

The Evolution of Federal Housing Policy

From 1892-1974 in Nashville, Tennessee

Margaret Martin Holleman

Federal housing policy has, from the outset, involved issues and concerns that go beyond the simple proposition of, “providing decent, safe, and sanitary homes.” As a consequence, federal housing policy itself, or in tandem with other public policy, has been used by local governments to remake cities-- business districts, highway systems, retail strips, neighborhoods, schools, parks and community centers, and housing complexes. This paper traces the evolution of federal housing policy from 1892-1974, how it unfolded in Nashville, and the physical impact it had on the city. Because federal housing policy was highly intertwined with other goals during this period, Nashville, like other cities, was able to pursue a broad agenda in the name of housing that brought uncertain consequences to the intended beneficiaries of housing policy and to the city as a whole.

A tracing of federal housing history offers an outline to the development of Nashville’s housing policy, but the ambiguousness of federal legislation allowed (and required) local politics, social climate, other federal programs, and goals to determine how Nashville’s housing program would be implemented. There is no doubt, however, of the impact the federal housing program had on Nashville’s treatment and considera-

tion of its poorest citizens. Historically, until federal dollars and guidance came into Nashville, the city of Nashville (and its power structure) had too few resources to address housing shortages, slums, blight, poverty, and inadequate housing in any significant manner.

During the 1920’s, Nashville grew rapidly as it became the South’s leading manufacturing center, with its printing, milling, and boot and shoe industries leading the South.¹ Increasing growth in Nashville meant that business began moving into former residential areas as people used the streetcar and the automobile to move farther and farther away from downtown. The abandoned residential areas became home to lower-income Nashvillians and the housing in those downtown residential areas became blighted as renters and owners had less money to invest in upkeep and civic improvements. In the 1930’s, Nashville’s planning commission embarked on housing and slum clearance, largely upon the insistence of Gerald Gimre, a planning engineer. He argued that zoning codes could not help already blighted areas, so the city should zone those commercial uses to encourage utilization of the blighted area and the land should be cleared of dilapidated housing to make it more attractive to a commercial investor.²

¹ Robert James Parks, Grasping at the Coattails of Progress: City Planning in Nashville, Tennessee, 1932-1962, Thesis for Master of Arts in History at Vanderbilt University (1971) p. 15 [hereinafter Grasping].

² *Id.* at 61.

The planning commission and other local agencies used federal construction grants to clear four slum areas and construct public housing projects that were originally supposed to be built by a group of local businessmen and financed by public works.³ When the Public Works Administration told the city that the plans called for housing that would be too expensive for low-income families to rent, the city turned to federal aid. The city conducted studies of land use data in Nashville that showed, “a third of the buildings ‘in various stages of deterioration and with large areas devoted to slum dwelling’” and the federal government financed two additional studies that examined the social and economic conditions of white and African-American families in Nashville’s slum areas.⁴

These studies, as well as others in the later 1930’s, presented a bleak picture of life in Nashville’s slums; “A third of the city’s population lived... where most of the housing was ‘ill-suited for human habitation’... there were few parks and playgrounds, almost no paved streets, and poor schools.”⁵ Some areas were not served by city water and sewer lines, the streetcar (the only inexpensive public transportation) did not reach most slum residents, and infant mortality, tuberculosis, homicide, and truancy rates were considerably higher in those slum areas. It was in this disheartening situation that Nashville found itself searching to solutions, both at the local, state, and federal level.

The first significant federal action that addressed

“housing” was a provision of funds by Congress in 1892 for an investigation of slums in cities of 200,000 or more population.⁶ The report prepared by the Commissioner of Labor as a result of the investigation contained detailed data in four cities and noted a higher incidence of saloons and arrests on slum areas. In 1908, President Roosevelt bolstered the myth that removing the slums was the cure to America’s poverty in his speech, expressing concern for the total environment and the effect of that environment on the quality of life, rather than addressing other problems of poverty, unemployment, and lack of education.⁷ The programs that followed this speech addressed almost solely slum living conditions as the root problem of crime conditions and poverty. It was not until the Demonstration Cities program in 1966 that the government explored in detail why slum conditions and poverty occurred and reoccurred despite slum clearance programs.

The “city beautiful” movement began at Chicago’s 1893 World’s fair and joined social workers, politicians, and civic leaders in the city reform movement of the 1890’s and 1900’s. The city beautiful movement emphasized wide parks throughout the city, large, well-designed public buildings, and appearance over practical elements of a city, such as housing, streets, and sewers, while the reform movement was a reaction to the industrial revolution, immigration, and rapid urbanization.⁸ Both movements began as a popular swell of reaction to over-crowded living conditions, child labor, and

³ *Id.* at 62.

⁴ *Id.* at 62-63, citing the Nashville Planning Commission studies, *Land Uses in Nashville, Tennessee (1934)*, p. 18-19; and *Low Standard Housing in Nashville, Tennessee (1937)*, p. 1-2.

⁵ *Grasping*, at 64.

⁶ *Chronology of Major Federal Actions Affecting Housing and Community Development: 1892-1963*, I, compiled by Office of General Counsel – Housing and Home Finance Agency (1963).

⁷ Raymond Brown, *A Time for Accounting: The Housing and Community Development Act in the South*, I (1976).

⁸ *Grasping*, at 5.

dangerously unhealthy housing. The first attempts to address these problems in cities were zoning codes, which set standards for living conditions, such as regulating the height of buildings and the subdivision of land.⁹ In 1909, the first National Conference on City Planning emphasized that in order for planning to be successful it had to be comprehensive in scope, moving beyond the civic center and parks to address mass transit, suburban growth, and subdivision control.¹⁰ Though the planners were primarily concentrating on the physical appearance of cities, they did anticipate the need for government involvement in housing and slum clearance. However, until the 1930's, neither the federal government nor most local governments were involved in providing housing for the poor or in addressing slum conditions; this job was left to citizen reformers through movements such as the settlement house movement. This movement focused attention on the neighborhood, its living conditions, and the relationship between physical development and living conditions through a combination of data collection, community involvement, and personal interaction with neighborhood residents.¹¹ What little local planning involvement there was in local housing issues began to lessen in the 1920's as the economy prospered and city planning turned from social problems to public works programs.¹² In Nashville, housing became included as a function of the planning commission only because Gerald Gimre, at the time an engineer, but soon to be the executive director of the

Nashville Housing Authority, was so interested in pressing for its inclusion.¹³ The advent of federal programs that addressed housing came about initially as a temporary response to problems arising from the Great Depression, but federal housing programs remained to house returning war veterans, the temporary poor, and the chronic poor.

