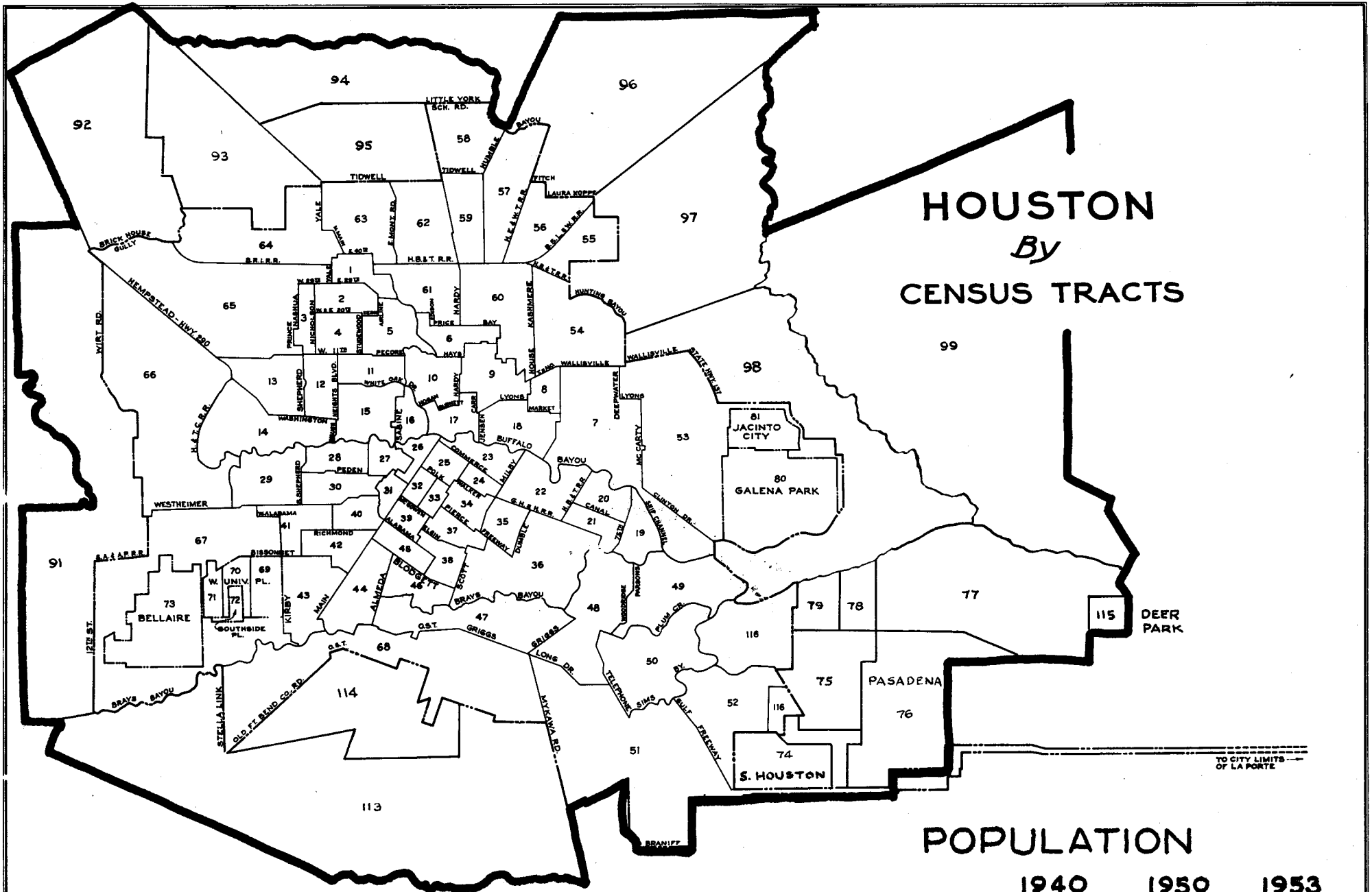


U.S. Federal Housing Administration
"

**A REPORT
ON
MINORITY GROUP HOUSING
IN
HOUSTON , TEXAS**

**PREPARED FOR
HON. GUY T.O. HOLLYDAY
COMMISSIONER, FEDERAL HOUSING ADMINISTRATION**

**BY
HOUSTON OFFICE FHA
KEITH McCANSE, DIRECTOR
NOVEMBER , 1953**



METROPOLITAN HOUSTON AS SHOWN ABOVE EMBRACES THE AREA COVERED BY HOUSTON'S CITY PLANNING COMMISSION AND INCLUDES IN ADDITION TO THE CITY OF HOUSTON THE MUNICIPALITIES OF BELLAIRE, WEST UNIVERSITY, SOUTHLAND PLACE, PASADENA, GALENA PARK, GREEN'S BAYOU AND SOUTH HOUSTON.

