, this demonstration points the way to a solution," the survey report concluded. Specifically, the survey found that:

- Only one out of seven households expressed dissatisfaction with their new apartment, while 80 percent said they were satisfied or very satisfied.
- Employment had increased 67 percent, with 167 family heads employed after the move, up from 64 before the move.
- Two-thirds of the families were "very happy" with the new schools their children were attending. Only 1 percent of the families were "very unhappy."
- Program participants overwhelmingly praised public services, recreation programs and day-care services.
- Nine of 10 families said they were satisfied with the racial mix of their new communities and schools.
- The only aspects of the new communities with which a significant number of participants expressed displeasure were transportation, 17 percent; medical facilities, 25 percent.
- Only seven families, or 2 percent of those surveyed, expressed interest in returning to the inner city.

Placing black families in suburban housing requires vigorous recruitment of landlords and counseling of tenants and landlords before and after the leases are signed, said Williams.

Mary Davis, one of the program's administrators, said developers who want to build federally funded projects in metropolitan Chicago are required, as a condition of receiving federal aid, to promise that they will set aside some apartments for Gautreaux program families.

Recruiting tenants is not a problem, she added. When the Leadership Council announced one year ago that it would accept 1,000 new applications for its waiting list, an estimated 7,000 people braved a January snow and packed streets and sidewalks for three blocks to apply.

"We couldn't open the doors. There were too many people pushed solid against the glass," Ms. Davis said.

After five years in the Gautreaux program, Barbara Wesley took herself and her two children off welfare and quit accepting housing program assistance for six months last year. She says she still \$400 monthly rent for her two-bedroom apartment in suburban Carol Stream.

"It's got a swimming pool, a tennis court," she said. "It's a place I'd be proud to invite any of my friends

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Rosie Riggins says her new home in a suburb of Chicago offers better opportunities for her two children: Kisha, 8, who has cerebral palsy (left), and Veronica, 11.

or family to have me made it? No. But let's say we're on the road."

Ms. Wesley, a 35-year-old Mississippi native, credited the Gautreaux program for allowing her to escape Chicago's projects and earn her nursing degree.

"If I'd stayed downtown, I don't think I'd have been able to do it. I probably would have been caught up in feeling sorry for myself, licking my wounds."

Before joining the Gautreaux program, she lived in the Chicago Housing Authority's Abbot Highrise, a 16-story family project that she said mail carriers would visit only with a police escort.

"The elevators never worked and you were afraid to go out because you knew what would happen if you got caught in the stairwell," she said.

In the Chicago school system, her daughter was buried in large classes. Mrs. Wesley said, "When I moved out here, they tested her and found that she has a hearing problem. She does some listening drills at home... she's making A's and B's now, and she loves her classes. If I'd stayed in the ghetto, she would have been a lost case."

"If inner-city schools did not ruin her children, she said, fear and

hopelessness might have "it takes a hell of a kid to go through all that and say, 'I am going to come out of here.'"

Life in the suburbs has not always been easy, Ms. Wesley added. "The children would go to the bus stop and be called niggers. People would say, 'Nigger, what are you doing on this school bus?'"

A young white neighbor — a student at a nearby technical school — would kick her door and walk inside pictures fell, Ms. Wesley said. He would scream racial epithets and once, she said, he smeared food all over her front door.

Ms. Wesley called the police after the neighbor blocked a hallway and refused to let her 11-year-old daughter pass. The police refused to act, she said. "They said the guy denied it. A cop said, 'You are a very hostile kind of woman.'"

The problems were cleared up after staff members of the Chicago Leadership Council threatened the police and the landlord with legal action, she said. But by then, Ms. Wesley said, her children had been traumatized.

"One of my daughters said, 'Mom, I hate white people. They are so stupid. They don't even give you a chance.'"

In August, Ms. Wesley said her major concern was that her children might be adopting too much of a "suburban" attitude.

"They kind of don't have a feel for what black folks are like. We had some friends over, and when they left one of my kids said, 'Did you hear that girl talk? She doesn't even know how to put the words in the right place.'"

"I told her, 'Don't laugh at them. You could have been that child.' It's a moral lesson I'm trying to teach. Don't ever forget where you came from."

"Sometimes you do feel displaced," she said. "Whites do not accept you because you're not white, and if you progress too far your own people reject you. They feel that you've moved away from them — they feel you're not in a sense."

"When you want more for your children, there are always repercussions."

Sandra Frazier, 33, said constant threats from some of her new white suburban neighbors might have driven her back to Chicago were it not for her son.

One neighbor pounded on her

walls. Another telephoned repeatedly and said, "The nigger's apartment will burn tonight." Ms. Frazier said someone set a fire on the front porch of the apartment of her best friend in the complex, a white woman, "because she was a 'nigger-lover.'"

