THE MENLO PARK CONCENTRATED CODE
ENFORCEMENT PROGRAM

by

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ABSTRACT

The Housing and Urban Development Act of 1965 authorized a new type of neighborhood conservation program identified as Concentrated Code Enforcement. In the latter part of 1966, the City of Tucson engaged in a pilot project under this program in an area of the city known as Menlo Park.

An evaluation of progress during the first 18 months of this pilot project indicates that the program has excellent acceptance on the part of neighborhood residents. The program also shows considerable promise as an important tool in reversing blighting trends in many neighborhoods. Concentrated Code Enforcement is relatively economical in terms of local cost and can be fully justified on the basis of social and economic betterment of neighborhoods.
CHAPTER I

INTRODUCTION

During the early part of 1966, the staff of the Community Development Department of the City of Tucson started to study a new federally assisted program, Concentrated Code Enforcement, for possible application in the city. These studies eventually lead to the filing of an application for funding of a pilot program in a neighborhood known as Menlo Park. The project was funded in December of 1966 and is now in the execution stage.

The purpose of this report is to evaluate progress during the first year and a half of this three year program in light of original goals and objectives. The results of this evaluation will serve as a basis for possible program modification during the remaining 18 months of the project and, more importantly, to document techniques developed through experience so that other projects of a similar nature can be efficiently planned and executed in other sections of the city.

The Housing Code Dilemma

This study is concerned with one of several codes that is found on the books of most moderate to large sized cities, the Minimum
Housing Code. As the name would imply, such a code sets minimum structural standards for decent, safe and sanitary housing.

Such codes have traditionally been unpopular as enforcement can work definite hardships on residents, particularly homeowners in low income neighborhoods. Strict enforcement of a housing code can literally turn occupants of a deteriorated structure out into the street and understandably this has been politically unacceptable with many city officials.

On the other hand, the steady shift of the population to urban areas which has been going on throughout this century, and at a greatly accelerated rate since World War II, is putting tremendous pressures on cities to retain a semblance of organized development. The solution is not only one of building new facilities but attempting to preserve what has already been constructed. The unpopular housing code can play an important preservation role and at the same time prevent erosion of the tax base that results from steadily declining neighborhoods.

The federal government now requires that a city systematically apply a Housing Code before assistance will be given in such areas as Urban Renewal and Public Housing. Many financially hard pressed cities seeking federal assistance find that they have no choice but to engage in a housing code enforcement program despite political hazards.
Concentrated Code Enforcement--Defined

In its simplest form, the Concentrated Code Enforcement Program involves the application of a Housing Code with federal assistance. The Housing and Urban Development Act of 1965 authorized the provision of federal financial assistance for code enforcement on an entirely new and simplified basis. For the first time, funds were made available directly to municipal governments to assist them in supplementing their present level of code enforcement, financing certain public improvements within code enforcement areas, and demolishing unsound structures.

Concentrated Code vs. Urban Renewal

Concentrated code enforcement funds represent a portion of those allocated for Urban Renewal and the program is administered by the Urban Renewal Section of the Department of Housing and Urban Development. However, code programs differ widely in application from Urban Renewal Programs. Urban Renewal Programs are basically of two types, total clearance and redevelopment or rehabilitation with possibly spot clearance. Both are characterized by lengthy and detailed application stages and complex financing plans. This is due mainly to the fact that these are high impact programs having a drastic effect on the physical environment.
A clearance program, as the name suggests, involves total clearance of an area and new development, often of a different type than originally existed. All properties must be acquired, the occupants satisfactorily relocated and then the redevelopment completed. Execution time for such programs is normally five to ten years, sometimes longer.

A rehabilitation program under Urban Renewal suggests that the basic character of an area, residential, commercial, or a combination thereof, will be maintained although rather severe measures will be taken to preserve the area. Many structures will be purchased and demolished, some streets may be realigned, and areas cleared for parks and recreational use. Remaining structures will be brought up to predetermined project standards, often resulting in major alterations.

Concentrated code enforcement on the other hand, as much as possible deals with an existing area without clearance, realignment of streets or wholesale demolition. Properties are to be brought only up to the standard of the minimum housing code rather than to some higher rehabilitation or architectural standards. In the process, improvements are made to the physical environment including installation of streets, sidewalks, and streetlights and the planting of trees and shrubs. Often some or all of these improvements exist in portions of the treatment area and the program provides the means to complete the improvements.
Federal assistance is available for approximately two thirds of the cost of such public improvements.

In addition, low interest rate loans, and outright grants in some cases, are available to project residents for purposes of bringing their properties up to minimum housing code standards.

Project administration is much simpler than for Urban Renewal since planning advances, temporary loans or similar Title 1 (Urban Renewal) financing policies are not involved in code enforcement projects. The National Association of Housing and Redevelopment officials had this to say about the new program:

No locality, large or small, can afford to overlook the new federal aids available for code enforcement. We believe that they provide the means for overcoming many of the bottlenecks to effective code enforcement, such as the lack of:

(1) adequate funds to support effective code enforcement programs;
(2) adequate funds for public improvements to improve physical environment and complement code enforcement efforts;
(3) adequate financing for low-income and elderly property owners and tenants to finance repairs required by code enforcement; and
(4) adequate relocation assistance program for individuals, families, and businesses displaced by code enforcement.

All of these can be substantially offset by utilizing the provisions of the '65 Act.¹

Concentrated Code Enforcement vs. Systematic Housing Code Enforcement

To complete the rehabilitation picture, brief mention should be made of the systematic code enforcement program. This program, as the name implies, is the systematic application of a housing code to each and every home in a given area but without federal assistance of any type. All cities to be eligible for Urban Renewal assistance must be applying the housing code on a planned basis that will result in coverage of the entire city within a ten year period.

The previously mentioned federal assistance programs do not conflict in any way with the systematic program but merely complement it. Based on economic and physical factors, federally assisted urban renewal or code enforcement programs are applied to some areas while the systematic application of the housing code is used in other areas. The latter program is used in basically sound neighborhoods with most or all of the public improvements in place and income of the residents generally at a level where they can be reasonably expected to undertake needed repairs without subsidies of any type. The program has value since it brings pressure to bear on the property owner in the basically sound neighborhood who is letting his property go to the general detriment of his neighbors. The program is designed to arrest potential blighting factors before they start a snowballing effect that could eventually lead to a truly blighted neighborhood.
In essence then, rehabilitation programs cover a spectrum progressing from simple systematic application of the housing code, to federally assisted code application, to rehabilitation under Title 1 Urban Renewal legislation, to total clearance and redevelopment under the same legislation.

Selecting a Project Area

When details on the Concentrated Code Enforcement Program became available in the form of the program guide during that latter part of 1965, the staff of Tucson's Community Development Department immediately began to study the new program for possible application within the city. It soon became apparent that the program could not be applied to all of the city's blighted areas, particularly those with high incidence of structural delapidation. To be eligible for assistance under this program, a neighborhood had to meet the following requirements:

(a) Must be built up and predominantly residential in character with residential uses distributed throughout the area.

(b) Available data must indicate that code violations appear to exist in at least 20% of the buildings in the area.