POPULATION

	<u>1940</u>	<u>1950</u>	<u>1953</u>
TOTAL	402,102	727,765	840,724
NEGRO	100,945	147,564	163,941
SPANISH-AMERICAN	20,105	36,388	42,036

HOUSTON'S DYNAMIC GROWTH

With a population of 160,000,000 the current net annual growth of the United States is 2,700,000 or 1.7 percent.

With a population of 840,724 the current net annual growth of Houston is 38,300 or 5.2 percent.

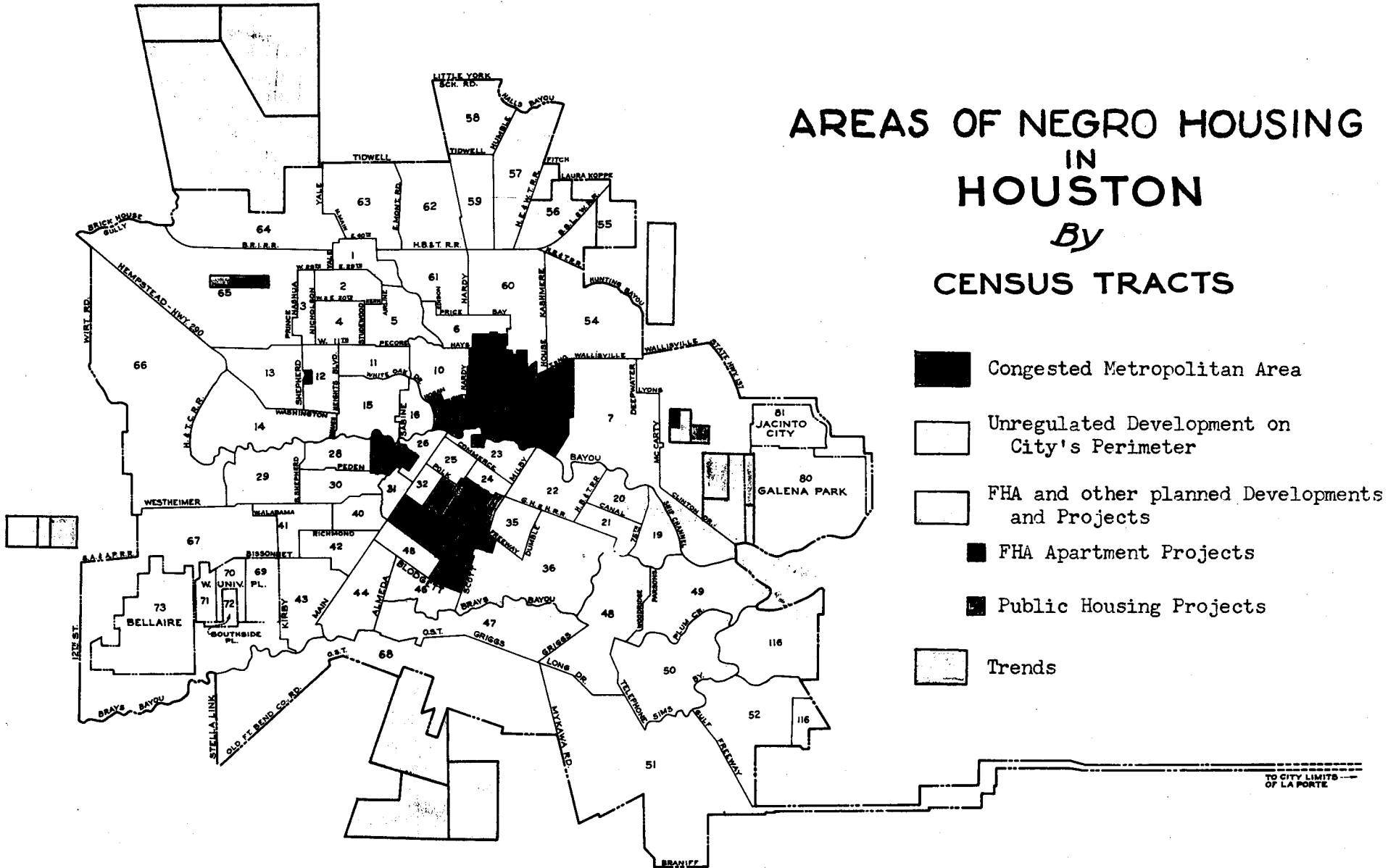
Houston's net growth, therefore, is three times that of the United States.

The impact of this dynamic growth in population has magnified Houston's housing problems. The pressure on 75 percent of the problem has been somewhat alleviated by the building of 90,000 home units during the last five years. But, the pressure on the other 25 percent has become greater and requires priority of attention.

This 25 percent is composed of two minority groups--Spanish Americans, 5 percent, and Negroes, 20 percent. Naturally, the Negro group has been and continues to be the most pressing problem and it is to that problem that this study will be principally devoted. The Spanish American situation will be covered at the end of this treatise. Since the solving of these problems is essentially one of finance it is apparent that a solution of one will assist in the solution of the other.

