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## Book Review: Urban Homesteading

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## BOOK REVIEW

JOHN E. MOGK†

*Reviewing:* URBAN HOMESTEADING. By James W. Hughes and Kenneth D. Bleakly, Jr. New Brunswick, N.J.: Center for Urban Policy Research, Rutgers University, 1975. Pp. 267. \$12.95.

For some of us deeply concerned with the future of urban America and disturbed by the paucity of writings constructively analyzing current programs designed to check urban decline, this book offered the promise of contributing to the understanding of one widely acclaimed innovation. Disappointingly, it adds very little.

Hughes and Bleakly purport "to examine the urban homesteading phenomenon as it has evolved and to look at its operational realities in four major cities,"<sup>1</sup> seemingly motivated by the notion that urban homesteading "may well be a last grasp at the regeneration strategy, as well as the first stage of a maintenance strategy."<sup>2</sup> The publication is offered as a "handbook" to city officials and others interested in devising effective homesteading programs.<sup>3</sup> The authors' discussion is divided into three parts: historical perspective and urban abandonment, urban homesteading in four major American cities—Baltimore, Wilmington, Philadelphia and Newark, and an analysis of program formation and evaluation.

The concept of urban homesteading, first implemented in Wilmington, Delaware in 1973, is a recent development in the continuing battle against urban property abandonment. Homesteading strategy has several objectives: to lure families back to the city with the promise of homeownership, to conserve the existing housing stock by salvaging structures which can still be rehabilitated, thus restoring abandoned properties to the municipal tax rolls and, for some theorists, to provide housing for the poor.

Under typical homesteading programs, abandoned homes are acquired by the city and transferred to families for nominal consideration. Acquisition of title is generally conditioned upon meeting building code standards within a prescribed period and

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† Professor of Law, Wayne State University. The author wishes to express his appreciation to Christina Vadino for her research and editorial assistance—Ed.

1. J. HUGHES & K. BLEAKLY, URBAN HOMESTEADING 4 (1975).

2. *Id.* 5. See also G. STERNLIEB & R. BURCHALL, RESIDENTIAL ABANDONMENT: THE TENEMENT LANDLORD REVISITED (1973).

3. J. HUGHES & K. BLEAKLY, *supra* note 1, at 4.

occupying the home for a fixed term of years. The costs of rehabilitation are generally borne by the homesteaders.<sup>4</sup>

The authors stress a connection between frontier homesteading of more than a century ago and homesteading in today's central cities; a relationship which seems tenuous at best. Not surprisingly, they never clearly define it, unproductively devoting an entire chapter to homesteading evolution in the eighteenth and nineteenth centuries. Beginning with the Virginia Company Settlement of 1609, the chapter rambles through "Eastern" and "Western" homesteading—programs which were utilized to develop the nation's unsettled lands. The authors note that during this period, homesteading involved only a small segment of the available public domain. Lands for public sale and railroad, timber and mineral claims constituted the largest share of the public acreage passing into private ownership. Attention is then turned to subsistence farming and subsistence homesteading, obscure programs initiated during the New Deal to establish small colonies of between 25 and 100 families.

The authors fail to adequately analyze the relationship between eighteenth and nineteenth century agrarian homesteading and its modern urban counterpart. For example, the authors venture no further than to assert:

Historical homestead efforts were invariably tied to a subsistence effort; the homestead itself offered at least a partial economic base rooted in agriculture. . . . The Homesteading Act of 1862 provided for plots of 160 acres of land, certainly a start at minimum economic self-sufficiency.<sup>5</sup>

Justifiably, some commentators have strongly criticized application of the "Westward Ho!" analogy to urban homesteading.<sup>6</sup> Certainly, the government's transfer to the homesteader of potential profits inherent in valuable land under the 1862 Act is to be contrasted with the offer of often valueless urban properties today. Moreover, the modern urban homesteader faces hardships of declining neighborhoods virtually unknown to self-sufficient nineteenth century pioneers who could construct and repair their own homes free of modern housing regulations.

Although Hughes and Bleakly acknowledged that widespread property abandonment is one of the most serious,<sup>7</sup> and certainly

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4. See, e.g., Philadelphia, Pa., Ordinance 73-543, § 6(3), June 20, 1973.

5. J. HUGHES & K. BLEAKLY, *supra* note 1, at 37.

6. E.g., Comment, *Philadelphia's Urban Homesteading Ordinance: A Poor Beginning Toward Reoccupying the Urban Ghost Town*, 23 BUFFALO L. REV. 735, 753 (1974); Comment, *Property Abandonment in Detroit*, 20 WAYNE L. REV. 845 (1974).