(c) Conditions in the area must be such that the proposed program for concentrated code enforcement and the provision of the proposed public improvements will be
adequate to eliminate code violation and arrest the decline of the area. 2

The neighborhood requirements, while not extensive, are critical in nature and have resulted in a considerable amount of disappointment to local neighborhood associations and area councils organized under the Economic Opportunity Act (War on Poverty). The latter groups receive literature on new Federal Aid Programs almost as fast as municipalities and they are prone to make rather liberal interpretations of program prerequisites or to ignore them altogether. This program was particularly attractive to the Economic Opportunity Act groups as they function primarily in areas of deteriorated neighborhoods which often lack basic facilities such as adequate streets, lighting and sidewalks. As a result, the city administration almost immediately received requests that the new program be applied in various run-down neighborhoods in several parts of the city.

It was finally decided that the area councils of the local O.E.O. would get together and decide where a pilot program should be attempted. All seven local councils participated and six areas were suggested. Through a series of meetings with the city staff all but one were soon eliminated by failure to meet one or more of the three neighborhood

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requirements. Slum areas in Tucson simply do not follow the usual pattern of dilapidated structures crowded together in a restricted area. Some areas had to be ruled out because they did not meet the requirement of being "built up and predominantly residential in character." It was not unusual to find only a third or less of the available lots in the suggested areas occupied by structures. The residences themselves were often badly overcrowded but not the area as a whole. None of the areas had any difficulty in meeting the requirement of 20% or more code violations. However, few of the proposed areas could meet the third requirement that there be a reasonable expectation of bringing the structures up to code standards in three years or less. Strict application of a Housing Code in several of the suggested areas would simply have resulted in a large scale demolition program. The basic construction in these areas is so poor, largely adobe and frame, that the structures cannot be brought into reasonable conformance with modern standards of construction. Since the Concentrated Code Enforcement program has no provision for outright purchase of property, large scale demolition must be avoided. The area finally selected, actually by elimination of all other proposed areas, was Menlo Park.

**Preparation of the Application**

Following selection of the initial project area, the staff set to work preparing an application for federal assistance to carry out the
Menlo Park Concentrated Code Enforcement Project. Boundaries of the project, as originally set up, were Fresno Street on the North, Silverbell Road on the West, Spruce Street on the South and the Santa Cruz River on the East. The area was slightly over 200 acres and contained about 585 structures.

Following submission of the original application, the proposed project area was inspected by a team of federal officials. Due to the many unknowns associated with any new program, the federal officials recommended that the proposed project be reduced in size to what they considered a more manageable unit. Subsequently the proposed project area was divided at Grande Avenue roughly cutting it in half. A new application was then prepared and submitted for an area of 110 acres containing 310 structures. The application was approved in December, 1966 and the project officially started on February 6, 1967 when a contract was executed between the Federal Government and the City of Tucson.
CHAPTER II

PROGRAM OBJECTIVES

In this section program objectives are considered first on a national and then a local basis. Since this program is an off shoot of the more familiar Urban Renewal program much of the discussion also relates to that program.

National Objectives

The 1964 Housing Act had provided a new kind of urban renewal project comprised wholly or substantially of code enforcement. The legislative intent for federally assisted code enforcement is illustrated by the following quotation from the House Banking and Currency Report of 1964:

The committee believes that in many neighborhoods a program consisting primarily of intensive code enforcement could eliminate the first stages of slum and blight and prevent the need for subsequent clearance or rehabilitation activities. The bill therefore authorizes a new type of urban renewal project which could consist entirely or substantially of a program of intensive code enforcement in an urban renewal area. The committee expects that this type of project will be utilized in those areas which are basically sound (do not require extensive clearance or rehabilitation activities) but which, principally because of noncompliance with the housing code and related codes of the community, have begun to show signs of deterioration or blight. If allowed to continue to deteriorate, such areas would ultimately require more extensive renewal treatment, either in the form of
clearance or intensive rehabilitation activities. The undertaking of a concerted effort to bring all properties within such areas into compliance with existing codes will, if the codes are adequate for this purpose, keep these areas free of slums and blight and make them desirable places in which to live.

The committee expects that the Administrator will not approve an urban renewal project consisting entirely or substantially of a program of intensive code enforcement unless it can be demonstrated that the code enforcement activities will be adequate to assure that the urban renewal area will remain stable and viable and will not need clearance or rehabilitation renewal activities in the foreseeable future.

The committee believes that the cost of carrying out an urban renewal project consisting entirely or substantially of a program of intensive code enforcement would almost always be less than the cost of carrying out the present types of clearance and redevelopment, or rehabilitation or conservation projects.3

Unfortunately, the 1964 provisions were unclear and generally regarded as unworkable within the framework of established Urban Renewal procedures. As a result, there was little if any effort made on the part of communities to organize projects under this legislation. However, the basic idea of an assisted code program was sound and Congress responded with an entirely new program in the Housing and Urban Development Act of 1965 identified as Concentrated Code Enforcement. The major objective of this program, as contained in the 1965 legislation, was to provide federally assisted code enforcement on a new

and simplified basis, devoid of many of the cumbersome procedures that accompany standard Urban Renewal projects. Funding is from the Urban Renewal appropriation and the overall objectives of the program are almost identical to those of Urban Renewal. The difference is one of degree in application rather than objectives.  

The federal government defines Urban Renewal as a local program locally conceived, planned and executed. It represents a concerted effort by a community, using both public and private resources, to prevent and correct urban blight and decay and to set in motion long range planned redevelopment. Three main objectives are identified: (1) slum prevention through neighborhood conservation and code enforcement; (2) rehabilitation of structures and conservation of neighborhoods and (3) clearance and redevelopment of structures and neighborhoods. The national objectives of federally assisted code enforcement are identical to the above with exception of item 3. Clearance is not a major objective under the code program and redevelopment is a secondary rather than primary objective. The major objective is the conservation and preservation of existing units rather than clearance and development.


of new units. However, development of vacant parcels, stimulated by the code enforcement effort, is an important element of the program.

The Concentrated Code Enforcement Program was introduced in a surprisingly quiet manner with little of the advanced discussion that normally appears in government and professional publications in connection with new redevelopment legislation. However, as often is the case, once guidelines had been developed and released, more explicit information soon became available through official government releases and speeches by government representatives.

A major address by Mr. Howard J. Wharton, Acting Urban Renewal Commissioner, in June, 1966, gave considerable insight concerning the new program. In his remarks, Wharton noted that code enforcement was a relatively new weapon against blight on the urban renewal scene, one which the Department of Housing and Urban Development expected to become a major factor. It is their belief that code enforcement can be a strong deterrent to the dissolution of neighborhoods by blocking the slide from good to bad. Wharton noted that over 16 years experience with urban renewal has shown that neighborhoods can deteriorate into slums with great rapidity, often too rapidly for anti-slum efforts to maintain the pace and control the growth of blight. Code enforcement with Federal Aid is regarded as a major instrument that can be brought into play against the evolution of slums. Although code enforcement had been heavily advocated since Urban Renewal first
started in 1949, there has simply not been enough application in the nation's cities. However, with the Federal Government paying the bulk of the cost of code enforcement in selected areas, cities are presented with the opportunity of doing far more than has been possible in the past on an unassisted basis. Wharton felt that including certain public improvements as project costs is particularly significant as cities experience much difficulty providing the necessary funds for such improvements. Another significant element of the program is the loan and grant provision and Wharton urged that these should be used to the highest degree possible.