The housing of these important segments of our society is of general concern and it is hoped that the information herein presented will be of value in solving the problems involved.



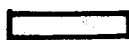

AREAS OF NEGRO HOUSING IN HOUSTON By CENSUS TRACTS



TO CITY LIMITS
OF LA PORTE

NEGRO HOUSING

AN UNDERSTANDING OF HOUSTON'S NEGRO HOUSING SITUATION CAN BEST BE HAD BY DIVIDING IT AS FOLLOWS:

- I  CONGESTED METROPOLITAN AREAS.
- II  UNREGULATED DEVELOPMENTS ON CITY'S PERIMETER.
- III  FHA AND OTHER PLANNED-DEVELOPMENTS & PROJECTS
- IV  TRENDS

CONGESTED METROPOLITAN AREAS

The increase in Houston Negro population during the last 13 years from 100,945 to 163,941 was reflected first in its congested areas which had grown up in the city since its beginning.

In most instances housing conditions were deplorable. Almost all were rent properties. Many had no sanitary toilet facilities, and they deteriorated through neglect. The greater the Negro population grew the worse these conditions became and the higher became the rentals. High land prices and being hemmed in by expanding industrial and commercial concerns prohibited the expansion of these areas. The accompanying photographs are indicative of the conditions which then and do now exist. The result was an overflow of these areas. There was a migration to the perimeter of the city which we will examine under phase II.





UNREGULATED DEVELOPMENTS ON CITY'S PERIMETER

The natural result of over-crowding in the center of the city was that the Negro reached out for more room and for better living conditions. While transportation was a problem, yet he found lots available as low as \$5.00 down and \$5.00 per month. It is estimated that from 10,000 to 20,000 of such lots were sold.

All the Negro got was a piece of land probably 50' x 100'. Usually a graded "street" was provided, which was a sea of mud unless the developer had found it advisable to give it a topping of shell. But, there usually were no sewers or water lines. Gas and electricity came only after a community developed to justify the extensions. Under such conditions these determined people built their homes, piece by piece, without the benefit of conventional financing and usually without the benefit of any type of financing. Thousands of such homes are now in existence and photographs of some of these are here shown.





III

FHA AND OTHER DEVELOPMENTS AND PROJECTS

FHA DEVELOPMENTS

The first forward step toward good housing for the Negro people was taken in 1941 by Mr. C. E. King, with the development of Clinton Park. 533 homes were built under FHA financing and ranged in price from \$3,000 to \$6,000. The loans were made by T. J. Bettes Company and First Mortgage Company of Houston, Inc. which report a fine record of collections, and that there has been no foreclosure.

Beginning with 1950 other developments have been built and the list now is as follows:

<u>Development</u>	<u>Units</u>	<u>Price Range</u>	<u>Average Income of Buyer</u>
Garden City Park	98	\$7,000-\$ 9,250	\$3,276
Clinton Park	533	\$3,000-\$ 6,000	\$2,880
Galena Manor	200	\$6,750-\$11,500	\$4,500
Chocolate Bayou Estates	146	\$7,000-\$10,825	\$3,948
South Union	286	\$6,600-\$ 9,950	\$4,116
Pleasantville	200	\$6,500-\$ 9,000	\$4,344
	<u>1,463</u>	<u>\$3,000-\$11,500</u>	<u>\$3,676</u>

The outstanding qualifications of these developments, the diversity of architectural design and the pride of ownership are depicted by the photographs taken in the various developments and shown on the following pages.