The passage of the National Recovery Act in 1933 provided for a federal housing program whose purpose was both to offset the effects of the Great Depression by increasing employment and by providing low cost housing through extensive federal participation.¹⁴ This program differed from other ones in that it was administered by the Housing Director of the Federal Public Works Administration and no state or local participation was involved in this initial public housing program.¹⁵ In 1936, the National Recovery Act funded the building of the first two public housing projects in Nashville, Cheatham homes and Andrew Jackson Homes. These two homes were built to provide housing for the temporarily economically depressed, and two were considered necessary to fulfill local mores of racial segregation. The studies mentioned earlier were used to bolster the argument that these housing projects were necessary; one such study was a statistical comparison of the African –American population's current housing conditions, family structure, social connections, employment level, and education level.¹⁶ The United States Housing Authority funded the construction and land acquisition of this project,

⁹ Grasping, at 8.

¹⁰ Grasping, at 7.

¹¹ Grasping, p. 7.

¹² Grasping, p. 9.

¹³ Lee Sanders, *Urban Renewal in Nashville: A Tale of New Cities*, Division of Urban Renewal (1959), p.3.

¹⁴ *Legislative History of Urban Renewal*, Real Estate Research Corporation, January 1974, p. 1 [distributed by National Technical Information Service, U.S. Department of Commerce] [hereinafter *Legislative History*].

¹⁵ *Id.* at 1.

¹⁶ Charles S. Johnson, *A Social Study of Negro Families Selected for the Nashville Negro Federal Housing Project with a Supplementary Study of the Social and Economic Status of the Negro in Nashville, 1934*.

and the Nashville Housing Authority (NHA) assumed the lease for them in 1938, the same year the NHA was established. The housing program under the NRA met its goal (albeit limited) of providing low-cost housing and employment opportunities. Though the federal government may not have intended this act to speak to the problems of inner-city slums, (the act made no mention of slum clearance or redevelopment), Nashville authorities took the initiative to locate these housing projects in blighted urban areas, clearing slums and acquiring the land. It was not until 1937 that Congress acquiesced to its inevitable role as provider of funding for public housing; Nashville authorities, along with many other local authorities, had realized that housing the poor would be a bigger job than they could handle without federal assistance.

After several failed attempts, Congress passed the Housing Act of 1937, linking slum clearance and public housing in one program that confronted slum living conditions by providing loans and annual contributions to local public housing agencies for public housing and slum-clearance projects.¹⁷ This Act established the present system of federal loans and grants-in-aid to local public housing authorities for the provision of low-rent public housing.¹⁸ Congress' previous attempt at similar legislation (the Housing Act of 1935) was overturned by the US Supreme Court, which held, "the federal government has no authority to build or operate peacetime public housing for low income families."¹⁹ This decision had far-reaching impact on public housing policy, partly because the Court was wary of a too-powerful federal government; "The shift in administration of the public housing program from the federal to the local

level was in large part a result of judicial decisions that the federal government could not use the power of eminent domain to acquire land for the construction of public housing and for slum clearance."²⁰ This decision was a critical one for the development of federal and local housing policy; it cemented the involvement of a local authorities, and consequentially, local politics and societal shifts in the actualization of housing programs. Though the federal government had ultimate power over the money, the decentralization of implementation heralded the end of a national standard of public housing, whether for good or ill.

The impetus for Congress to create legislation that dealt with America's slums was years of congressional hearings that showed two facts: firstly, "that approximately one-third of all families were living under conditions that impaired health, safety, and morals, and secondly, that neither private nor public machinery existed to help these families obtain decent, safe, sanitary homes."²¹ The Housing Act of 1937 was Congress' first attempt to address these facts. The 1937 Housing Act accomplished what the 1935 Housing Act did not by arranging public housing to be built by local public agencies, rather than by federal agencies. Rather than involve federal agencies in actual project implementation, the 1937 Act offered federal financial assistance directly to the potential lessees and local agencies.²²

However, the 1937 Act was not without problems; it required that for every house built, a sub-standard one must be destroyed, and it limited federal funding to housing built for military personnel and the temporarily poor.²³ The one-for-

¹⁷ US Housing Act of 1937.

¹⁸ *Legislative History* at 2.

¹⁹ Housing act of 1935

²⁰ *Legislative History* at 2.

²¹ US Housing Authority Q & A: The Program of the USHA.

²² Raymond Brown, *A Time for Accounting: The Housing and Community Development Act in the South* (1976).

²³ Housing Act of 1937, 42 USC.

one requirement in the Act regarding the destruction of sub-standard housing and the construction of new housing cast doubt on whether actual improvements in housing occurred as a result of the Act. Local agencies may have had an incentive to tear down houses that may not have been necessarily sub-standard in order to equal the number of houses built. Additionally, since a local agency would be building a house while simultaneously tearing down a house, the amount of available housing stock for the poor did not increase, and may have actually decreased since the housing being built was for military personnel and the temporary poor, while the sub-standard houses being destroyed most likely belonged to the permanently poor. However, though the actual result of the federal legislation, when implemented, perhaps harmed some people by displacing them, the goal of the legislation was not to increase the amount of low-income housing available, but rather to ensure “safe, decent, sanitary homes”, which it did accomplish, at least for a while.