Wharton was quick to point out that code enforcement should be considered as only one of several weapons available in striving toward total community improvement. Like other programs, it cannot stand alone and optimum use will come in conjunction with other available aids. He emphasized that the Department does not consider the program a panacea for all ills of urban neighborhoods. It cannot, for example, be used as a vehicle for correcting the many and complex problems of the so called rock-bottom slums. These areas are targets for the basic clearance rehabilitation approach as provided for under Title 1 Urban Renewal.  

6. Remarks by Howard J. Wharton, Acting Urban Renewal Commissioner, Dept. of Housing and Urban Development at the 1966 Annual Conference of Mayors, Sheraton Dallas Hotel, Dallas (June 12, 1966)
Thus, it is clear that the Concentrated Code Enforcement Program has the major objective of arresting blight before a neighborhood becomes a true hard core slum.

Local Objectives

The major objective of undertaking assisted code enforcement in Tucson was directly in line with the national objective of arresting blight in basically sound neighborhoods and restoring them to a sound condition for an indefinite period of time. Once an area has become a hard core slum, the only answer is either partial or total clearance and redevelopment.

Victor DeGrazia noted that it is too little realized that rehabilitation of structurally sound buildings anywhere in the country can be cheaper, quicker, and easier than demolition and new construction even before the human costs are totaled. Speed is often an overlooked factor. The difference in the time required to rehabilitate 300 units and that required to relocate residents and to demolish and build 300 new units is measured not in weeks or months but in years.7 The major objective of the Tucson program was to attempt to preserve basically sound neighborhoods that had started to show signs of deterioration before they became hard core slums. The city already has numerous areas in the latter

category that will require many years and a substantial investment in local funds to correct.

Other Objectives

In addition to slum prevention the City of Tucson also hoped to gain other advantages by undertaking assisted code enforcement. Some of the more important of these secondary objectives are: less local cost than Urban Renewal, faster results, preservation of tax base and attraction of new construction.

Less cost. By assessing property owners for the local share of public improvements with the federal government paying the balance, project costs to be paid from City funds are confined largely to one third the cost of administration and code application. This would permit the city to engage in rehabilitation type activities at a small fraction of the cost of Title I Urban Renewal.

Faster results. Code enforcement projects do not require public hearings, planning grants or complicated long term financing like Urban Renewal projects. Therefore, tangible results can be expected in months rather than years.

Preservation of tax base. A characteristic of the declining neighborhood is a steady erosion of the tax base until the cost of providing services to the neighborhood far exceeds tax revenues. This situation is usually aggravated by an actual increase in the demand for certain
municipal services in the deteriorating neighborhood, such as police and fire. In addition, a declining tax base seriously limits a community's ability to issue general obligation bonds for long range community wide improvements since the amount of bonds outstanding at any given time is limited to a percentage of assessed valuation. The arresting of blight in a neighborhood tends to initially stabilize the tax base and eventually result in a reversal of the downward trend.

**Attraction of new construction.** Typical older neighborhoods in the Tucson area include sizeable numbers of undeveloped lots and other open space. However, new capital flows into these areas slowly if at all. The arresting of blight and completion of public improvements is expected to encourage new construction in these areas and further improve the tax base.

**Summary**

The principal objective of the Concentrated Code Enforcement Program is to restore the stability of basically sound but deteriorating neighborhoods before they become hard core slums. This objective is achieved through the systematic application of the housing code with federal assistance for administration and provision of adequate public facilities. In addition, funds are available for low interest loans and, in some cases, grants to neighborhood residents. The program lends
itself to the overall objective without causing intensive dislocation of residents, property acquisition or demolition.

The Tucson program was undertaken with the major national objective in mind - the preservation of a basically sound neighborhood before it deteriorates into a slum. In addition, since this was a pilot program, every effort was to be made to determine the full potential of the program in the Tucson area. First and foremost, it was desired to bring all units in the Menlo neighborhood up to a reasonable standard, in this case, the minimum housing code. A special effort was to be made to provide all necessary public improvements including storm sewers, street paving, street lights, sidewalks and tree plantings. The objective was to achieve a sound and attractive neighborhood with an indefinite life expectancy representing a pleasant place in which to live and raise families. To meet these goals, it was hoped that pride could be generated in the neighborhood on the part of residents and that they could be encouraged to participate in carrying out the program to a successful conclusion.
CHAPTER III

PROGRAM ACTIVITIES

Following funding of the Menlo Park Concentrated Code Enforcement Program in December of 1967, the City of Tucson immediately assigned administrative responsibility for the program to the Programs Division in the Department of Community Development.

Organizing and Training Staff

The first individual to be hired specifically for the program was the Housing Finance Officer who reported directly to the Urban Program Administrator. The Finance Officer immediately began reviewing all available program guides describing the loan and grant provisions of the program. His training by necessity was of the self education type since the program was not only new to Tucson but also one of the first to be funded in the Western Region. It was soon evident that his responsibilities would take in all functions normally associated with a loan officer in a commercial loan establishment plus some additional duties since the program stressed giving maximum assistance to project residents.

8. The basic organization of the department is shown in Figure 1.
Fig. 1. Department of Community Development, Tucson, Arizona, 1968.
At this stage of the program, the loan officer was also given responsibility for program coordination under the general direction of the Urban Program Administrator. This meant essentially coordinating his activities with those of the field personnel, Housing Advisors from the Housing Section of the City's Inspection Division.

While the Finance Advisor was learning the procedures that would be associated with his position, designing forms and establishing contacts with the various sources that he would have to utilize in connection with the program, steps were also being taken to organize the field activities for the program. These activities consisted of the actual inspection of housing units, work write-ups for loan and grant purposes and the necessary follow up to obtain compliance with the Minimum Housing Code, the basic standard for the program.

Three additional housing advisors were recruited to bring the total housing staff up to seven inspectors plus a supervisor. This was necessary since it was estimated these three inspectors would eventually be required to carry out the program and a condition for federal financial assistance was that inspection personnel used on this program be over and above those employed for the City's normal housing inspection activities.

The Housing Section had started systematic inspection of dwelling units on an unassisted basis in the previous year which provided
some of the necessary training for this program. It was now necessary to hold numerous training sessions on the particular requirements for this program. The official program guide plus instruction by visiting Housing and Urban Development officials from the San Francisco Regional Office provided the basis for most of the training. A particular effort was made to sell the merits of the program to the personnel who would be charged with carrying it out in the field. The close working relationship that would have to be established with project residents to insure success of the program was a new concept that had to be understood and accepted by the personnel from the Inspection Division. The emphasis was not on impersonal enforcement of a code but a sincere interest in helping project residents improve their neighborhood and individual living conditions using the Housing Code as a vehicle.

Organizing Neighborhood Residents

An important part of the program was to be the completion of the street system, the rebuilding of certain substandard streets, the completion of sidewalks in all parts of the neighborhood and the installation of street lights. The federal government would pay two thirds of the cost of these improvements while the balance was the responsibility of the community. It was decided to assess the local one third share of these improvements to the neighborhood residents rather than appropriate funds from the City's general fund. This was in line with established city
policy based on the premise that in the case of neighborhood improvements, those deriving direct benefits should bear the costs rather than the community at large.

Therefore improvement district petitions had to be prepared for each type of improvement and signatures obtained from persons owning at least 51% of the front footage of benefiting property. It was at this time that an assistant to the finance officer was hired under the classification of Conservation Technician.

