

Housing - Hawaii

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**PUBLIC HOUSING**

**IN HAWAII --**

**THE EVOLUTION OF**

**HOUSING POLICY**

**Volume I: Description and  
Analysis**

They turn the needy out of way;  
the poor of the earth hide them-  
selves together . . . and embrace  
the rock for want of a shelter.  
Job 24: 4-8

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## FOREWORD

This report on "Public Housing in Hawaii" appears in two volumes inasmuch as the scope of the subject matter results in a relatively lengthy description and analysis. The first volume describes the development of housing goals as a matter of public policy and sets forth an analysis of the problems these goals have tried to solve. Volume II consists of appendices A through D and is of essential value to the reader interested in the statutory, statistical, and bibliographic details of public housing.

These volumes are the Bureau's response to House Concurrent Resolution 56, S.D. 1 (General Session of 1965) which requested the University of Hawaii to study "...the social, economic and legal aspects of public housing in Hawaii today and to propose means for public housing to meet existing housing needs while insuring that those in need of help have improved opportunities for self-development and for participating in and contributing to society..." Quite clearly some significant value judgments are involved in deciding just which social, economic, and legal aspects are relevant or most important. Likewise, judgments are included in the terms "housing needs", "opportunities", "self-development", and "contributing to society". Legislators and administrators must make difficult decisions as to what these terms mean to the community and how public policy ought to deal with them. Such decisions really require the determination of what it is the community is trying to accomplish in its housing and social welfare policies and programs. Through description and analysis, this report attempts to assist decision-makers in coming to grips with the scope and depth of the public housing question in Hawaii.

This report would not have been possible without the assistance of many individuals and agencies, especially Mr. Yoshio Yanagawa, Director of the Hawaii Housing Authority and the Reverend Lawrence S. Jones, Chairman of the Ways and Means Committee of the Governor's State Housing Study Group. We gratefully recognize the contributions of those who assisted throughout the preparation of this report and particularly in its review: Mr. George Izuta of the Urban Renewal Administration, Mr. J. Stowell Wright of the Federal Housing Administration, Mr. Edward Brantz of the Hawaii Office of Economic Opportunity, Mr. Lee Maice and Mr. Kam Man Leong of the Honolulu Redevelopment Agency, Mr. Tom Dinell and Dr. Marshall Goldstein of the University of Hawaii, Dr. Kiyoshi Ikeda of Oberlin College, Mr. D. Richard Neill of the Hawaii Council for Housing Action, and Mr. Hiroshi Minami of the Honolulu Council of Social Agencies. We also wish to thank Mr. Marvin Ching, Legislative Intern, for his assistance in preparing the annotated bibliography, to Miss Hanako Kobayashi for ordering the footnotes, and to Mrs. May Tamura who ordered and checked the bibliography.

Herman S. Doi  
Director

February 1967

# TABLE OF CONTENTS

Page No.

FOREWORD . . . . . ii

## PART I

### THE DESCRIPTION OF PUBLIC HOUSING IN HAWAII

INTRODUCTION TO PART I . . . . . 2

I. CHRONOLOGY OF FEDERAL HOUSING

GOALS AND LEGISLATION . . . . . 4

1918 to 1940 - World War I and the Great Depression . . . . . 4

Housing for defense workers - 1918 . . . . . 4

President Hoover's Conference on Home Building and Home Ownership - 1931 . . . . . 4

Emergency Relief and Construction Act of 1932 . . . . . 5

Federal Home Loan Bank Act of 1932 . . . . . 5

Home Owner's Loan Corporation . . . . . 6

National Industrial Recovery Act of 1933 . . . . . 6

National Housing Act of 1934 - Federal Housing Administration . . . . . 7

United States Housing Act of 1937 . . . . . 7

1940 to 1960 - World War II, Korean Conflict and Recession . . . . . 9

National Defense Housing Act of 1940 - Lanham Act . . . . . 10

Servicemen's Readjustment Act of 1944 - G.I. Bill of Rights . . . . . 10

Housing Act of 1949 - "A decent home and suitable living environment for every American family." . . . . . 12

President Eisenhower's Advisory Committee on Government Housing Policies and Programs . . . . . 16

Housing Act of 1954 - "Urban renewal and rehabilitation." . . . . . 17

1961 to 1966 - The Present Period . . . . . 19

Omnibus Housing Act of 1961 - "Private housing for moderate-income families." . . . . . 19

Senior Citizens Housing Act of 1962 . . . . . 20

Executive Order No. 11063, Equal Opportunity in Housing . . . . . 20

Omnibus Housing Act of 1964 - "Displaces and rehabilitation." . . . . . 21

Housing and Urban Development Act of 1965 - "Rent supplement, leasing, and socioeconomic mixing." . . . . . 21