In 1939, as a response to the lessening of the federal role in the actual construction of public housing Nashville created the Nashville Housing Authority (NHA) with authority over slum clearance and low-rent public housing. It was clear from the 1937 Act that in order for a city to build more public housing, it would need to assume the chief role, and in Nashville, need for an agency who dealt solely with housing concerns manifested itself in the creation of the NHA. The NHA spun into action promptly after its creation, building two more low-income public housing projects in 1939 and 1940 and assuming the lease of several more from the federal government.²⁴

Two major obstacles to the clearance of slums and

blighted areas were the lack of housing for those displaced and the cost. The cost of acquisition, clearance, and redevelopment of the blighted land was greater than the value of the land when redeveloped, and the money needed for redevelopment was not available. The previous housing act had emphasized clean, safe housing, but not necessarily more housing; after several years passed it became clear that much more affordable housing was needed, “Nearly 2,000 [Nashville] families had been provided with decent housing” but the 1940 U. S. census revealed that at least 13,000 Nashville families were still living in substandard housing.²⁵ In response to these two problems, the Housing Act of 1949 emphasized two solutions: 1) it provided for relocation of residents who were displaced by slum clearance, and 2) it attempted to include private enterprise in public housing construction.²⁶

The 1949 Act also established national housing objectives and policies as a basis for solutions to the national slum problem, and Section 2 of the Act is the declaration of that policy:

The general welfare and security of the Nation and the health and living standards of its people require housing production and related community development sufficient to remedy the serious housing shortage, the elimination of substandard and inadequate housing through the clearance of slums and blighted areas, and the realization as soon as feasible of the goal of a decent home and a suitable living environment for every American family, thus contributing to the development and redevelopment of communities and to the advancement of the wealth, and the security of the nation.²⁷

²⁴ Grasping, at 66.

²⁵ Grasping, at 66.

²⁶ Housing Act of 1949.

²⁷ *Legislative History*, at 3.

The 1949 Act attempted to meet its objectives by setting forth the provisions for a federal assistance program to aid local communities. The Act authorized financial assistance by the Housing and Home Finance Administrator to a local public agency for a project consisting of the assembly, clearance, site preparation, and sale or lease of land at its fair value for uses specified in a locally and federally approved redevelopment plan for the area of the project.²⁸ This emphasis on local public agency involvement regarding land clearance and elimination of blight resulted from the desire to include private enterprise in urban redevelopment. The thought was that private enterprises would be more likely to invest and develop in blighted areas if the process of land assembly were made simpler and less expensive by the inclusion of local public agencies.²⁹

Unfortunately, the 1949 Act was not as successful as anticipated at securing private investment as the “profit-oriented reuses typically pursued by private enterprise [were] often incomparable with the deteriorated environment from which the worst blight is cleared.³⁰ The public also posed an additional problem in their prejudice against public housing, and so the US Housing Authority and local public agencies had to confront both private sector disinterest and citizen opposition. The public began to think that clearance of the slums too often meant simply transporting the slums to other neighborhoods, and that any clearance and construction that did take place did so with insufficient citizen input.³¹ Legislative history supports this analysis:

The assumption behind the establishment of the urban renewal program was that if the cost of acquisi-

tion and clearance of land in a blighted area were assumed by a local public agency (with federal financial support) this land would be readily marketable for development by private developers. In reality, in most cities the land evidencing the worst blight or the most deterioration was not readily marketable without additional supporting elements. This was particularly true of inner city residential neighborhoods which had lost many supporting facilities but which were to be redeveloped with predominantly residential usage... In many cities, it is impossible for local authorities to select areas with the worst blight without thereby creating high risks of clearing land, which may have no immediate profit-oriented reuses. This inherent potential conflict between the two basic purposes of urban renewal is a key factor underlying prolonged vacancies of sites cleared through urban renewal.³²

The difficulties of encouraging private investment to redevelop blighted areas were an impetus for the Housing Act of 1954, which expanded upon the 1949 Act to establish the more official urban renewal program that is now a reference point for a type of urban redevelopment. As problems with the execution of the policies under the 1949 Act became evident, President Eisenhower established the Advisory Committee on Government Housing Policies and Programs, and several recommendations produced by this committee were incorporated in the Housing Act of 1954.³³ The Committee sought to address the inherent conflict in the 1949 Housing Act by allowing the local authority to expand the redevelop-

²⁸ *Legislative History*, at 4.

²⁹ *Legislative History*, at 2-3.

³⁰ *Legislative History*, at 6.

³¹ Raymond Brown, *A Time for Accounting: The Housing and Community Development Act in the South* (1976).

³² *Legislative History*, at 8-9.

³³ Housing Act of 1954.

ment district to include blighted areas it was not going to claim through eminent domain and redevelop. Instead, some blighted areas were intended for rehabilitation, either by the current owner through federal low-interest loans, or by private developers. The 1954 Act included this concern voiced by the Committee, but it interpreted it more loosely by simply re-defining “urban renewal project” to include both slum clearance and rehabilitation activities.³⁴ By allowing a local authority to extend the redevelopment district to include properties it did not intend to raze, the area to which urban renewal funding could be applied could grow; hence it would be possible to use urban renewal funds to rehabilitate property without the local housing authority owning the property.

The Housing Act of 1954 enhanced the urban redevelopment program under the 1949 Act and called the new version “urban renewal”, a term that described a broader, more comprehensive approach to the problems of slums and urban bight. Urban renewal was intended to be a broad description of programs that were locally conceived, planned and executed and projects that were planned and carried out by a local public agency. Federal assistance was only available when local resources were insufficient to complete a project. The legislation provided funding for rehabilitation of redeemable housing, not just for clearance of sub-standard housing, and required that all new construction take place in the cleared neighborhood. The 1954 Act offered federal incentives for new school and recreational facilities and allowed the costs to be credited towards the local match.

Urban renewal was intended to improve the urban environment through the elimination of blight and the “coordinated application of all municipal powers to an area basis for the execution of a master plan”, but according to the American Institute of Planners, the urban renewal program fell short of its goals.³⁵ Because the urban renewal legislation was limited to funding projects that were predominantly residential either before or after their development; “important areas of the community are left without an effective means for improvement...”³⁶ Essentially, a city authority could receive federal aid to clear a blighted commercial district, but since it had to be replaced predominantly with housing, the area had no appeal to private developers. On the other hand, the “predominant” requirement was subject to shifting percentages that allowed more and more land to be re-used for commercial purposes, probably because; “The increases in expectations to the ‘predominantly residential’ requirement reflects the continuing realization that residential redevelopment may not be the most feasible reuse in urban slum areas in terms of marketability or in terms of increasing economic viability...”³⁷

In order to qualify for federal assistance of an urban renewal project, a community had to adopt, and have certified by the Secretary of Housing and Urban Development, a “workable program” for community improvement. This “workable program” tied urban renewal projects to the effort to eliminate blight through several processes: codes and ordinances, a comprehensive community plan, neighborhood analyses, administrative organization, financing, housing for displaced families,

³⁴ John Weicher, *Urban Renewal: National Program for Local Problems*, p. 8, American Enterprise Institute for Public Policy Research (1972).