The initial assignment of the technician was to assist the finance officer in arranging neighborhood meetings and arousing sufficient interest on the part of residents to engage in petition passing. At about this time, the first of a series of letters to acquaint residents with the program was circulated in the neighborhood. Although considerable interest in the program was developing in the Menlo neighborhood, the lack of a formal neighborhood association led to certain organizational problems in creating an effective petition passing mechanism. However, a reasonably effective group of petition passers was finally organized and under the direction of the field technician sufficient signatures for all necessary improvements were obtained. This paved the way for the release of

9. Later the technician would assist the finance advisor in all phases of the loan and grant procedures.

10. Typical letters used to keep project residents informed of progress on the program are included in Appendix A.
federal funds to the project for administrative and operating purposes. These initial steps required approximately six months to complete.

Establishment of Field Office

While the petitions were being passed and staff training continued, a field office was established for the project at 69 North Melrose Avenue. This office was to serve as an operational base for all personnel assigned to the project including the finance officer, conservation technician and the housing advisors. This was to be the common meeting ground for staff and area residents.

The Inspection and Finance Procedures

Initial organization and training activities, as previously noted, required nearly six months so that field operations did not actually get under way until May of 1967. The basic principles of the program are relatively simple, but converting these principles to a well coordinated and smooth running program was quite another matter.

The project area was divided into sections and inspections made in one section at a time. Just prior to the inspector's visit, letters were sent out to all residents of a given section explaining the program in detail. When the inspector made his call, he also gave the resident a brochure which explained the program in even more detail.

The inspector (or Housing Advisor as they were named for this program) made a complete inspection of each home visited and carefully
noted all Housing Code violations. Later he wrote up a standard compliance letter which was mailed directly to the property owner. The owner was given 10 days to start corrective measures. However, an attachment to the letter noted that since this is a federally assisted code enforcement area, special benefits are available to the property owner if he wishes to take advantage of them.

If the homeowner elects to make repairs on his own, which is his prerogative, the inspector follows up at regular intervals and once the required work has been done, removes the case from his work load.

If the homeowner wishes to take advantage of the federal financial assistance that is available through the program, the housing finance advisor is alerted. The homeowner can borrow money directly from the government over a 20 year period at 3% interest. If his income is below certain prescribed levels, he is eligible for an outright grant of up to $1500 with which to make repairs to his home.

When a loan or grant is sought by the property owner, another specialist, the Project Estimator, comes into the picture. He visits the property and carefully estimates what needed repairs can be expected to cost. Many repairs and betterments other than the elimination of code violations can be financed under the low interest rate loan feature of the program. The estimator encourages the homeowner to make as many of these repairs and betterments as he can afford to help meet the overall objective of substantially upgrading the neighborhood.
During this process, the finance officer is conducting complete income and credit investigations, much the same as a commercial loan officer would do. Finally when mutual agreement has been reached on all work to be performed, the estimator draws up a detailed work write-up which serves as the basis for competitive bidding. At least three bids must be obtained from registered contractors. If the bids received are reasonably close to the work estimate, a contract is awarded. The loan or grant, as the case may be, is then finalized and the contractor proceeds to carry out the work. All funds are received and dispersed by the loan officer through an escrow arrangement.

Problems of Coordination

Although the underlying principles of the program are fairly simple, the problem of coordination is difficult. The inspectors cannot get too far ahead of the finance and estimating procedures. Follow up procedures have to be developed and carefully observed to prevent heavy backlogs of active cases. For an endless variety of reasons, homeowners cannot be forced into rigid time schedules set up for various elements of the program. There is a tendency to accept delay rather than to play the role of the enforcer. This is a pilot program and every effort is being made to sustain individual and neighborhood involvement while gradually bringing the neighborhood up to a high residential standard.
Above all else, experience has shown that the program is deceptively complex, although simple in principle as previously noted. To maintain a semblance of control it has been necessary to develop detailed procedures which have already been revised several times.\textsuperscript{11} It is noted that nearly 50 steps are required in the grant process while well over 100 steps are involved in the loan process. These procedures establish checkpoints for the finance officer and his staff so that they can take the necessary action at the proper time during a processing period that will normally range from three to six months, occasionally longer. With different members of the staff sometimes working on the same case, the procedures provide a convenient means of determining status of a given case at any particular time. Experience with the program dictates modification in procedures from time to time to result in more efficient processing of loans and grants.

\textbf{Keeping the Neighborhood Interested}

Rehabilitation on a unit by unit basis, particularly on the first project, is not a spectacular operation. Visible results come slowly and interest of project residents tends to fall off with the passing of time. Yet, active resident interest and participation are vital ingredients to the eventual success of the program and must be kept at a high level.

\textsuperscript{11} The most recent loan and grant procedures are included in Appendix B.
Several things have compounded this problem in connection with this initial project. As previously mentioned, the tooling up process was time consuming due to the organizational and training problems that had to be overcome. Public improvements, which would give an impression of noticeable and overall activity in the project area, have been delayed because of a serious storm drainage problem in the Menlo area. None of the street improvements can be made until a new drainage system is in place. Underground improvements are not an eligible project cost in the Concentrated Code Enforcement Program and an application had to be filed with another federal agency for assistance in financing the drainage system. Long delays were encountered in obtaining this assistance and this improvement will not be started for several months yet.

The lack of a formal neighborhood organization has made it difficult to keep project residents informed of the status of the program and the reason for slow progress in some areas. To overcome or at least neutralize these problems, it has been necessary to develop various means of keeping residents informed and interested in the program.

News Letter

A newsletter has been developed which is known simply as "The Menlo Park Neighborhood News Letter." This newsletter is issued at intervals of from one to three months and features highlights of the program, helpful suggestions to residents and sometimes pictures of
particularly impressive rehabilitation jobs. The newsletter has been well received and has proven to be an important means of communication with neighborhood residents.

Clean Up Campaign

Older neighborhoods, particularly when they start showing some signs of physical deterioration, tend to accumulate noticeable quantities of junk, trash and debris of all types, especially in back yards, on vacant lots and in alleys. Menlo Park was no exception.

As repairs were made on an increasing number of units, the accumulated debris seemed to become even more noticeable. This was especially true of some rehabilitated units where the structures now looked trim and neat but the lots themselves still contained enough junk and debris to detract from the overall appearance of the neighborhood. The curtailment of free trash pickup by the city a year earlier undoubtedly contributed to the problem.

Therefore, it was decided that a neighborhood clean up campaign would be undertaken in cooperation with neighborhood residents, the Manzo Area Council, and several city departments. Letters were circulated to all residents that free pickups of any type of debris or junk would be made on two successive Wednesdays during the month of January, 1968. Residents were instructed to contact the area council if assistance was needed to move trash to the alley for pickup. The program
was an outstanding success from the start. Literally tons of trash were picked up by City Sanitation and Streets Department workers on the first day of the program. The Streets Division followed up by grading and thoroughly cleaning all alleys. Cooperation was contagious and neighborhood residents were soon assisting one another in cleaning vacant lots and hauling heavy objects to the alleys for pickup. The second pickup was almost as large as the first and since many residents were still in the process of cleaning up, a third special free pickup was made the following week. The effort received ample coverage from local news media and renewed interest in the program on the part of residents was very much in evidence. A final tabulation of the effort revealed that the Sanitation Division removed over 200 cubic yards of trash and debris from the area and the Streets Division nearly 385 cubic yards during the cleanup period.