A clique of neighbors once blocked Ms. Frazier's stairwell, keeping her from passing.

The bad times are nothing new, said Ms. Frazier, who lived across from a Chicago housing project before she joined the Gautreaux program and moved to the Ingleside area.

She said that in Chicago, "if you went to work, someone would break into your apartment and take everything you had."

"When you came home with your paycheck, they would beat you up and take your money. It was a living hell."

Her new community is a better place to pursue her career as a respiratory therapist, she said, because "there's a lot more money in this area and more jobs."

Outside her apartment complex, her new acquaintances have been extraordinarily kind, she said. Living in the suburbs, "for everything, from milk to gasoline," has been cheaper than it was in the city, she said.

Ms. Frazier said harassment from neighbors has kept old friends from visiting her and has caused her to become lonely. "When you have no peace at home, you've got no place to go."

But what has tied her to the suburbs is her sixth-grade son, Ben, who is doing better in the more demanding suburban schools than he had done in Chicago.

"In the city, I carried him because I was afraid of him getting into the gang thing. The number of guys that I graduated from high school with who were stabbed or shot or drowned at the lakefront under the influence of alcohol, it was just horrible."

She said her son has never felt stigmatized by his background.

"Any time you compare yourself with others, you are going to feel a little bad because someone's always got more than you do... This place gives him something to shoot for," Ms. Frazier said.

"It shows that there are better ways to success than pimping and selling drugs — and you'll live a lot longer."



Kale Williams, executive director of the Chicago Leadership Council for Metropolitan Open Communities, says the Gautreaux program has provided families a chance.



Robert Weaver, first HUD secretary, says HUD and other programs from the poor to the rich... The proportion of funds cut back for HUD is much larger than that for any other department.

Proposed cuts threaten housing program

Continued from Page 26A. He who can best afford them, he said. "What would be left? There would be a shrinking pool of shelter for those who need it most," McCarry said.

Ms. McGrew, a former HUD legal adviser, called Reagan's proposal "the cruelest fraud."

"What are they going to do when the roof falls in, when they have to replace the furnace? It is absolutely incredible to me that he could hold out that dream for people when it is wholly unrealistic for 90 percent of them," she said.

Ideally, said Herrington of the Dallas Housing Authority, "all public housing tenants ought to be able to buy their own housing if they have the resources."

But Herrington said he doesn't believe that the average DHA tenant, whom he said pays about \$85 per month in rent, could afford to buy an apartment.

"It costs us about \$80 per month for utilities alone for each unit,"



"(Reagan) has shifted the benefits which emanate from HUD and other programs from the poor to the rich... The proportion of funds cut back for HUD is much larger than that for any other department."

— Robert Weaver, first HUD secretary

She said 16,000 apartments have been made available for sale but only 3,000 have been sold.

At the end of the second session of the 99th Congress, Rep. Jack Kemp, R.N.Y., and Sen. Steve Symms, R.Idaho, introduced legislation to begin a nationwide public housing sales plan. Their plan was based on a British program that has made more than 800,000 families homeowners since 1970 and would

allow public housing tenant groups to purchase their dwellings. Kemp and Symms said that the program would benefit tenants and predicted that neighborhoods with tenant-owned housing would improve.

The lawmakers said their bill would be reintroduced in the 99th Congress. They estimated that the \$3 billion in subsidies the government pays annually for public housing operations would be cut sharply in the next budget.

The administration, said McKay of the large housing authorities council, is following a path toward dismantling the system.

"First you cut it back as much as you can. Then you don't let them (local housing authorities) improve it so that it does not become suitable. Then, after you've starved it, you develop schemes for selling."

Ms. McGrew contends the federal government is less interested in helping tenants than in washing its hands of the public housing system.

"But it is like someone said in Death of a Salesman," she said. "Attention must be paid."

"And no attention is being paid to the problem of the public housing authorities, which have become the last resort for poor people with no hope of upward mobility. No one wants them in their neighborhood, and no one wants to deal with the problem."

SEPARATE & UNEQUAL SUBSIDIZED HOUSING IN AMERICA

After a lawsuit led to mandatory integration in an East Texas town in December 1983, The Dallas Morning News began investigating federally assisted housing. The 14-month inquiry ultimately covered 47 cities from the Northeast to the West Coast. It included interviews with hundreds of tenants in public housing; current and former officials of local housing authorities and the U.S. Department of Housing and Urban Development; and private housing experts. Additionally, thousands of documents were acquired from federal agencies through the federal Freedom of Information Act.

- Sunday — National Overview
- Monday — Winners and losers
- Tuesday — Jim Crow in E. Texas
- Wednesday — Desegregation
- Thursday — Focus on Dallas area
- Friday — Housing enforcement
- Saturday — Studies in failure
- Sunday — Prospects for future