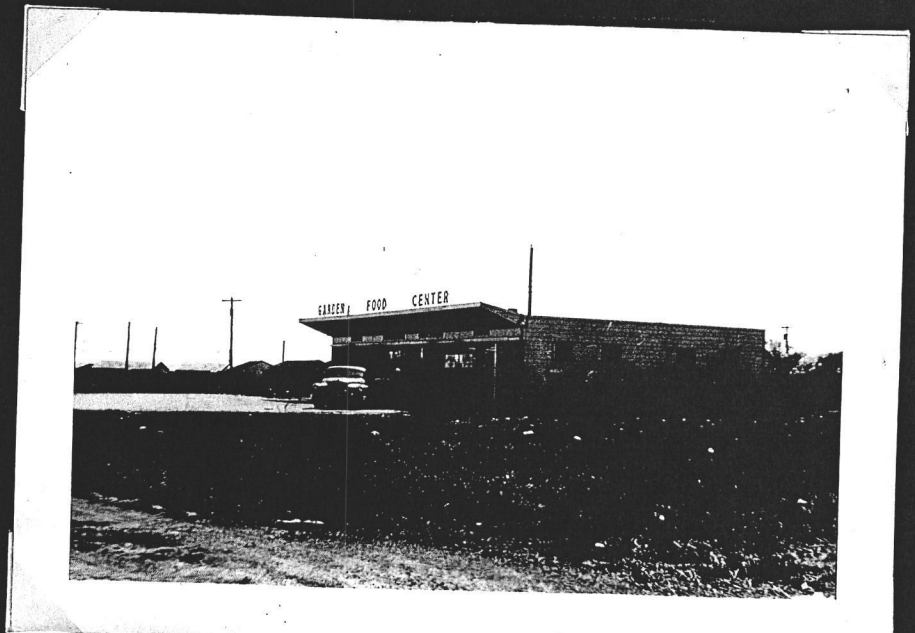


GARDEN CITY



STREET SCENES

SHOPPING CENTER

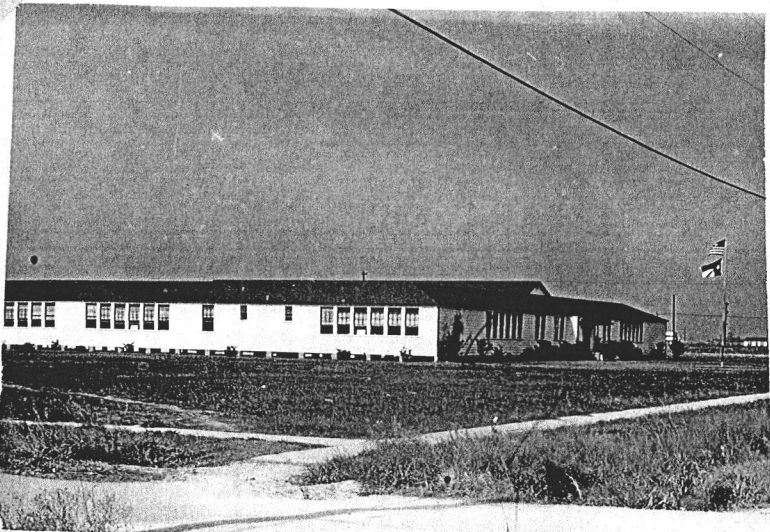


TYPICAL INTERIOR

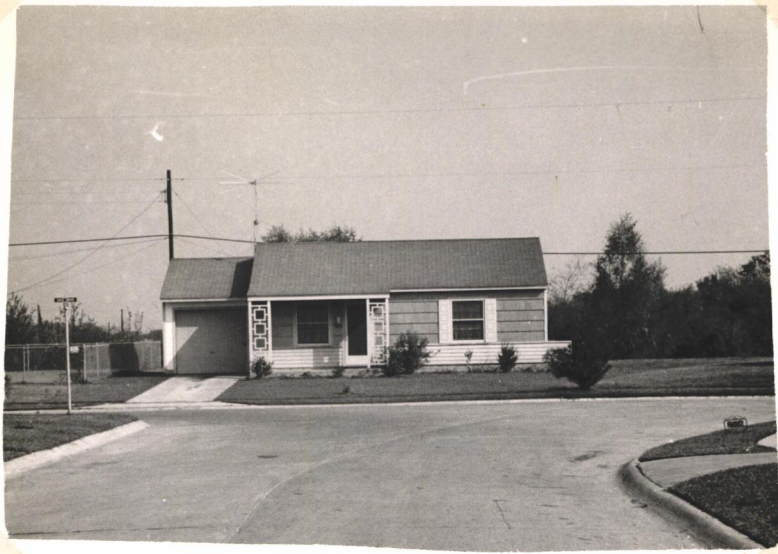


CHOCOLATE BAYOU
ESTATES

SHOPPING CENTER



PUBLIC SCHOOL



GALENA MANOR



PLEASANTVILLE

Typical of the planned housing for Negroes in Houston is Pleasantville, and for this reason it is especially mentioned in this report.

In 1951 there was completed from a barren piece of land facing Market Street Road, a 608 Project of 197 units. There was no nearby market so a shopping center had to be provided at the site.

Its success prompted the owner, Mr. Melvin A. Silverman, to build an adjacent project under Section 207 in 1952 with 104 units, making a total of 301 rental units. There have been practically no vacancies in these apartments since they were built.

Contemporaneously with the construction of this project Mr. Silverman began the building of single-family "for sale" residences under Section 203 on adjacent property. Buyers for these homes were obtained from the tenants of the rental project. In fact, there was a waiting list of buyers among these tenants which has resulted to date in the building of 237 single-family houses.

The prices have ranged from \$6,700 to \$8,100 and the down payments have ranged from \$350 to \$850.

These loans were placed by W. M. Wright Company with the John Hancock Mutual Life Insurance Company and have proven to be extremely desirable loans. On November 1st there was no delinquency and there has never been a default in any of the loans. They are all FHA-insured loans.

Care was given to diversification of architectural design. This, together with the pride of ownership, exemplified in the care of the houses and the grounds, makes this a very attractive subdivision. In its price class it is in fact above par. One element which has contributed to its success has been the formation of a Garden Club which has established a high standard for its members to meet.