Certificate of Merit Awards

Another means of maintaining neighborhood interest has been the awarding of certificates of merit at regular intervals to property owners for displaying outstanding initiative in the rehabilitation of their properties and improvement of the neighborhood. The first such award took place at a regular meeting of the Mayor and Council in City Hall. The event was only partially successful since several of the property owners being recognized did not appear. The next event was held in the Menlo
site office with the Mayor and several Councilmen attending. This proved to be a highly successful approach with all invited property owners except one attending. The award is simply a well designed certificate, signed by the mayor, recognizing outstanding initiative in home and neighborhood improvement. Another award event is now being planned and will be held in a school within the project boundaries with a general invitation extended to project residents in addition to those who are to receive certificates. It is hoped that this will help maintain interest in the project at a high level.

**Modifications in Procedures**

As might be expected with any new program, it has been necessary to make adjustments in procedures as the program has progressed. In a previous section, it was noted that the problem of coordinating the various activities that make up the program has been a particularly knotty one. Initially the Housing Loan Officer coordinated all project activities. However, as he became more and more involved in the complex procedure of making loans and grants, it became obvious that he did not have sufficient time to effectively oversee other project activities such as field inspection, initiation of capital improvements and budget control. Gradually, the function of day-to-day project direction and coordination became the direct responsibility of the Urban Program Division Office with the administrative assistant in that office assuming the role of Project
Coordinator. It also became necessary for the division head, the Urban Program Administrator, to devote more and more time to the project.

At the outset of the program, practically all program activities were carried out through the site office. However, as the need for more direct divisional coordination became necessary, it became apparent that the finance function could be carried on much more efficiently from City Hall. All city records were readily available, the court house and other supporting facilities were close at hand, and key supervision was available for immediate consultation. Therefore, the finance officer and his immediate staff consisting of a conservation technician and a secretary were moved back to City Hall. The field office was retained as a base of operation for the field inspectors and a point of contact for residents as well as contractors who are working on jobs in the project area.

Initially, field inspectors not only made inspections of dwelling units but performed the work write up and estimating functions. It was found that most inspectors did not possess sufficient knowledge of current material and labor costs to prepare work write ups and cost estimates that would meet the exacting federal requirements for competitive bid purposes. As a result, a specialist was gradually trained to take over this function. The field inspector continues to make all initial inspections and notifies owners of code violations. If the owner chooses to make repairs without federal assistance, the inspector follows through until all work is completed. However, if the property owner chooses to take
advantage of the project finance program, which requires competitive bidding for work to be performed by outside contractors, the estimator works with the inspector and prepares the detailed work write up or job specification and detailed estimates which serve as the basis for bidding. The inspector follows up once a contract has been awarded to make sure all work is performed in accordance with the work write up.

Numerous other minor procedural modifications have been made as the project has progressed and undoubtedly many more will be made as even more experience is gained with the program.

**Office Support for Menlo Project**

The complexity of the Menlo Project has already been described in previous sections. It became obvious early in the program that the staff directly associated with the program would require support from the Urban Program Division Office, particularly in the areas of accounting and budget control. The finance officer's secretary was keeping adequate original records of transactions but it was necessary to tie these records into the city's central accounting system so that all funds could be accounted for to the satisfaction of the federal government when periodic project audits were made. At about this same time, the Urban Renewal Division of the Department of Community Development was experiencing similar difficulties in relating project activities to the city's accounting system. Therefore, it was decided that an office accountant, known as
an Account Clerk in the city classification system, would be jointly
hired by the two divisions to furnish this important link between the day-
to-day project activities and the city’s central accounting system. This
was subsequently done and has greatly facilitated record keeping for the
respective projects. The situation was further improved when the city’s
Finance Director appointed an accountant in the Accounting Division to
specialize in Federal Programs.

Budgeting proved to be another troublesome matter early in the
program. Due to the newness of the program, the original budget was
little more than an educated guess in some areas. As experience was
accumulated, and a pattern of expenditures began to develop, it became
necessary from time to time to submit amended budgets to the federal
government to reflect the true operating picture. It was also necessary
to correlate project budgets with city budgets since the one third local
share of administrative and operational costs, largely in the form of
personnel contributions, was reflected in the latter’s budgets. The day-
to-day activities of the project loan officer simply were too time-con-
suming to permit attention to these overall budget problems. Therefore,
project budget control was assigned to the administrative assistant in the
Urban Program Division's office. This individual was already responsible
for coordinating all departmental budget activities and, as previously
noted, was also gradually assuming an overall coordinating function for
the Menlo Project.
The specialized support has proven to be extremely important to the overall project effort and has contributed to steadily improved operations.

**Housing Advisory and Appeals Board**

Even though the Housing Advisory and Appeals Board has not as yet been active in the Menlo area, it is anticipated that it will eventually play an important role before the program is completed. Therefore some explanation of the background and function of the board is considered pertinent.

In November, 1965 the city of Tucson adopted the Uniform Housing Code, replacing a weak and ineffective minimum housing ordinance that had been on the books for several years. Approval of the city's first Urban Renewal project earlier in the year had been predicated on the repeal of this ordinance and the adoption of an effective housing code. The Uniform Housing Code was selected since the city already used the Uniform Building Code and the two codes complement one another. Adoption of the code also laid the groundwork for the systematic housing code enforcement program described in detail in Chapter I of this report.

The Uniform Housing Code made provision for a five-member Housing Advisory and Appeals Board which has the responsibility for reasonable interpretation of the code and rendering of decisions as required. It is the responsibility of this Board to assist owners as much
as possible in rehabilitating sub-standard structures. The decisions of
the Advisory Board are subject to appeal to the courts for judicial decision.

The first Board was appointed by the Mayor and Council in
January, 1966 and the Housing Advisory and Appeals Board has been con­
tinuously active since that time. To date, the Board has largely handled
cases scattered throughout the city where the code has been applied as a
result of complaints filed by private citizens or other government agencies.
The Board has achieved an outstanding record in its relatively short exist­
ence in gaining compliance with the Housing Code and permitting equitable
variations when circumstances warranted. The affected property owners
have the opportunity to appear before the Board in open hearings and
explain why they have not complied with the code or why they feel some
modification should be made in applying the code to their property.

So far the Board has not been involved in the Menlo Park Project.
The project has stressed a partnership effort on the part of the federal
government, local government and property owners to improve the neigh­
borhood and a great deal has already been accomplished on that basis.
It was also felt that it would be advisable to refrain from using the Board
as long as possible until general acceptance has been established for the
program, both inside and outside the project boundaries.

As might be expected, there is always a minority that will not
choose to go along with a neighborhood improvement project such as the
Menlo Project. Also, a few property owners feel that strict application of
the code will work an undue hardship on them and have requested modification of certain provisions. All of these cases will eventually be heard by the Appeals Board.

The Board has recently been carefully briefed on the nature of and objectives of the Menlo Project prior to hearing cases originating from the area. The first cases are now being prepared for the Board's consideration and for the most part involve absentee owners. It was felt that this would be the most logical group to start with in moving from a cooperative to a strict enforcement approach. In the first place, these properties are almost invariably rentor-occupied and there is generally good public reaction to forcing landlords to bring their properties up to a reasonable standard. Secondly, many owner-occupants who have failed to take action will undoubtedly be influenced to do so as the word spreads that strict enforcement measures are now being taken. In fact, it is known in some cases certain owners have delayed making repairs because they have not been convinced that a serious effort will be made to bring all properties in the project up to minimum housing code standards.