³⁵ *A Statement of Policy on Urban Renewal*, p. 1, The American Institute of Planners (1959).

³⁶ *Id.*, at 1.

³⁷ *Legislative History*, p. 6; “Title I of the 1949 Act limited an urban redevelopment project area to one which is predominantly residential in character before redevelopment, or which is to be developed for predominantly residential uses. The Housing Act of 1954 amended this requirement, permitting 10 percent of the authorized Federal capitol grant funds to be used for non-residential projects. The exception was increased to twenty percent in 1959, thirty percent in 1961, and thirty-five percent in 1965.”

and citizen participation.³⁸ This provision was regarded as the cornerstone of urban renewal because it made communities evaluate many different aspects of their towns and cities in order to compile “a blueprint for coordinated action”, that included actions to be taken and a timeline for the progress. The workable program set forth the policies and requirements of the Housing and Home Finance Agency that were required preparing a submission for certain kinds of federal assistance. Without the workable program, communities were not eligible for urban renewal assistance (for slum clearance and redevelopment, reconditioning, and conservation), some mortgage insurances, and public housing for families unable to afford standard housing in the private market.³⁹

Though Nashville would later produce a workable program as a prerequisite to receiving federal money, its earliest application for federal assistance stemmed from the Housing Act of 1949, not 1954, so the workable program was not required. In 1952, Nashville became one of the first cities in the country to receive federal funding for the Capitol Hill Redevelopment plan under the slum clearance program (which later evolved into urban renewal) of the Housing Act of 1949. In the years to follow, Nashville became adept at securing federal urban renewal money, “...two activist mayors joined with local business leadership to launch five massive renewal projects between 1952 and 1972, costing almost 116 million dollars -- 39 million of it from local sources.”⁴⁰ Nashville’s early jump on the money flowing from Washington began as early as 1945, when the Nashville Housing Authority and planning commis-

sion anticipated the passage of federal legislation dealing with slum clearance and housing.⁴¹ In 1948, the planning commission authorized the planning staff to assist the housing authority in preparing another study of housing conditions and needs that called for a redevelopment of the area around the state capitol, as well as the creation of seven public housing projects around the city. Nashville could still receive urban renewal money for this project since Capitol Hill was residential prior to redevelopment, and the 1949 legislation allowed a previously residential area to have any type of use in the area when it was redeveloped as long as it was locally approved.⁴²

The Capitol Hill redevelopment project of 1952 was an old-fashioned slum clearance urban renewal project; the city swept ninety-six acres of buildings off the map, not all of them blighted, but all of them too close to Nashville’s growing central business district. The Capitol Hill Redevelopment Project Plan explained the situation in which Nashville found itself; “In the heart of Nashville is the Capitol Hill area which contains extensive slums adjoining the State Capitol Grounds. The plan (...) proposes that the slums be removed, and that they be replaced by developments beneficial rather than detrimental to the city.”⁴³ The principal concern of the city was that the residential blight that existed on Capitol Hill would stifle new investment and the growing city would lose valuable revenues in new business and taxes. The report summarized the economic concern that spurred the clearance of Capitol Hill; “the area is costly because the expense of maintaining public safety and welfare is disproportionately high...because the taxes levied

³⁸ *Summary of the Urban Renewal Program*, p. 1, U.S. Department of Housing and Urban Development, (1966).

³⁹ *Workable Program for Community Improvement*, p. 6, Housing and Home finance Agency (1961).

⁴⁰ *Growing Metropolis: Aspects of Development in Nashville*, eds. James F. Blumstein & Benjamin Walter, p. 151, Vanderbilt University Press (1975) [hereinafter *Growing*]; citing Metropolitan Planning Commission of Nashville-Davidson County, *Inner City Blight: Analysis and Proposals*, p. 38 (September, 1973).

⁴¹ *Grasping*, at 128.

⁴² *Legislative History*, at 5.

⁴³ *Capitol Hill Redevelopment Project*, 7, Nashville Housing Authority (April 1952) [hereinafter *Capitol Hill*].

against must be very low.... Imagine the impression it gives to the train traveler as he passes slowly through it.”⁴⁴

The redevelopment plan called for removal of all the buildings and a completely redesigned street system that followed the topography of the land. The seven planned housing projects were to be built for the people displaced from the redevelopment area, but as only families were allowed to move into the public housing, there in no knowledge of how many single (men, usually) were displaced.

Urban redevelopment and the sudden power of the Nashville Housing Authority startled many citizens, but because most people agreed that the slum conditions on Capitol Hill needed to be removed, the project was not highly controversial. There was a court battle, but in ____ (Starr v. NHA?) the Tennessee Supreme Court upheld the power of the Nashville Housing Authority to use eminent domain to take land, clear it, and sell it to a private party for redevelopment purposes. The Capitol Hill redevelopment project changed the physical layout of Nashville: the local authorities tore down ramshackle plank houses with outdoor privies, and tore down historic churches and theatres.⁴⁵ The grid street pattern was removed and replaced with streets “better adapted to hillsides”, that would not reestablish the problems brought on by the previous grid; “The walks and the roadways are too narrow and steep for safe and convenient use.... The land subdivided by these streets was often so steep that it offered few opportunities for building at a reasonable cost.”⁴⁶

The area around the Capitol was much changed as a result of this project, for example, a new street system that followed the hill’s topography wrapped around the base of Capitol Hill and linked 8th Ave North with the Cumberland River. The land was sold for office buildings, a municipal auditorium, and apartment buildings, and the land north of the railroad tracks was sold for industrial purposes. Other than the few apartment buildings, there was to be no residential property in the area. One study from the thirties concluded that the population in this study area was unstable, and thereby impliedly did not have a sufficient community to generate concern over the destruction of a neighborhood. Rebuilding the low-rent proposed projects on the site of the displaced families old neighborhood was not discussed, and so Capitol Hill lost its residents and its neighborhood quality.