It is interesting to note that the average annual income of the owners of these homes is \$4,342.00. 22 percent make better than \$5,000 a year. The average age of the owners is 35 years. It is certainly worthy of comment that the average family consists of 3.25 persons. 39 percent of the homes are occupied by not more than two persons.

The excellence of this project is evidenced by the photographs on the following pages.

PLEASANTVILLE



PLEASANTVILLE



PLEASANTVILLE



PLEASANTVILLE



PLEASANTVILLE





SHEPHERD
GARDENS

NORTH SHEPHERD
TERRACE



BAYOU MANOR



.... CONTINUED

FHA AND OTHER PLANNED PROJECTS AND DEVELOPMENTS

RENTAL PROJECTS

FHA NEGRO RENTAL PROJECTS

The following were built under Sections 608 and 207:

<u>Project</u>	<u>Units</u>	<u>Present Occupancy</u>	<u>Monthly Rentals</u>	
			<u>1 Bedroom</u>	<u>2 Bedroom</u>
Carver Apartments	30	100.00%	\$40.00	
Bayou Park	292	99.66%	\$37.89	\$43.30
Pleasantville	197	97.97%		\$45.50
Pleasantville No. 2	103	100.00%		\$45.50
Shepherd Gardens	384	100.00%	\$37.91	\$43.34
Lyons Gardens	252	100.00%	\$39.00	\$46.60
North Shepherd Terrace	260	100.00%		\$45.50
	<u>1,518</u>		(Avg.) <u>\$38.33</u>	<u>\$44.76</u>

NEGRO PUBLIC HOUSING PROJECTS

Kelly Courts	333	100%	Average \$30.00
Cuney Courts	564	100%	Average \$28.95
	<u>897</u>		

CONVENTIONALLY FINANCED PROJECTS

Market St. Road	108	100%	\$56.00 Upper
			2 BR - \$60.00 Lower
Hutchins Street	12	100%	2 BR - \$60.00
	<u>120</u>		

FHA Projects	1,518 units
Public Housing Projects	897 units
Conventional Projects	120 units
Total	<u>2,535</u>

It is recognized that this suggestion will be controversial, yet on the whole, whether Negro or white projects, it would appear to be beneficial. It is suggested that rent ceilings on insured rental projects, both existing and proposed, be abolished. Any excess received over the presently authorized schedule should be applied to a reduction of the debt.

TRENDS

Summing up the present situation, we find, as previously reported, 3,998 units of Negro housing which has been built under planned conditions, either by FHA procedure or otherwise, and a tabulation shows as follows:

	<u>Units</u>
FHA Rental Projects	1,518
Public Housing Projects	897
Conventionally Financed Projects	120
	<u>2,535</u>
FHA Developments	1,463
	<u>3,998</u>

From this beginning there is no question that Houston is on the verge of extensive Negro housing development. Numerous builders are searching for loan outlets which will enable them to proceed with their prepared plans.

To project a picture of the future in view for Negro housing in Houston a list is here presented of plans of developments and rental projects known to be in readiness. It has been thought best to state the location generally in this list and not to reveal the names of the developers.

<u>Location</u>	<u>Sales</u>	<u>Units</u>	<u>Rentals</u>
Chocolate Bayou Area	1,100		
Galena Park Area	110		
Market Street Road Area	100		
Steubner Road Area	1,300		
Westheimer Road Area	450		
Shepherd Gardens Extension			112
Lyons Avenue Area			200
Compton Place (26 under construction)	60		
Kenfield Oaks (30 under construction)	30		
Carvercrest (30 under construction)	500		
1800 East Alabama (80 under construction)			80
	<u>3,650</u>		<u>392</u>

In addition to the above total of 4,042 planned units in prospect the promotion of "unregulated" developments maintains its vigor, which probably will be diminished only when adequate financing for planned housing is available.