Eventually, Board action will have to be taken against recalcitrant owner-occupants but by that time it is hoped that public and neighborhood sentiment will be aligned against them to the point where there will be no serious chance of jeopardizing the overall project effort.
The Board provides an important function that protects property owners from arbitrary acts on the part of inspection personnel and it is anticipated that it will play a vital role in the eventual success of the Menlo Project.
CHAPTER IV

PROGRAM ACCOMPLISHMENTS

This section considers what has actually been accomplished from a physical standpoint since the program was funded in December 1966, through June 1968. Some specific cases will be considered to demonstrate benefits that have accrued to neighborhood residents.

Properties Conformed

Figure 2 reflects the progress that has been made in the first eighteen months of the program through June 1968 in bringing structures and units in the Menlo area into compliance with the Minimum Housing Code. The chart shows that there are 323 structures in the project area which contain a total of 355 dwelling units. Of this number, 346 units, or 97.5% have now been inspected and 9 units, representing 2.5% of the total units, remain to be inspected. Five of the uninspected units, representing less than 2%, represent owner refusals to admit an inspector, while the remaining 4 units have not been inspected due to inability of the housing advisor to find a responsible party at home. It will be recalled that this is a three year program so that at the end of 18 months, representing the mid-point in time for project completion, the vast majority of units have been inspected. Forty and four-tenths percent or
### Table: Cumulative Structures and Units

<table>
<thead>
<tr>
<th></th>
<th>This Month</th>
<th>Cumulative Structures</th>
<th>Cumulative Units</th>
<th>% Units</th>
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<tbody>
<tr>
<td>Total Dwellings</td>
<td>5</td>
<td>323</td>
<td>355</td>
<td>97.5%</td>
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<td>Dwellings Inspected</td>
<td>17</td>
<td>314</td>
<td>346</td>
<td>97.5%</td>
</tr>
<tr>
<td>Owner Refused Inspection</td>
<td>0</td>
<td>5</td>
<td>5</td>
<td>1.45%</td>
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<tr>
<td>Inspected - No Violations</td>
<td>9</td>
<td>131</td>
<td>139</td>
<td>40.4%</td>
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<tr>
<td>Inspected - Violations Cited</td>
<td>8</td>
<td>183</td>
<td>207</td>
<td>59.6%</td>
</tr>
<tr>
<td>Violations Corrected</td>
<td>8</td>
<td>80</td>
<td>86</td>
<td>41.5%</td>
</tr>
<tr>
<td>Violations Not Corrected</td>
<td>8</td>
<td>103</td>
<td>121</td>
<td>58.5%</td>
</tr>
<tr>
<td>Dwellings To Be Inspected</td>
<td>9</td>
<td>9</td>
<td>9</td>
<td>2.5%</td>
</tr>
<tr>
<td>Removed From Workload</td>
<td>17</td>
<td>211</td>
<td>225</td>
<td>63.5%</td>
</tr>
<tr>
<td>Remaining Workload</td>
<td></td>
<td>112</td>
<td>130</td>
<td>36.5%</td>
</tr>
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</table>

### Table: Federal Financial Assistance

<table>
<thead>
<tr>
<th>Assistance</th>
<th>No. Approved</th>
<th>Amount Approved</th>
<th>Number Awarded</th>
<th>Amount Awarded</th>
<th>% of No. Used</th>
<th>% of Amount Used</th>
<th>Number in Processing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans</td>
<td>100</td>
<td>$250,000</td>
<td>11</td>
<td>$31,350</td>
<td>11</td>
<td>12</td>
<td>27</td>
</tr>
<tr>
<td>Grants</td>
<td>30</td>
<td>45,000</td>
<td>18</td>
<td>23,689</td>
<td>60</td>
<td>52</td>
<td>6</td>
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Fig. 2. Progress Report, Menlo Park #1 Neighborhood Conservation Project (Ariz. E-1), June 25, 1968
139 of the inspected units were removed from the work load as a result of the initial inspections since they contained no housing code violations. Two hundred and seven units, representing 59.6% of the units inspected, contained housing code violations.

It is interesting to note that 20% violation is sufficient to qualify an area for a federally assisted code enforcement program. This area has approximately three times the required minimum for program qualification. Yet, Menlo Park does not present the generally dilapidated appearance that characterizes some of Tucson's older areas. This points out rather dramatically the number of substandard, or potentially substandard dwelling units that can be expected to be found in declining areas. It is probably safe to say that housing code violation will be found in close to 100% of the units in seriously blighted neighborhoods in the community. Of the 207 units found in violation of the code, 86 or 41.5% have been brought into compliance through efforts of project staff members. Twenty-nine of these units, representing just over 30%, have been repaired through federal financial assistance. The remaining 57 have been repaired by the owners without financial assistance.

Several reasons for the rather low rate of federal funding can be identified. Many violations are relatively minor in nature and owners tend to go ahead and make the necessary repairs early in the program from current income or savings. As previously noted, the loan process is quite complex and several months were required to develop workable
procedures. Therefore, loans simply could not be made during the first months of the program. The grant procedure is somewhat less complex since arrangements do not have to be made for repayment of these funds. Therefore, as might be expected, nearly twice as many grants have been made to date as loans.

However, there is growing evidence that the loans will be utilized much more during the second half of the program. This is evidenced by the fact that there are now 27 loan applications in process (nearly three times the number made so far in the program) as opposed to only six grants in process.

A large number of the remaining units in the work load will require moderate to extensive work to bring them up to code standards. It is only human nature to put off the inevitable as long as possible and owners who must borrow money to make repairs naturally lag behind those who are able to make repairs, often minor in nature, with their own resources. In addition, most property owners eligible for grants due to low incomes have already been identified. It was estimated that approximately 30 grants would be made in the project and to date 24 grants have actually been made or are in process. With all of these factors taken into consideration, it is logical to expect that a high percentage of the owners of units not yet brought into compliance with the code will utilize the federal loan provision of the program. The trend is clearly in that direction.
Status of Public Improvements

The Menlo Park Project, in addition to improvement of the dwelling units, also includes the installation of all necessary public improvements needed in the area. Streets in the neighborhood are a mixture of standard, substandard and unimproved. Part of the area has sidewalks while part does not and the entire area is without street lights. Therefore, the improvement program, as shown in Figure 3, included the completion of the street and sidewalk systems and the addition of street lights. In addition, there is an allowance for tree planting which will be undertaken late in the project. The federal government will pay two thirds of the cost of these improvements with the remainder, with the exception of tree planting, to be assessed to the benefiting property owners.

Because the owners are to bear a portion of the cost of these improvements, it was necessary to follow standard improvement district procedures as provided in the Arizona Statutes. Petitions had to be drawn up and signatures obtained representing at least 51% of the front footage of property to be improved.