The City of Nashville approved four more urban renewal programs, and all four were funded by the federal government until the project was either finished or the money from the federal government ran out. The first urban renewal program under the Housing Act of 1954 was the East Nashville redevelopment that began in 1959. The impact of the 1954 Act could be seen in the change in emphasis of the East Nashville project; “Instead of bulldozing all the buildings, the housing authority proposed to tear down the worst and to repair the rest. It also recommended a new highway (Ellington Parkway) that would alter traffic patterns and improve the livability of the area.”⁴⁷ East Nashville had been a thriving

⁴⁴ *Id.*, at 14.

⁴⁵ *Starr v. NHA.*

⁴⁶ *Capitol Hill*, at 13.

⁴⁷ *Grasping*, at 185.

neighborhood and one of Nashville's oldest until business, industry, and the automobile began moving through it. The area included in the urban renewal project covered 2,052 acres, and contained 8,617 dwelling units and 5,750 buildings.⁴⁸ Though the stated plan under urban renewal was to save what buildings could be saved, the influence of the Federal Highway Act of 1956 made this goal less of a priority. The Highway Act provided that the federal government would pay 90 percent of the cost for Nashville to contribute to a nation-wide system of limited-access superhighways, and city leaders had determined that a major thoroughfare linking several interstates would go on the east bank of the Cumberland River.⁴⁹ The urban renewal plan called for 126 acres of land to be used for highway rights of way, and an additional 374 to be cleared on the river for industrial sites.⁵⁰ The buildings, mostly houses, on the remaining acres were to be rehabilitated.⁵¹ Most importantly, the East Nashville redevelopment brought sewers and water lines to the neighborhood.

Three more urban renewal projects began in the mid-sixties, the Central Loop project which essentially downtown Nashville, the University Center project (the most controversial) in the Vanderbilt area, and the Edgehill project. The Central Loop project is memorable for the changes brought to Deaderick Street and the elimination of the Public Square around the courthouse; all the buildings were razed to make way for new, office buildings, Deaderick Street was widened to four lanes and wide sidewalks with trees were installed. Nashville was using urban renewal in the Central Loop as an oppor-

tunity to make an institutional investment in the downtown business district. As more and more companies were heading out of the city center, city officials saw urban renewal as an opportunity to revitalize the area by increasing office and civic space. Deaderick did not have a large residential community, but many of the buildings torn down were smaller, mixed use property, and the replacement of them with office buildings changed the tenor of the street. Though urban renewal may have kept companies downtown, it also left less reasons for people to walk on Deaderick Street and around the courthouse where the retail shops and hotels were torn down, "The twelve-story Andrew Jackson Hotel was demolished by controlled explosives – a first for Nashville – to make room for the widening of Deaderick Street and construction of a convention hotel or office building."⁵²

Edgehill was another urban renewal area stretching from what is now the Music Row area south and east to I-65, and the legislation that controlled was the 1954 Housing Act, which emphasized renovation and rehabilitation over clearance. However, the Federal Highway Act of 1956 was also a significant factor in the redevelopment of Edgehill because qualities in Edgehill made it an attractive location for an interstate leg. The federal plan for highways called for five superhighways to converge in Nashville, and it was the job of the local planners to route these interstates through and around the city so as to achieve local planning aims and to merge local traffic into the interstate system.⁵³ The Nashville planning department hired consultants Clark and Rapuano (the same con-

⁴⁸ *Id.*

⁴⁹ *Id.*, at 188-189.

⁵⁰ *Id.*, at 184.

⁵¹ The problem with rehabilitation was that there was no guarantee the house would not be torn down later; all houses had to be up to housing code standards or they would be torn down, so if someone couldn't afford to repair/ renovate the house, or her didn't want to take the loan the government offered, he could lose the house anyway.

⁵² 1971 *Annual Report*, The Metropolitan Development and Housing Agency.

⁵³ *Grasping*, at 186.

sultants for the Capitol Hill redevelopment) to select interstate locations, which they did by studying population density, land-use patterns, topography, street patterns, location of undeveloped land, existing neighborhoods, and land values.⁵⁴ When these factors were evaluated, Edgehill was the type of neighborhood selected – lower income, large minority population, partially blighted. The construction of the interstate had as much impact on the physical changes in Edgehill as urban renewal.

The University Center redevelopment may have been the most controversial urban renewal project in Nashville, perhaps less so because the project was ruining a neighborhood (which it was) and more so because of the obvious unblighted condition of the property condemned and acquired by the local authority (in the name of Vanderbilt). In the 1950's, universities across the country were asking Congress for legislation that would help them acquire land, something particularly important for urban universities surrounded by pricey land and a competitive market.

In the Housing Act of 1959, Congress permitted expenditures by a college or university in purchasing or clearing land near an urban renewal area to be counted as local grant-in-aid (the local match portion), and waived the predominately residential redevelopment requirement for colleges and universities.⁵⁵ This power, combined with the local authority's power to acquire land through eminent domain, meant that the housing authority in Nashville could acquire "blighted" land under the claim of eliminating slums and then sell the land to Vanderbilt. The money Vanderbilt expended on the purchase and/or clearance of the land then counted as Nashville's share of the local match. The uproar in Nashville occurred because

the land being acquired under a claim of slum and blight elimination was not blighted, and the community knew that Nashville and Vanderbilt were gaining property at the expense of the neighborhood. The federal funds generated through the urban renewal program were used to rebuild sewer lines in the area and to build a five-lane road around the campus perimeter.⁵⁶

Vanderbilt and the housing authority won the battle over university center, but many people, both in that community and in Nashville, lost faith in the promises of urban renewal and the pure intentions of the local authorities. The disillusionment with urban renewal was happening across the country; the blight requirement of an area that made a program eligible for federal funding was not defined by the law (CITE LAW!), and the "predominately residential" requirement for replacing demolished slums kept decreasing.⁵⁷ Congress, government, and citizens all thought that simply tearing down the slums and building anything else in its place would address some of the problems of crime and poverty, and so local authorities used this belief as an opportunity to tear down run-down buildings on the edge of business districts. [John's comment about using systematic effects to fix individual behavior?] Searching for the "blight that's right" also caused local citizens to distrust local authorities and urban renewal; the success of urban renewal hinged partly upon whether that area could attract businesses and real estate developers, and if the area to be cleared was too dilapidated and dangerous, no developers would be interested.⁵⁸ These problems arose in Nashville too, and contributed to the citizen's mindset that urban renewal was something best avoided.