CONVENTIONAL
APARTMENTS

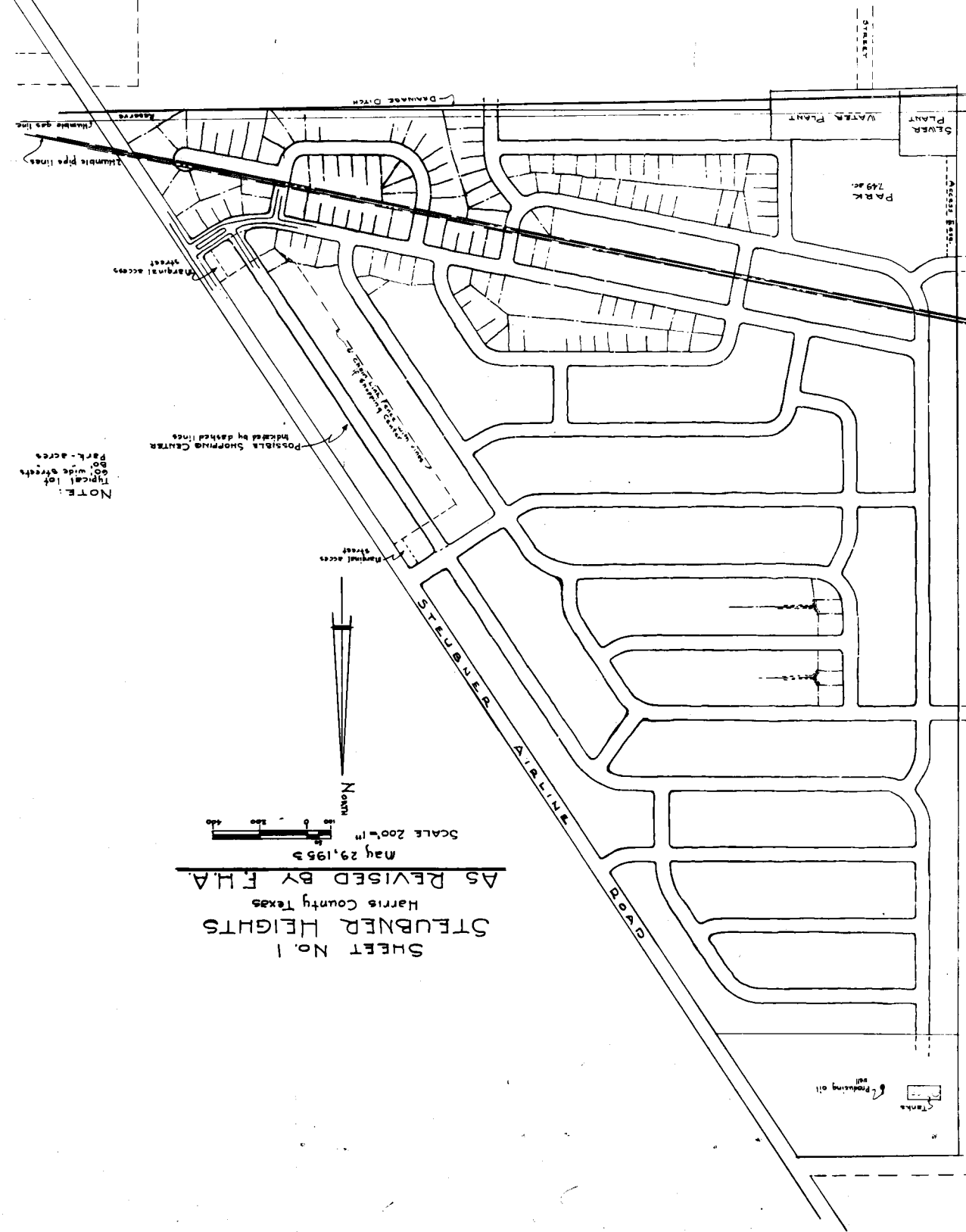


CARVER
ADDITION



CARVER CREST
TITLE I SEC. 8
NOT TO BE OFFERED
TO PUBLIC UNTIL
30 ARE COMPLETE

For continuation see Sheet #2



SHEET No. 1
 STEUBNER HEIGHTS
 Harris County Texas
 AS REVISED BY F.H.A.
 May 29, 1953
 SCALE 200' = 1" = 40'



SCALE 200' = 1" = 40'

May 29, 1953

AS REVISED BY F.H.A.