It was decided to delay passing petitions until about six months after the project started so that owners would have an opportunity to better assess their financial positions. The assumption was that most inspections would be completed by that time and property owners would have a good idea as to the cost of repairs required to bring their homes up
<table>
<thead>
<tr>
<th>Street</th>
<th>Trees</th>
<th>Paving</th>
<th>Curbs</th>
<th>Sidewalks</th>
<th>Lights</th>
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</thead>
<tbody>
<tr>
<td>Franklin</td>
<td>$23,424</td>
<td>$5,908</td>
<td>$7,060</td>
<td>$2,550</td>
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<tr>
<td>Fresno</td>
<td>22,912</td>
<td>5,264</td>
<td>6,200</td>
<td>2,125</td>
<td></td>
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<tr>
<td>Alameda</td>
<td>-</td>
<td>2,637</td>
<td>2,500</td>
<td>2,125</td>
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<tr>
<td>Pennington</td>
<td>4,800</td>
<td>1,432</td>
<td>1,648</td>
<td>1,275</td>
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<tr>
<td>Congress</td>
<td>36,410</td>
<td>5,676</td>
<td>4,300</td>
<td>14,400</td>
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<tr>
<td>Cedar</td>
<td>9,900</td>
<td>1,300</td>
<td>-</td>
<td>1,700</td>
<td></td>
</tr>
<tr>
<td>Cuesta</td>
<td>11,280</td>
<td>1,316</td>
<td>1,880</td>
<td>2,125</td>
<td></td>
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<tr>
<td>Westmoreland</td>
<td>-</td>
<td>1,200</td>
<td>5,610</td>
<td>2,975</td>
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<tr>
<td>Melrose</td>
<td>2,280</td>
<td>832</td>
<td>4,428</td>
<td>3,825</td>
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<td>Palommas</td>
<td>2,280</td>
<td>732</td>
<td>900</td>
<td>3,825</td>
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<tr>
<td>Grande</td>
<td>5,901</td>
<td>5,475</td>
<td>8,420</td>
<td>15,600</td>
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<tr>
<td>Spruce</td>
<td>-</td>
<td>2,198</td>
<td>3,000</td>
<td>850</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td>$9,150*</td>
<td>$119,186</td>
<td>$33,870</td>
<td>$45,946</td>
<td>$53,375</td>
</tr>
</tbody>
</table>

Fig. 3. Public Improvements - Menlo Park No. 1

*City tree planting averages a $30.00 inclusive cost per tree. Total represents one tree per lot on all CCE area lots.

Public Improvements Cost ............. $261,527.00
Engineering and Supervision (10%) ....... 26,152.70
Contingencies (5%) ....................... 13,076.35
TOTAL PUBLIC IMPROVEMENTS COST ...... $300,756.05
to standard. As it turned out, the training and recruiting of personnel and development of procedures occupied the early months of the project with practically no inspections being made. However, petitions were prepared and successfully passed in the summer of 1967 when the project was about six months old even though the inspection phase was in a very early stage.

The Drainage Problem

Menlo Park is a relatively flat area and, as was standard practice many years ago, was developed with little regard for surface drainage of storm waters. As a result, summer rains cause some serious flooding problems in the neighborhood as well as much inconvenience to the residents. The Concentrated Code Enforcement Program does not include funds for making below the surface improvements such as storm sewers. The early engineering maps submitted to the federal government reflecting existing and planned improvements in the Menlo area showed a storm drainage system that would effectively drain the area to the Santa Cruz River. However, the city engineer actually had no clear-cut idea of how the system might be financed.

Drainage problems, such as the one in the Menlo Park area, have represented a dilemma in Tucson for a long period of time. Such improvements are costly and have never lent themselves to usual assessment district practice, such as is used for street, sanitary sewer and lighting
improvements. Drainage problems normally occur in the older, less affluent sections of the city and the residents, often already paying assessments for street or sewer improvements, simply cannot afford to pay an assessment for a costly storm drainage improvement. Where grades will permit, streets have been designed in many sections of the city to carry off storm waters. This is not a particularly satisfactory solution to the problem from the standpoint of public convenience but is less costly than a separate system. However, in Menlo even this alternative was not available since over half the permanent streets were already in place and the area is so flat that a combination street and storm drainage system was impractical.

On the other hand, previous Mayor and Councils had hesitated to commit public funds to these drainage problems because of the argument that they would be using these funds to benefit a relatively small number of people. The feeling was that public funds had to be used to benefit the community as a whole, or at least a significant part of it.

With this background, only sketchy mention was made in the original Menlo Code Application as to how the drainage problem was to be handled. The indication was that an application would be filed early in the project for Federal Assistance under another Housing and Urban Development Program, Water and Sewer Facilities, which would be supplemented with local funds although the origin of these funds was not clearly established.
Probably because the Concentrated Code Enforcement Program was so new, the federal government did not make an issue of the matter at the time and the Menlo Project was subsequently funded in December, 1966. However, the contract furnished by the federal government forced the issue almost immediately since it included a clause to the effect that funds would be made available for the various public improvement items, such as street, sidewalks and lighting, with the express understanding that the drainage situation would be adequately handled through local funding.

The storm system proposed by the city engineer included three major underground tubes to the Santa Cruz River, one along the alignment of the southerly boundary street, Spruce, another along the northerly boundary street, Fresno, and the third roughly in the middle of the project along Congress Street. The system, as proposed, was certainly adequate from an engineering standpoint but the estimated cost was in excess of $300,000.

In June, 1965, the voters of the city of Tucson had passed a bond issue which included, among other things, an authorization to issue 2.5 million in bonds for major drainage work throughout the city. As in the past, these funds were to be used for major drainage structures and bridges in connection with the city's street improvement program and for work along major water courses and arroyos. However, there was nothing
legally to prevent use of these funds to alleviate problems, such as the one in Menlo Park, other than past policy of not committing public funds to the so-called neighborhood situation.

The Tucson City Council was apprised of the Menlo matter and how the entire project now hinged on a solution to the storm drainage problem. The Council was heavily committed to the pilot code program and decided to authorize submission of an application for federal assistance with the local share of the project to come from bond funds. However, still cautious, they requested that the city engineer develop a minimal plan rather than the full solution originally proposed.

As a result, the engineer developed a plan which called for construction of only the central tube along Congress Street. As much as possible, storm waters would be diverted to Congress Street over the new streets that had to be constructed as part of the public improvements in the Menlo Project. In addition, further relief was to be gained for the southern portion of the Menlo neighborhood by the construction, by city forces, of a series of check dams on park lands in the mountains to the west. Additional relief was to be gained for the northern section of the neighborhood by diverting water to an abandoned brick pit. Cost of the work, excluding that to be done with city forces, was estimated at $100,000, and subsequently in March, 1967 an application was filed with the Department of Housing and Urban Development for a $50,000 grant under the Water and Sewer Facilities Program.
After a long series of reviews and meetings with federal officials, the alternate plan was rejected in the fall of 1967 on the grounds that it did not represent an adequate solution. The city engineer then developed another plan which called for construction of the Congress tube as well as the tube along Fresno at the northern project boundary and the check dams in the adjacent mountains to control flooding in the southernmost section of the neighborhood. Construction cost of the revised plan was estimated at $244,000 and was presented to the Mayor and Council in November, 1967. The governing body, with surprisingly little hesitation, authorized a second application for $122,000 in federal funds while pledging a like amount from bond funds. This application was processed and funded in March of 1968, only five months after being filed. However, by this time the federal government was also heavily committed to the project with structural rehabilitation well under way and this undoubtedly had a bearing on the rapid approval. None of the street and sidewalk work planned for the project could be started until the storm sewer question was resolved.

The commitment of significant bond funds to this project and subsequent approval of the storm sewer application has to be one of the major accomplishments of the project to date. The Council's decision to commit $122,000 in bond funds was undoubtedly influenced by lack of any serious criticism after $50,000 was committed for the first application. Local sentiment is obviously changing as more and more people realize
that public commitment is necessary to solve many of our community problems, even if they are somewhat localized in nature. There is an increasing awareness that the existence of blighted and deteriorated areas does have an effect on the community's image and well-being beyond the boundaries of the areas themselves.

