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From: William L. Slayton - letter enclosed

William L. Slayton

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HOUSING AND HOME FINANCE AGENCY
URBAN RENEWAL ADMINISTRATION • Washington 25, D. C.

February 5, 1963

TO: All Local Public Agencies
FROM: Urban Renewal Commissioner
SUBJ: Reply to POAU Charges

Because of the recent charges by Protestant and Others United for Separation of Church and State that the Urban Renewal Administration and local renewal agencies have shown prejudice in the selection of developers, we have felt it necessary to prepare a reply. A copy of the reply is enclosed.

Some inquiries have been made about the charges, and you may feel free to use this letter or any parts of it for replying to inquiries made about the POAU charges in your community.

William L. Clayton
Urban Renewal Commissioner

Enclosure

(Reprint No. 18)



HOUSING AND HOME FINANCE AGENCY
URBAN RENEWAL ADMINISTRATION • Washington 25, D. C.

January 18, 1963

Mr. Glenn L. Archer, Executive Director
Protestants and Others United for Separation
of Church and State
1633 Massachusetts Avenue, N. W.
Washington 6, D. C.

Dear Mr. Archer:

I am writing to you because I have become rather concerned in recent weeks about charges leveled against several federally assisted programs, particularly those involving urban renewal, in your magazine Church and State and the publication Urban Take-Over. I feel that these charges are unwarranted on the basis of the ascertainable facts, and that they may lead to misunderstandings of the purposes, operation, and accomplishments of the urban renewal program.

Particularly disturbing are the following charges: (1) through urban renewal Roman Catholic churches obtain land at much less than other developers and less than its real value; (2) the urban renewal program benefits the Roman Catholic Church at the expense of other religious and lay groups; and (3) Roman Catholic churches receive preferential treatment from urban renewal officials and agencies.

I would like to point out that the urban renewal program is one whereby the Federal Government provides financial and technical assistance to cities to help them remove the causes and effects of slums and blight, and to rebuild slum and blighted areas in accordance with local plans. In a program of clearance and redevelopment, such lands are bought at fair market value, cleared, and readied for redevelopment by the city. The difference between this cost and the selling price of the land is offset by city and Federal funds, with the Federal grant usually amounting to two-thirds.

It is important to emphasize that the difference between the price paid by the city for the land and its clearance, and the price paid by the developer is in no wise a subsidy, or gift, or grant to the developer. The city buys land and buildings, the developer buys only land. The city assumes the cost of buying and clearing away the blighted structures as part of the cost of rebuilding for a better community.

In disposing of cleared urban renewal land, cities may do so through a variety of ways, including competitive bidding on price alone, negotiation, or design competition. The exact method is chosen by the city's re-development agency, in accordance with the city's interests and practices.

In every case you have cited involving disposition of land through urban renewal, the developer has paid the full value of the land in relation to its highest and best use, as determined by independent appraisers. The churches mentioned have paid at least the same price, some times more, than any other developer--private builder, city school, etc.--would have had to pay to obtain the land.

In responding to some of the specific charges in your two publications, I shall quote from court decisions in the cases of Fordham University and St. Louis University. As you know, the cities involved and the Federal Government were upheld in every case concerning selling of urban renewal land to these two schools. I believe you will agree that legal decisions rendered after full hearings of what both sides consider to be the facts should have value in this discussion.

Thus, I find I must differ with your statement in Urban Take-Over:

"Where Protestant and Jewish groups have been tentative or have insisted on paying the commercial or fair market value for the land they acquired, Roman Catholic priests have plunged with enthusiasm into the program, grabbing every acre they could get, paying nothing or as little as possible for it."

Or, where in the same publication is the statement, "...New York City, where a tremendously valuable site at Lincoln Square fell to Jesuit Fordham University. The school paid only a fraction of the fair value of the land..."

As you may know, this charge, among others, was made during several court actions involving Fordham University and its urban renewal activities. In one of them, Justice Desmond of the Court of Appeals of New York, ruled "Fordham University agreed as sponsor to bid, for the two-block part set aside for educational purposes, at least \$2,241,610, or \$7 per square foot, which was higher than the 'reuse value' fixed by any of the several appraisals.