Rehabilitation in Urban Renewal Areas . . . . . 26

Department of Housing and Urban Development . . . . . 26

Model Cities Program of 1966 - "Social rehabilitation" . . . . . 26

Summary . . . . . 27

II. CURRENT MANAGEMENT OF PUBLIC HOUSING IN HAWAII . . . . . 29

Federally Subsidized Low-Rent Projects . . . . . 29

Tenant Selection . . . . . 30

Tenure and Eviction . . . . . 32

Rents . . . . . 33

Community Services . . . . . 35

Housing Aide Program . . . . . 36

Permanent Non-Subsidized State Housing . . . . . 36

Tenant Selection, Tenure, and Eviction . . . . . 39

Down-Payment Reserve Plan . . . . . 39

Navy Leased Housing . . . . . 41

## PART II

### THE ANALYSIS OF PUBLIC HOUSING IN HAWAII

INTRODUCTION TO PART II . . . . . 43

The Democratic Creed . . . . . 44

III. THE SOCIAL APPROACH TO PUBLIC HOUSING IN HAWAII . . . . . 47

Concern over Housing . . . . . 48

Scope of Obligation . . . . . 49

What Are Social Problems, Who Defines Them . . . . .	51
Public Housing and Social Problems . . . . .	54
Correcting Social Problems and Public Housing . . . . .	56
Solving Social Problems . . . . .	57
Income, Opportunities, Housing, and Social Action . . . . .	59
Tenant Management of Housing? . . . . .	63
High-Density Housing Projects . . . . .	65
IV. THE DIRECTION OF ALTERNATIVES IN PUBLIC HOUSING . . . . .	67
The Democratic Creed and Public Housing . . . . .	67
Specific Public Housing Goals . . . . .	68
The State Housing Study Group's Goals and Objectives of Housing in Hawaii . . . . .	71
Pursuit of Public Housing Goals . . . . .	73
"Gap Group" Housing . . . . .	73
Rent Supplement Program . . . . .	76
Leasing Program . . . . .	81
Social Action in Public Housing . . . . .	82
State Housing . . . . .	85
The Proposals of the State Housing Study Group . . . . .	87
Property Tax Abatement . . . . .	90
State Acquisition of Land . . . . .	91
State Subsidy for Land Acquisition . . . . .	92
State Interest Subsidy . . . . .	92
State Leased Housing . . . . .	93
State Rent Supplement . . . . .	95
State Permanent Housing Expansion . . . . .	96
Evaluation of the Study Group Proposals . . . . .	97
Elderly Housing . . . . .	98
University Public Housing . . . . .	98
Flexible Income Limits . . . . .	99
Lavanburg Foundation Concept . . . . .	102
"Turnkey" Method . . . . .	104
Sales of Public Housing Units . . . . .	106
New York State Assistance Programs . . . . .	107
New State Agency . . . . .	110
Sweden's Example . . . . .	112
V. FURTHER STUDY OF PUBLIC HOUSING . . . . .	115
Perspective A: Total Concern That the Social Aspects of Public Housing Need to be Redefined to Better Meet the Principles of the Democratic Creed . . . . .	115
Grass Roots Revolution . . . . .	115
Redefining the Problem . . . . .	116
Tenant Management and the Demise of Public Housing . . . . .	116
Evaluation of the Grass Roots Revolution . . . . .	117
Perspective B: Only Moderate Strengthening of the Rehabilitation Aspects of Public Housing is Needed . . . . .	117
Strengthening Social Rehabilitation Through Public Housing . . . . .	117
The Rehabilitation Definition . . . . .	117

Tenant Services and Tenant Strength . . . . .	118
Evaluating Rehabilitation . . . . .	120
Perspective C: Modest Improvement of Current Public Housing Programs . . . . .	121
Modest Improvements of Current Programs . . . . .	121
A Modest Definition . . . . .	122
Greater Public Subsidy to Non-Government Housing as an Economic Investment . . . . .	122
Evaluation of Housing Investment: the Cost-Utility Approach . . . . .	122
Conclusion . . . . .	125
FOOTNOTES . . . . .	129

## **PART I**

### **THE DESCRIPTION OF PUBLIC HOUSING IN HAWAII**

#### Introduction

Chapter I. Chronology of Federal Housing Goals and Legislation

Chapter II. Current Management of Public Housing in Hawaii

# PART I

## INTRODUCTION

This Part on housing legislation and practices is intended to show (1) how federal housing policy has broadened and sometimes confused its objectives since its original inception in the 1930's and (2) what federal and state legislation have produced in the way of housing programs in Hawaii.

The impact of the depression resulted in the forging of a housing policy which was used as one of the major weapons to stimulate a lagging economy. The major problem facing the federal government during this era was that of unemployment, and the primary objective of federal housing legislation was to relieve unemployment by use of public works funds to undertake programs of slum clearance and emergency low-rent housing construction. The fact that the improvement of housing was merely a secondary objective resulted in a constant conflict between long-term plans for housing and the short-run goal of stimulating employment.<sup>1</sup> The United States Housing Act of 1937<sup>2</sup> was perhaps the most significant piece of housing legislation during this period. It established the initial long-range program of public housing for low-income families.