7. In Detroit alone, the number of abandoned homes rose to approximately 15,000 by

the most palpable symptom of the plight of American cities, they fail to suggest how homesteading can offer a solution. They describe five stages of neighborhood decline. Stage one neighborhoods are "thriving and relatively free of social, economic, and physical problems."<sup>8</sup> In contrast, stage five neighborhoods are in an advanced state of deterioration; the buildings are marketable only to those who have no choice. Hughes and Bleakly suggest that homesteading works better in neighborhoods just beginning to decline than in those which have already declined.<sup>9</sup> They postulate that the efficacy of urban homesteading in abating property abandonment depends upon whether the particular city remains a vital link in the regional economy, suggesting that a critical consideration is the stability of the central business district in the face of suburban economic growth.<sup>10</sup> Further, the level of immigration by ethnic groups and other specialized subpopulations is identified as a factor. Although the authors conclude that "[T]he interplay of these general thresholds provides an essential framework for evaluating neighborhood growth and change,"<sup>11</sup> they fail to report findings with respect to any of these factors for the four cities studied.

Disappointingly, the evaluation of the programs in Baltimore, Wilmington, Philadelphia and Newark is inadequate. The authors have failed to formulate and apply a coherent model.<sup>12</sup> In addition, the analysis is complicated by the extensive use of technical jargon.<sup>13</sup>

1974. Comment, *Property Abandonment in Detroit*, 20 WAYNE L. REV. 845 (1974).

8. J. HUGHES & K. BLEAKLY, *supra* note 1, at 50-51.

9. This observation is hardly novel in light of the experience of earlier urban rehabilitation programs. See J. ROTHBERG, *ECONOMIC EVALUATION OF URBAN RENEWAL: CONCEPTUAL FOUNDATION OF BENEFIT - COST ANALYSIS* 248 (1967).

10. One index of this stability is the effectiveness of commuter railroads and the development of rapid transit. New York and Chicago are cited as examples. J. HUGHES & K. BLEAKLY, *supra* note 1, at 50.

11. *Id.*

12. Rather than constructing a model relating program success to program goals, program design, and individual characteristics of each city, the authors proceed to evaluate each program based on nine factors. They were: (1) institutional frameworks, (2) operational procedures, (3) criteria for homestead selection, (4) criteria for homesteader selection, (5) financial assistance programs, (6) tax considerations, (7) procedures for passing title, (8) cost-revenue realities and (9) supportive services. See *id.* 88-99, 109-23, 135-49, 161-74.

13.

In appraising any program, an attempt must be made to distinguish between anecdotes - unique events peculiar to a specific point in history, a particular set of actors and a particular physical, political, and social context - and "replicables," those elements of program and environment which are substantially independent of the particular actors, unique competence or personalities. Replicables also should not be dependent on an administration's willingness to

The studies themselves suffer from four basic weaknesses. First, the conclusions seem premature; the data were collected only one year after the institution of the first homesteading program.<sup>14</sup> Moreover, when the book went to press, there were only 255 active homesteads in the four cities combined.<sup>15</sup> Second, the authors failed to gather significant data from the program participants. Third, their evaluation disregards the relationship between effective urban homesteading and the role of each city within its metropolitan area.<sup>16</sup> Fourth, the authors fail to delineate what they refer to as necessary supportive municipal services. Earlier studies of urban homesteading have resulted in a number of practical suggestions for support services. Among them are: providing classes in home rehabilitation through the city's school system;<sup>17</sup> recruiting local professionals and tradespersons to provide free technical assistance to homesteading; creating a non-profit repair and rehabilitation corporation to provide crucial services at reduced cost;<sup>18</sup> and offering training in property management to prospective homesteaders of multiple dwelling units.<sup>19</sup>

A number of solutions to these difficulties can be hypothesized. Hughes and Bleakly might have provided a more reliable "handbook" on urban homesteading if they had abandoned the comparative approach for an in-depth study of one city.<sup>20</sup> This would have facilitated, for example, clear and controlled comparison of the efficiency of homesteading in different types of neighborhoods within a metropolitan area. In addition, it would have

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cast aside normal protective encumbrances in order to advance a specific approach, and should not be dominated by the particulars of the unique setting.

The analyst must therefore attempt to sort out the "message" from the "noise". The basic question is whether a program's success or failure is generic to the general program, or is a one-of-a-kind phenomenon whose fate is intimately tied to its context.

J. HUGHES & K. BLEAKLY, *supra* note 1, at 70.

14. NATIONAL URBAN COALITION, *URBAN HOMESTEADING, PROCESS AND POTENTIAL: AN EXPLORATION INTO OPTIONS FOR URBAN STABILIZATION* 15 (1974).

15. J. HUGHES & K. BLEAKLY, *supra* note 1, at 105, 128, 154, 179.

16. See notes 7-11 & accompanying text *supra*.

17. See NATIONAL URBAN COALITION, *supra* note 14, at 43.

18. Comment, *Property Abandonment in Detroit*, 20 WAYNE L. REV. 845, 885 (1974).

19. See Note, *Low-Income Co-ops: A Solution to Abandonment*, 17 N.Y.L.F. 148, 195-97 (1971).

20. One commentator has said:

While limiting a study to one community makes it difficult to argue that the results of the investigation have universal application, having the case studies located in the same "control system" is of decided advantage for comparative analysis. Problems of comparability created by regional factors, by city size, by variation in economic and social dominance among urban areas . . . are avoided.