"...what the city bought is not the same as what Fordham bought. The city bought land and buildings. Fordham bought the same property, but subject to its agreement to raze the buildings, relocate the tenants, and use the cleared land for a collegiate campus and buildings only. What Fordham was paying for was the reuse value of the land. There is...no dispute of the fact...that the \$7 per square foot which Fordham agreed to bid, was at least equal to the reuse value as established by several appraisals, all of which reported figures lower than \$7 per square foot."

Church and State for October claims that "In St. Louis, a gigantic 'urban renewal' program was conceived and executed with the announced purpose of expanding the campus of Jesuit St. Louis University." Actually, the role

played by the University was a minor one; its purchase was 22 out of the entire 465 acres involved in the Mill Creek project. For this acreage, St. Louis University paid \$535,800. The University had long been interested in land in the project area, since the area borders the University's campus, and it already owned one acre in the project area on which it had a building.

Three other points in connection with the sale of urban renewal land to St. Louis University are of interest: (1) the University agreed to demolish, at its own expense, the present building which it owns in the project area; (2) the University agreed to sell part of its presently-owned land to a nearby bank for parking purposes, in order to comply with the urban renewal plan; and (3) in the Mill Creek project area the St. Louis redevelopment agency has also accepted as redevelopers other churches, and the Christian Board of Publication, which has made a considerable expansion of its properties, and has also reserved land for the St. Louis Board of Education.

Urban Take-Over also claims that in the sale of land to Duquesne University in Pittsburgh, "nothing was said about competitive bidders for the land or about reimbursing the government." Here we have another instance of a prospective developer with an interest in land adjoining its campus. Since expansion was needed for educational purposes, the Urban Redevelopment Authority of Pittsburgh deemed the University to be a logical redeveloper and negotiated with the school for 22 acres of land. The price paid by the University was \$954,000, slightly more than the higher of two independent appraisals.

Many other schools and churches besides those mentioned here have benefitted from urban renewal activities in their cities. In Norfolk, Virginia, for example, the city has been instrumental in clearing out blight from around St. Paul's Episcopal Church, Freemason Street Baptist Church, and Bute Street Baptist Church, as well as providing room for expansion and parking facilities for these churches. In the same city, urban renewal activities have provided new sites for a number of other churches, including St. Paul's Methodist Church, Bank Street Baptist Church, and Christ Pentecostal Church.

In Lowell, Massachusetts, the First Union Methodist Church, located in a rundown area scheduled for clearance and rebuilding for a shopping center, was given a choice of staying in the area or moving. The Church decided to stay, where today it has the advantage of the shopping center's parking lot.

In San Francisco, the local redevelopment agency worked closely with the local chapter of the National Council of the Churches of Christ, as well as with other church groups to decide which churches would occupy the 3 church sites in the Diamond Heights project area. Every church listed in the telephone directory was given an opportunity to

make an "Offer to Purchase" at fair market value. When the responses exceed the number of sites, the agency called a conference of the interested churches, to help devise a just and responsible method of conferring the sites on 3 of their number.

In the Southwest Project area in Washington, D. C., land has been made or is being made available to Lutheran, Episcopal, Methodist, Baptist, Presbyterian, Catholic, and Bethel Tabernacle Pentecostal churches.

If you examine the list of agencies and organizations engaged in developing urban renewal land for institutional purposes--schools, churches, and hospitals--you will find a tremendous range of religious denominations and secular interests. We have never discriminated against any group in favor of any other group, and, to the best of our knowledge neither have local agencies pursuing urban renewal objectives. As American citizens and responsible government officials we adhere rigidly to this policy.

I trust this letter will be of service to your readers in evaluating urban renewal, both as a national policy and a local program.

Sincerely yours,

A handwritten signature in cursive script, reading "William L. Clayton". The signature is written in dark ink and is positioned above the typed name.

Urban Renewal Commissioner