The disintegration of community approval of urban renewal over the University Center project did not occur until

⁵⁴ *Id.*, at 186.

⁵⁵ *Legislative History*, at 14.

⁵⁶ Bill Carey, *A City Swept Clean*, cover, *The Nashville Scene* (Sept. 6, 2001).

⁵⁷ Bernard J. Friedan & Lynne B. Sagalyn, *Downtown, Inc.: How America Rebuilds Cities*, 23, The MIT Press (1989) [hereinafter *Downtown*].

⁵⁸ *Id.*

the mid-1960's, and urban renewal legislation was changing from 1954 up to and past that point. Congress kept tinkering with the urban renewal program, convinced that if the right balance of public monies and blighted areas and private developers were achieved that slums, crime, poverty, would all disappear. The citizens of Nashville were not so much upset by urban renewal legislation as they were about the local authorities' implementation of legislation, but the local authorities were simply following federal legislation. Between 1954 and 1965, the idea that problems of blight were not limited to residential areas, and that the renewal process had to be carried out within the context of a redevelopment plan, continued to develop in succeeding acts and amendments.⁵⁹ The expanding legislation could indirectly be blamed for Nashville's urban renewal woes, as Nashville authorities were left with little guidance on how to maneuver and best apply the many and disparate urban renewal programs.

The urban renewal areas in Nashville were selected basic on socio-economic conditions that were partially the result of isolation from the economic growth in the rest of Nashville. East Nashville was divided from Downtown Nashville by the Cumberland River, and Edgehill by the interstates - the physical isolation was a barrier between residents and employment and schools. Urban renewal in these areas could only do so much to connect the blighted areas to the rest of the city, especially when the Nashville housing and job market had effectively isolated the poor since the 1930s.⁶⁰ Curing blight and removing slum conditions within the context of a redevelopment plan for a larger area was not really possible in Nashville's urban renewal areas, and perhaps it was this isola-

tion that led to the lack of success of urban renewal in Nashville. Nashville did not necessary and much appreciated things for the urban renewal areas as well, but the clearing of houses was the most remembered. Additionally, for the families who were relocated to public housing (either because they didn't qualify or there was not enough room) and may not have benefited from better living conditions as a result of urban renewal.

As the urban renewal program became more widely utilized, flaws and shortcomings became clear, and Congress continued to rework legislation in the form of amendments and new acts. The Housing Act of 1956 advanced money to local agencies for the preparation of a General Neighborhood Renewal Plan (GNRP), which allowed agencies to formulate a renewal plan for areas so large that several smaller urban renewal programs might occur there. This allowed large cities with deterioration of the entire inner city to seek financial help for renewal, and made renewal easier because investors were more likely to invest in a slum area that was included in a larger redevelopment area.

The Housing Act of 1959 provided federal support for two-thirds of the cost of preparing community-wide plans, called "community renewal programs" (CRP) which were preliminary plans with respect to all urban renewal needs of a city.⁶¹ These plans were intended to be long-range plans for establishing urban renewal priorities within a city, but the significance of these plans was lessened because a city was not obliged to adhere to the plan, "While preparation of a CRP would seem to be an ideal method for... urban renewal..., a completed CRP was not viewed as a "legal" document and in

⁵⁹ *Legislative History*, at 12.

⁶⁰ There were far more African-Americans of school age than there were places in Nashville schools; this lack of emphasis on education, combined with a dearth of social services for the poor, created a class of Nashvillians who did not have the education to get a skilled job, nor the income to live in a better neighborhood. These are just several of the many factors that were involved in the growth of the slums.

⁶¹ *Legislative History*, at 13.

actuality, may not effect at all a change in urban renewal planning in a community.”⁶² Another change the 1959 legislation brought about was permitting colleges and universities to count their contribution to urban renewal towards the local match. Nashville implemented this portion of the 1959 legislation during the University Center urban renewal program.

In 1961, the grant formula for urban renewal projects was revised and the federal contribution was authorized up to three-fourths (rather than the original two-thirds) of the cost for a project in smaller towns, in economically distressed regions, or if various other scenarios occur.⁶³ In 1965, grant programs were authorized to assist local communities with urban renewal activities (such as code enforcement and demolition of unsound buildings) outside of the actual approved urban renewal area. The goal in the many adjustments to the 1954 Housing Act was still to curtail deterioration of cities before they reached a point where clearance and rebuilding were necessary, but the expansion of the legislation reflected a new emphasis on maintaining deteriorating areas, expanding the kinds of new development allowed, and increasing the amount of replacement housing provided.⁶⁴

In 1965, Congress created the Department of Housing and Urban Development (HUD), and a shift in emphasis occurred in the urban renewal program. As a result of the large number of civic disorders occurring across the country, the National Advisory Commission on Civic Disorders recommended massive expansion of subsidized housing, as well as the

economic and social (not just physical) revitalization of inner cities.⁶⁵ There was also a general realization that the urban renewal process as set forth in the Housing Act of 1949 may not have been the best way to achieve the urban renewal objectives.⁶⁶ One result of this change in emphasis was the Demonstration Cities and Metropolitan Development Act of 1966.