STEUBNER HEIGHTS

Harris County Texas

SHEET No. 1

NOTE:
 Typical lot
 60' wide streets
 300' Park-areas

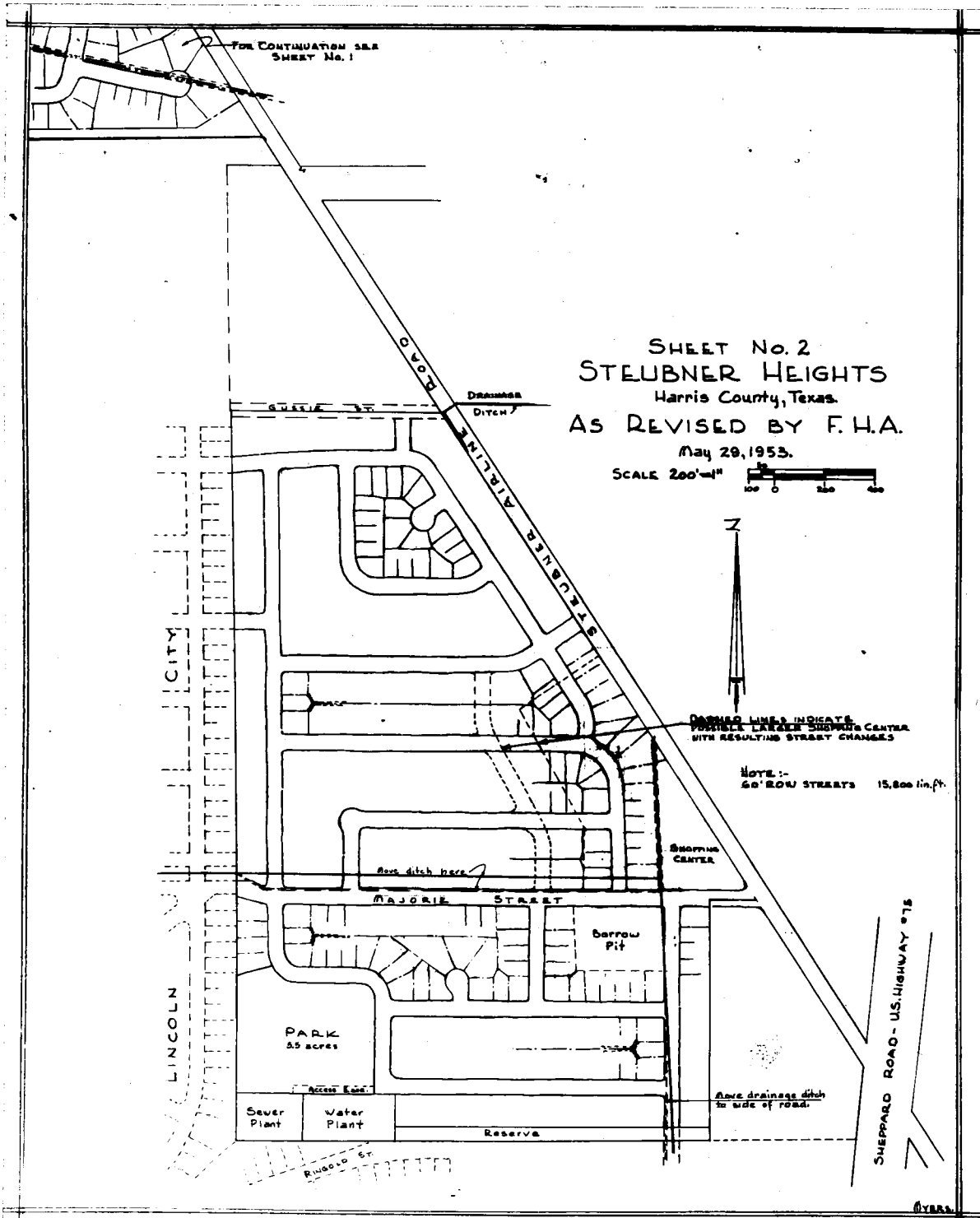
60' x 120'
 33000 sq. ft.
 300' 749'

Tanks
 Producing oil

TYPICAL PROPOSED SUBDIVISION



THIS DEVELOPMENT CONTEMPLATES 1300 HOMES



CONFIDENTIAL

...of the ... in ...
... of ...

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SPANISH-AMERICANS

The concentration of Spanish American population is shown on the map opposite this page.

There are many prominent and influential Spanish American people in the city but generally the Spanish Americans are in the lower income bracket and that is where the housing problem exists.

Statistics show that in the congested Metropolitan area the number of persons per dwelling is 4.8, while the general family average in the city is 3.6 persons. This congestion of housing conditions has caused these people to reach out for more space and better living conditions. During the last ten years they have purchased lots in unregulated areas on "easy terms" and many have courageously established homes in the face of no sewers, no restrictions, no loans.

To date no FHA or other regulated subdivision has been developed for them exclusively. While such developments might be desirable, yet the urgency does not parallel that of the Negro as the inclination is for the Spanish American people to freely intergrade with other nationalities.

These people will probably take advantage of any efforts which may be made for the rehabilitation of slum conditions in which many of them live, as they are naturally gregarious, and being of a religious nature, are not inclined to move from their present locations.

One outstanding project was developed for their benefit when the Susan V. Clayton Homes, a public housing project, was built. It contains 348 units at a reported average monthly rental of \$31.00, and has been readily accepted.

CONCLUSION

If this report reveals any point of value it doubtless is in pointing out what can be done in minority housing and the pride of ownership displayed by owners who have not heretofore been privileged to possess homes of this quality.