L. KEYES, *THE REHABILITATION PLANNING GAME: A STUDY IN THE DIVERSITY OF NEIGHBORHOOD* (1969).

permitted the compilation of more data with respect to more variables. On the other hand, the multi-city approach might have been fruitful if the authors had formulated and tested a theory to explain the relative success of various homesteading programs.<sup>21</sup> In any event, the book's primary contribution appears to be little more than the compilation of these four case studies.

The authors correctly lament the absence of a formal mechanism in these programs by which either government or private institutions guarantee homesteaders that they will recoup their investments. Thus, homesteaders may spend thousands of dollars rehabilitating homes only to discover that no one can obtain financing to purchase their homes. This situation may also prevent them from obtaining affordable financing for additional home improvements and maintenance. For these reasons, the property may once again be abandoned.

Although Hughes and Bleakly rank Baltimore's homesteading program as best, very little actual rehabilitation was accomplished in Baltimore's declining neighborhoods. Of the 136 homesteads awarded, only seven were occupied and another 50 were being rehabilitated. The authors cite the relative vitality of the neighborhoods where homesteading was initiated as a key factor in the program's success; the magnitude of abandonment was far less than in Wilmington, Philadelphia or Newark. Another factor in Baltimore's relative success may have been the program's neighborhood approach; all abandoned units in a neighborhood are rehabilitated at the same time in an attempt to regenerate the total block environment. Of course this requires a highly sophisticated organizational structure.<sup>22</sup> Finally, Baltimore's program was not conceived as a poverty measure; rather, it is geared toward working and middle class households who can afford the cost of rehabilitating deteriorating buildings.<sup>23</sup>

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21. See note 12 *supra*.

22. Comment, *Homesteading 1974: Reclaiming Abandoned Houses in the Urban Frontier*, 10 COLUM. J. OF L. & SOC. PROB. 416, 436 (1974).

The authors state:

[Baltimore's] unique institutional configuration—whereby the program is formally linked to other indispensable functions related to housing; and advanced indicator system gauging [sic] the flows from the abandonment pipeline; innovative fast-take procedures, an established \$2,000,000 housing fund — which has since been increased to \$3,000,000 — financed through the sale of city tax-supported bond issues; an initial success pattern which has led Baltimore to implement the first “wholesale homesteading” of an entire block, attempting through sheer critical mass to revitalize a whole neighborhood; and substantial tax abatement procedures and special services, all appear to optimize the state of the art.

Although somewhat less successful, Wilmington, Delaware, which launched the first official urban homesteading program in 1973, instituted two unique supportive efforts which should facilitate homesteading. A consortium of eight local financial institutions permit a moderate reduction in interest rates for homesteaders. The city also provides a reduction in property tax assessments for persons making improvements to their homes. However, Wilmington established relatively few additional special city services to support homesteading. According to the authors, present efforts focus on the homestead rather than the homesteaders. This is particularly unfortunate in Wilmington, since the homestead program was geared toward persons with low and moderate incomes.

Respectively, the Philadelphia and Newark programs were plagued with insufficient political interest and an inappropriate housing stock. The mayor's office in Philadelphia was hardly enthusiastic about homesteading. None of the 1.5 million dollars approved by the City Council has yet been released by the mayor's office to support mortgage guarantees under the homesteading program. Newark's housing stock, for the most part consisting of wood, frame, three-story, six-unit residences, designed to house the wave of immigrant laborers arriving in the early part of the twentieth century, is not conducive to homesteading. Moreover, there is no special tax consideration, nor special service programs for homesteaders. Newark's policy of maximizing the number of units resettled while minimizing every cost to the city, minimizes both. Instead of comprehensively evaluating parcels and current housing rehabilitation needs, the homesteads are simply sold at an auction held in each of the city's six wards.

Hughes and Bleakly dismiss without adequate consideration the issue of whether homesteading should be used as a vehicle to provide housing for the poor. They take it as given that "[t]he focus in selecting homesteaders . . . must be to encourage financially and socially stable families to risk urban homeownership. . . ."<sup>24</sup> In reality, there has been considerable controversy with respect to homesteader selection. A significant number of individual commentators and interest groups have demanded that the poor be favored as applicants and that more comprehensive financing plans and support services be added to homesteading programs.<sup>25</sup> Certainly, it would be unrealistic to expect poor

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24. *Id.* 194.

25. See, e.g., NATIONAL URBAN COALITION, *supra* note 14; Project, *Abandonment of Residential Property in an Urban Context*, 23 DEPAUL L. REV. 1186 (1974); Comment,

families to become successful homesteaders without offering support in the nature of rehabilitation training and the other necessary skills. Yet, none of the four cities studied has made this commitment.

*Urban Homesteading* would have been a much more useful "handbook" if it had focused on one city in depth, analyzed the reactions of representative homesteaders, satisfied and unsatisfied, and provided a detailed description of the financing mechanisms, city services and supportive programs necessary to make a homesteading program work. Unfortunately, it has not advanced the understanding of the potential utility of homesteading as part of an urban redevelopment program.

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*Property Abandonment in Detroit*, 20 WAYNE L. REV. 845 (1974); Note, *Low Income Coops: A Solution to Abandonment*, 17 N.Y.L.F. 148 (1971).