In October 1965, President Johnson commissioned a task force on urban problems that recommended a demonstration cities program, which the president then proposed in a message to Congress.⁶⁷ After a lengthy congressional battle the Demonstration Cities and Metropolitan Development Act of 1966 was signed into law.⁶⁸

The model cities programs are locally prepared programs for rebuilding or revitalizing entire sections or neighborhoods of blighted areas by the coordinated use of all available federal, state, and local public and private sources.⁶⁹ This Act was a response to the realization that slums and blighted city neighborhoods require not only physical renewal but a coordinated social and economic rehabilitation program. The model cities program were locally prepared and individually selected; the Secretary of HUD reviewed applications and then selected specific cities he thought would best represent the model cities program. Because local authorities had to apply to receive model cities funding, only a few cities were actually affected by the model cities program; the remainder of the

⁶² *Id.*, at 14.

⁶³ *Id.*, at 15.

⁶⁴ *Id.*, at 17.

⁶⁵ *Id.*, at 18.

⁶⁶ *Id.*, at 18.

⁶⁷ *Growing*, at 191.

⁶⁸ *Id.*, at 191.

⁶⁹ *Legislative History*, at 19.

cities still managed their public housing and urban development under the other federal housing programs.

Two of the most important innovations of the model cities program are that the approach is designed to be a “total attack” on social and physical problems in target neighborhoods by combining all available resources, and that there should be a linking of projects and activities that provide human resources with the projects improving the physical environment. The model cities program emphasized the social welfare of the citizens in the blighted target neighborhood; the goal was that by involving federal and local money and resources in all aspects of the residents’ lives, a better neighborhood would evolve. Additionally, for the cities chosen to participate, assured funding was designed to permit the city to allocate resources rationally rather than to plan projects to achieve maximum federal dollar matching.⁷⁰

In 1967, Nashville’s proposal for eradicating urban blight in decaying North Nashville was approved by HUD as one of the first-round Model Cities programs. The selection of North Nashville as the model neighborhood was fraught with political concerns and local uninvolvement that set the groundwork for later problems, “The mayor was a sufficiently adept politician to realize that the influx of large sums of money into any one area of the city would have significant political ramifications throughout the community.”⁷¹ The mayor of Nashville had been anticipating the Demonstration Act, so the moment it became legislation, a small group of city officials in Nashville swung into action to select a target-area neighbor-

hood. The planning commission and other officials developed detailed charts comparing data on six possible target-areas. The mayor, however, had decided that he wanted North Nashville to be the target area, and orchestrated a conference that laid the foundation for increasing private developers’ interest in North Nashville and focused attention on North Nashville as a blighted urban area.⁷² Following the conference, and with no apparent knowledge of or reliance upon the quantitative recommendations of the comparative data analysis compiled by the planning commission, the mayor formalized the choice of North Nashville as the model cities neighborhood.⁷³

With North Nashville selected as the model area, the city had to complete an application to send to HUD. Unfortunately, the application was under-researched; for example, it emphasized housing as a priority, but had no analysis of housing problems, relocation information, or community participation. This disjunct between what was being said and what was being done would follow that Nashville model cities program through the entire process.

Nashville submitted the Planning Grant Application to HUD on April 27, 1967, three days before the HUD deadline for the first round of Model Cities programs.⁷⁴ Interestingly, the residents of the potential model city area in North Nashville began to feel the effects of the construction on Interstate 40 just as the grant application was being put together. Though the final blessing for the North Nashville route selection of I-40 was given at a public hearing in 1957, actual work did not begin until 1964, when the acquisition and land clearance phase

⁷⁰ Growing, at 193.

⁷¹ Id., at 194.

⁷² Id., at 194.

⁷³ Id.

⁷⁴ Id., at 196.

began. As the total impact of the interstate became apparent, black leaders in North Nashville began to examine the route selection process.⁷⁵ As more facts came into light, the citizens of the community (the possible model cities area) formed the I-40 Steering Committee and filed suit in the District Court for the Middle District of Tennessee on October 26, 1967, challenging the validity of the 1957 corridor hearing and the legality of the route decision.⁷⁶ The court dealt quickly with the steering committee, finding that although the corridor hearing was a poor example of administrative procedure, it was no legally inadequate, and that the “crippling effect of the highway on the community was not worthy of an injunction.”⁷⁷ Although this lawsuit might appear relevant to HUD’s selection of Nashville as a model city, HUD did not inquire into either the veracity of the claim or the attendant citizen unrest. In November 1967, the secretary of HUD came to Nashville to formally announce the selection of North Nashville as one of the first-round model cities programs.⁷⁸ Much of the blame for the failure of model cities lies on the lack of significant citizen participation, a problem also at the root of the I-40 dispute, and a problem that could have been anticipated by HUD if the selection committee had been paying closer attention.

Problems with the citizen participation in the Nashville model cities program began almost immediately; HUD approved the 75-member Citizens Coordinating Committee (CCC) in February 1968, but full membership faced obstacles.⁷⁹ There was lingering resentment in the community

as a result of the I-40 controversy, the assassination of Martin Luther King exacerbated the resentment, and political jockeying added further delay.⁸⁰ Nashville also established a City Demonstration Agency (CDA) that was supposed to coordinate the day-to-day work of a Model Cities program and work independently of the other agencies involved.⁸¹ Nashville’s CDA was beset by problems throughout the entire Model Cities program that hindered it from working to its capability, including lack of direction, constant turnover, insufficient mayoral access, and petty arguing with the CCC.

The Model Cities program was designed to have two phases: one year of planning and five years of “action” (plan implementation). The first half of the planning year was to be spent preparing a Problem Analysis (detailed analysis of data on problems in model city area), while the second half of the year was to be spent preparing a Comprehensive City Demonstration Plan (CCDP), a master plan for the entire five year implementation effort, including a detailed plan of action for the first action year.⁸² In Nashville, problems developed between the CCC and the CDA in the crucial planning phase, which did not bode well for the implementation part. The Model Cities program ended on the sixth year with less fanfare than it began; a lack of focused spending by Nashville authorities and the decentralization of the program resulted in a program needing federal leadership it could not get. Nashville authorities may have been unprepared for the intractability of blight and poverty; perhaps it seemed that no matter what programs were

⁷⁵ *Id.*, at 197.

⁷⁶ *Id.*, at 198.

⁷⁷ *Id.*, at 190 citing *Nashville I-40 Steering Committee v. Ellington*, 387 F.2d 179 (6th Cir. 1967).