The landmark in federal aid to housing during the 1940's was the Housing Act of 1949.<sup>3</sup> This Act significantly broadened the federal role in housing through expanded slum clearance and public housing programs and established the goal of "a decent home and suitable living environment for every American family."<sup>4</sup>

More recently, federal housing policies have begun to shift their focus to the social problems of racial and economic minorities. This shift in focus is exemplified in the Model Cities program (Demonstration Cities and Metropolitan Development Act of 1966). This program

## INTRODUCTION

is perhaps the first to embrace the concept that the problems of our urban areas are not only physical but are human as well. The program recognizes that these problems must be solved not one at a time, or one after the other, but simultaneously.<sup>5</sup> Involved within this concept are new programs of rent supplements and leasing of low-rent housing in private accommodations which will result in social and economic mixing of low- and moderate-income families within neighborhoods, and programs to assist and stimulate local land and economic planning. The Model Cities program, which calls for concentrated and coordinated efforts of government and private activities, seeks to improve the physical environment and alleviate some of the more pressing social and economic problems of the poor living in slum areas. Public housing, and the characteristics of its management in Hawaii, is deeply involved with this process.



## Chapter I

# CHRONOLOGY OF FEDERAL HOUSING

## GOALS AND LEGISLATION

The foundation for federal housing legislation was laid on July 20, 1892, when Congress appropriated \$20,000 to finance a survey by the Department of Labor of slums in large cities throughout the nation.<sup>1</sup> Legislation enacted in the ensuing years greatly increased the scope of governmental intervention in the housing field. Such legislation may be divided into three major time periods: 1918 to 1940 (World War I and the Great Depression); 1940 to 1960 (World War II, Korean Conflict and Recession); and 1961 to 1966 (the present period).

### 1918 to 1940--World War I and the Great Depression

Housing for defense workers. Federal housing policy during this period was primarily concerned with serving the needs of the war and depression. The first significant federal legislation occurred in 1918 and provided loans to real estate companies to construct homes for shipyard defense workers<sup>2</sup> and appropriations for the construction of additional housing for war workers<sup>3</sup> during World War I. Most of these units were sold after the war to private owners.

President's Conference. The federal government's deep involvement in the housing field began with the Great Depression. It attempted to stimulate and stabilize the economy through construction of emergency housing and through federal guaranteed mortgages. The recommendations of the President's Conference on Home Building and Home Ownership, which met in December of 1931, served as the basis for the federal housing policy of the 1930's. Among the key recommendations were the following:

Develop building programs in communities stressing single-family houses;

Improve planning and zoning;

Improve technology and develop housing research;

Broaden home ownership;

Provide long-term amortized mortgages and housing credit at lower interest costs;

## FEDERAL HOUSING GOALS AND LEGISLATION

Supplement private enterprise with governmental aid in solving the housing problems of low-income families in slums and blighted areas;

Facilitate large-scale housing operations;

Rehabilitate old homes;

Relieve homes of excessive taxation; and

Extend urban conveniences and protection to rural residents.<sup>4</sup>

The particular need to expand private home ownership was emphasized by President Hoover when he addressed the opening meeting of the conference and stated:

I am confident that the sentiment for home ownership is so embedded in the American heart that millions of people who dwell in tenements, apartments, and rented rows of solid brick have the aspiration for wider opportunity in ownership of their own homes.<sup>5</sup>

Emergency Housing. Some of the recommendations of the conference were quickly implemented into legislation in the following year. The Emergency Relief and Construction Act of 1932, PL 72-302, was intended to alleviate the severe problem of a housing shortage for low-income families. It authorized the Reconstruction Finance Corporation to make loans to state-regulated limited dividend corporations formed to provide housing for families of low income or for reconstruction of slum areas on a self-liquidating basis. Only two loans were made under this program -- to finance Knickerbocker Village in New York City and rural homes in Ford County, Kansas. The limited success of this program may have been due to the inadequate return on investment which failed to induce private corporations to invest their capital. The housing that was constructed was also beyond the financial means of the families for whom it was intended.<sup>6</sup>

Federal Home Loan Bank. The passage of the Federal Home Loan Bank Act in 1932, PL 72-304, was another attempt to use housing policy as a major weapon to combat the depression. The stock market crash in 1929-30 caused a sharp increase in foreclosures on farms and urban properties. Mortgage lending institutions were unable to cope with this problem. The Act provided a solution by the establishment of a federal Home Loan Bank System with a board which served as a central mortgage bank providing a credit reservoir to aid member mortgage lending institutions.<sup>7</sup>