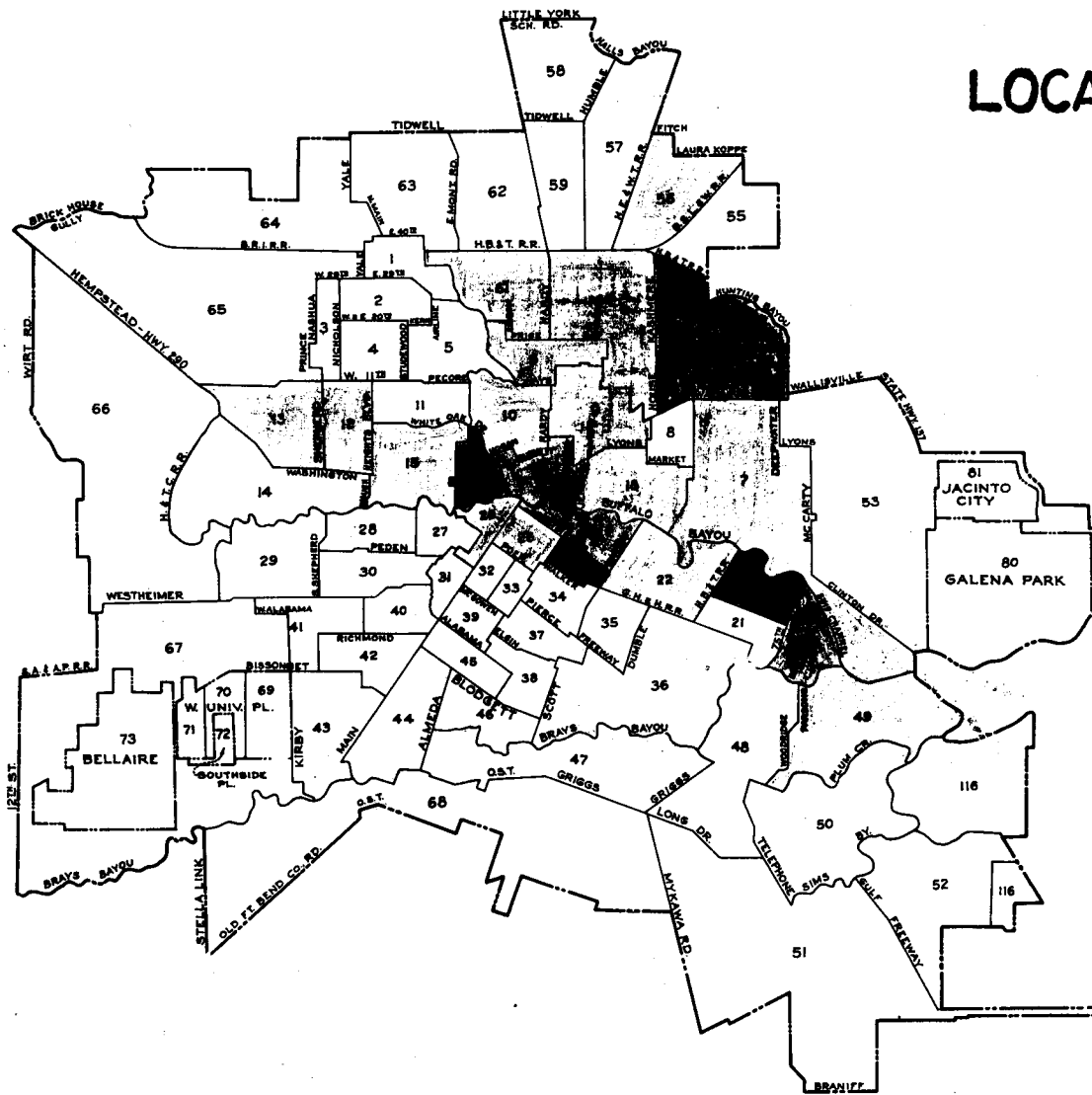
While Houston has its own characteristic history in minority housing, yet the basic answer to its problem is the same as that encountered elsewhere -- mortgage financing. Your own rich experience in this field enables you to evaluate the many suggestions that have been made by the mortgage industry and others for the solving of the low-cost housing problem. The universal confidence in the soundness of your judgment and action is a compliment to your fitness for leadership in this complex and unsolved situation.






A national surge of emotion, coming from rich and poor alike, doubtless will accompany any advancement you may accomplish in your efforts for low-cost housing and for the rehabilitation of blighted areas, both of which hit at the same problem, and both of which doubtless can benefit by a re-designing of FHA's operational procedures. While not intended to reach the heart of the American people, yet they will acclaim the result of successful efforts.

Since consideration is being given to suggestions for new legislation to be presented to the Congress the following thought might as well be dropped into the hopper:

For a name it is termed "The Insured Portfolio". It germinates from the thought that small loans and loans in fringe and remote areas, and loans which do not exactly conform to a given pattern are generally frowned upon by institutional investors, even though they are insured by FHA. Since FHA already has committed itself to the obligations, why not go a step further and insure a group or portfolio of such loans when a builder has accumulated a volume, say \$500,000 or more, and is willing to place them in escrow to secure a note of like amount which, when insured by FHA, should be a desired asset by any institutional investor? Details would have to be worked out; the builder would have to provide an adequate cash fund to care for delinquencies so that prompt monthly payments can be made to the investor. This would give the investor one insured note instead of a hundred which should make it infinitely more desirable than is the case under present conditions.

LOCATION OF SPANISH-AMERICANS IN HOUSTON By CENSUS TRACTS



-  None, or less than 250 Spanish-Americans
-  Less than 10% of tract population
-  10%-19% of tract population
-  20%-39% of tract population
-  40% or more of tract population

* Susan V. Clayton Public Housing Project