⁷⁸ *Growing*, at 199.

⁷⁹ *Id.*, at 202.

⁸⁰ *Id.*, at 203.

⁸¹ *Id.*, at 200.

⁸² *Id.*, at 192.

instigated and how much money was spent, little difference was made.

In 1968, Congress passed the Housing and Urban development Act, legislation that would come to be the last attempt to perfect urban renewal. The neighborhood development program was one aspect of the 1968 Act that was designed to aid urban renewal projects by providing funding for shorter range, more comprehensive actions.⁸³ It offered annual funding for renewal programs that were usually carried out on the basis of annual funding increments, but the grants under the neighborhood development program could cover several annual renewal projects in separate parts of the city or state. The theory behind the neighborhood development program was that if a smaller project could be implemented immediately, actually seeing the impact of federal money in revitalization would encourage private enterprise to invest in that area. In other words, “feasible, short-term activities could be carried out immediately -- for example, project improvements such as street repairs, provision of utilities, lighting, etc. – thus creating a visible effect and a more attractive environment with which to encourage developers.”⁸⁴ The neighborhood development program also created financial aids for encouraging home ownership; the program funded subsidized rental and ownership housing, created secondary mortgage market, liberalized credit terms for higher risk loans, and emphasized scattered site public housing.⁸⁵

Since 1949, the federal government had been writing legislation that increased funding for urban renewal projects, redefined the scope of urban renewal, and reconsidered what was eligible for urban renewal funding. In 1974, this reworking of urban renewal finally came to a close with President Nixon’s Housing and Community Development Act. This act shifted the responsibility of choosing what activities and programs are funded in a state or city from the federal government to the states and localities. Though President Ford ultimately signed this bill into law, President Nixon presided over the four-year debate about the future of housing and community development that “set a middle course between a strong federal role in housing and community development activity and an unqualified shift to local responsibility.”⁸⁶ The Act extended community development assistance to a wide range of localities that had not been involved with federal housing and community assistance under prior housing legislation, which meant that many localities would be responsible for the first time for their own application of funds. The Act also set planning requirements for community development implementation, “The... preparation of a new local community wide development program containing the range of eligible activities that can be assisted under the act [is required].”⁸⁷

The most significant difference between the new 1974 legislation and previous housing acts was that the 1974 legislation decentralized the management (and disbursement) of fed-

⁸³ *Legislative History*, at 20.

⁸⁴ *Id.*, at 21.

⁸⁵ *Id.*, at 21-22.

⁸⁶ Mary K. Nenko, *The Housing and Community Development Act of 1974: an interpretation, its history*, 345, preprint from August/September 1974 *Journal of Housing and Redevelopment Officials* [hereinafter NAHRO].

⁸⁷ NAHRO, at 348.

eral money by giving lump sums of general revenues to local jurisdictions for use in broadly defined budget categories, and by delegating responsibility for consolidated existing programs to local governments.⁸⁸ The 1974 Act largely separated housing from community development by separating the funding and the authority in charge of the funds; community development block grants were channeled to local governments, while housing funds (with an emphasis on leased and existing housing) were channeled to local housing and authorities.⁸⁹ Title I of the 1974 Act dealt specifically with community development and established the block grant program for local development activities.⁹⁰

Under the new legislation, the focus of public housing shifted to private enterprise by encouraging housing authorities to subsidize families' rent or offer low-interest mortgages to enable public housing residents to move into the private housing market.⁹¹

Nashville finished its remaining urban renewal projects using community development funds rather than the federal urban renewal money it had previously dedicated to the program because funding under urban renewal had not been renewed. As decentralization of housing policy continued, Nashville reacted by seeking federal funding under the new legislation for smaller neighborhood development programs.

The community development block grant is still the chief source of funding for Nashville and its programs. Federal housing policy under the 1974 Act has continued to emphasize assisted market-rate renting and assisted home-ownership, while the newest federal housing programs, HOME and HOPE, offer competitive grants for new public housing with an emphasis on new urbanism design, as well as funds for redevelop-

ment areas. The Affordable Housing Act of 1990 implemented the HOME and HOPE programs as part of a reaction to the 1974 Housing and Community Development Act. The 1974 Act sought to end the concentration of low-income families in housing limited to just low-income housing by requiring that all federally assisted housing programs serve some very low-income families. Federal money could now be used to build mixed income communities, leaving little or no federal money available for local housing authorities to build new low-income buildings. The need for public housing kept increasing, and the amount of public housing was not growing as quickly, which spurred Congress to write the Affordable Housing Act of 1990.

As the federal housing programs developed, both in scope and sophistication, the Nashville Housing Authority, metro government, the planning commission, and citizens all struggled to keep abreast of changing legislation and expanding expectations. Federal housing policy advanced from the federal government providing a "clean, safe, decent" home to those who needed it to a massive organization of social services, housing, and community outreach. As the programs and policies changed, so did the problems. In the 1930's and '40's, there were not enough affordable houses to go around; overcrowding and unsanitary living conditions were the result of the rapid boom in immigration and growth of cities. For the next twenty years the federal government and local authorities dealt with those problems, only to realize that now the problem was crime and systematic poverty. The focus of federal policy shifted from trying to fix the system by providing more housed to trying to fix the individual by providing more services.

The City of Nashville shows this evolution still; streets dead-end into the interstate as a result of the goal of the Na-

⁸⁸ *A Time for Accounting*, at viii.

⁸⁹ *Id.*, at 25.

⁹⁰ *Id.*, at 25.

⁹¹ *Id.*, at 37.

tional Highway Act, public housing projects ring the city in the same places that were cleared because of blight, and sewer and water lines stretch far into the suburbs as Nashville continues to grow. Currently, Nashville has received two federal grants to demolish two older public housing projects to erect newer single-family homes in the hopes that better design and cohesion with the surrounding neighborhood will instill pride and hope in the residents. Nashville officials are trying to lure people back into downtown living, and new downtown businesses continue to open. Federal policy and programs gave Nashville officials the power to change the face of Nashville, and some of those same programs, in combination with newer programs, are being used to encourage downtown revitalization and improve low income living conditions.