Other Improvements

Approval of the Menlo sewer paved the way for scheduling all other public improvements that are to be part of this project. The storm sewer is now in the final design stage with construction to start in the fall of 1968. The plans and specifications for street lights have already been approved by the Housing and Urban Development Program and construction will be carried out in conjunction with the sewer improvement later this summer. The paving and sidewalk plans are nearing completion and, following Housing and Urban Development Program approval, construction is scheduled for late 1968.

Therefore, all necessary work has been accomplished for implementing the public improvement portion of the program. Financing has now been finalized for these improvements with all construction scheduled to get underway during calendar year 1968. As previously noted, an important precedent has also been established in the commitment of local funds to assist in carrying out major neighborhood improvement programs such as Menlo Park.
The Loan and Grant Program

The development of workable loan and grant procedures has been a major accomplishment to date. Just how project residents benefit from these important provisions of the program, identified as Section 115 grants and Section 312 loans, can best be illustrated by actual case examples. One redevelopment official recently commented that the 312 and 115 loan and grant programs for rehabilitation are the most useful things that have been done by the Congress in the 12 years that he has been in this work. Experience with these financing aids in the Menlo Project tends to support this statement.

Section 115 Grant Case

Mrs. Dora H. resides in a small, two-bedroom masonry structure in the Menlo Park area. The unit was inspected in August, 1967 by a Housing Advisor who noted that while it was basically sound, numerous deficiencies did exist. His report showed that the interior walls and ceilings had cracked quite severely, a common occurrence in many of the Menlo homes due to existing soil conditions. The existing cooler had only a single outlet in a hall with no duct work to give air distribution to the rooms. The exterior of the house had numerous masonry cracks and the concrete porch had severe cracks that required repair. Existing rafter

ends projected past the edge of the roof and had begun to rot. An electrical circuit to the rear porch was substandard. The entire exterior of the house needed painting for weather protection.

The Housing Advisor, in his conversation with Mrs. H., learned she was of limited means and referred the case to the project finance officer. His investigation revealed that she was 86 years of age, owned her small home, and was the widow of a Spanish-American War veteran. Her only source of income, other than contributions from a son, was a $70 a month veteran's pension. Other assets were represented by very small savings and personal effects. She was clearly eligible for a grant of up to $1500 with which to make repairs on her home.

The project estimator then took over and prepared a work write up that would correct all code violations at an estimated cost of $1485. Work included patching all cracks inside and out, cutting back the exposed rafters, repairing the roof, installing duct work for the cooler, correcting the electrical deficiency and completely painting the home inside and out.

The finance officer put the job out to bid in November of 1967 and made an award in the amount of $1450 based on the lowest of three bids submitted. The work was accomplished during the following month.

The home now presents an extremely neat appearance and is much more comfortable and safe for the aged occupant. All steps in the
rehabilitation process were carried out by project personnel with little if any inconvenience to Mrs. H.

Section 312 Loan Case

Mr. and Mrs. H., a middle-aged couple, occupy a two-bedroom, masonry home in the Menlo Park area. An inspection of the home revealed serious deterioration of practically all inside walls and ceilings. Other housing code violations included improper venting of the kitchen stove, absorbent material around the kitchen sink and around the tub in the bathroom. In addition, there was a substantial amount of other work needed to put the home in first-class condition, including roofing repair, an improved heating and cooling system, a new hot water tank and a considerable amount of painting.

The H.'s were aware of the objectives of the Menlo Project and were in favor of the program. However, their problem was simply one of finances. Mr. H. was employed full time at a modest salary of just over $500 monthly. The last of their children had recently married and moved out of the home. However, many of the debts associated with raising a family still remained. There were two mortgages and an alley assessment against the property totaling $3055 with monthly payments of $127, plus $5 insurance. Mr. H. is a tax-exempt veteran and his total monthly payment on the property was $132. In addition there were several instalment debts outstanding with total monthly payments of $71.50. Further
payments for rehabilitation work would have seriously strained an already tight budget.

The housing finance officer met with the owners and suggested refinancing with a 312 government loan available through the Menlo Project. The H.'s showed considerable interest in this approach and the project estimator then made a write up of all work items needed to completely rehabilitate the home. His estimate for this work was approximately $3900. With the owners' agreement, bids for the work were requested from several local contractors. The low bid was $3626, well within the estimate.

A loan application was then made for the H.'s by the loan officer for $6,950. This covered the two outstanding mortgages, the property assessment and cost of the rehabilitation work, plus miscellaneous charges for such items as an appraisal, credit report and other closing fees.

The loan was subsequently granted and all work carried out to the satisfaction of the homeowners and project inspectors. Payments on their 3%, 20-year loan total $42 monthly, including insurance, compared to the $132 they were previously paying each month. The home is now in excellent condition and a credit to the neighborhood. In addition, the owners now have their personal debt situation in a much more manageable state.
Summary

Although initial progress on the Menlo Project was somewhat slow, the tempo of activities has gradually increased and there have been considerable accomplishments during the first 18 months of the program. A competent staff has been recruited and trained and workable procedures developed. All preliminary work has been done in preparation to making the public improvements in the project area and construction will start within a few months. Over half of the units in the Menlo Project have been removed from the workload. Loans and grants are being made at an increasing rate and are proving to be of great assistance to homeowners in making improvements to their properties.¹³

At the present rate of activity, it is anticipated that all project work items can be completed within the 3-year time limit.

¹³ A more quantitative demonstration of increased loan and grant activity on a month-to-month basis would be desirable but would require a complete reconstruction of records since reports prepared during the early months of the program were inadequate for this purpose. The reporting system, shown in Fig. 2, was developed in March, 1968 and reflects cumulative totals of loans and grants awarded, dollar amounts involved and the number of loans and grants in process. However, it can be established that the first loan and grant applications were received in August of 1967 and that the first two grants were awarded that same month. Approval of the first loan application was received in October, 1967.
CHAPTER V

PROGRAM EVALUATION

In this section, the strong points as well as the limitations of the program, based on the first 18 months of activities, are identified and discussed. The program is also evaluated on the basis of what has been learned so far that can be applied during the duration of this project, and to future projects. Finally, the financial aspects of the program are considered and an attempt made to draw meaningful conclusions.

Program Objectives Related to Accomplishments

The principal objective of the assisted code enforcement program is to arrest blight before a neighborhood becomes a hard-core slum. Goals for this type of program were alluded to in the Tucson Community Goals Report as follows:

Fair and effective code enforcement is necessary for the prevention of blight and blighting influences. Federal assistance including low interest loans for home improvement and rehabilitation grants is available in areas designated by the Mayor and Council for concentrated code enforcement. These projects should be encouraged for areas which are deteriorating but have not deteriorated to the degree of blight where the urban renewal process is necessary. A concentrated code enforcement project should be developed as a pilot study in
order to get the necessary experience needed to halt the spread of deterioration and blighting influences. 14 Another local goal was to encourage new construction in areas selected for concentrated code enforcement. So far three new homes have been constructed within project boundaries. The construction of one of these homes is particularly interesting since it was started months before the inception of this project but had not proceeded beyond the foundation stage. The owner, who lived in an older home in the neighborhood, was contacted and explained that he had become discouraged with the obvious deterioration of the neighborhood and had decided not to proceed with construction. Instead, he intended to purchase a home in another section of the city. After the objectives of the program were explained to him, he decided to remain in the neighborhood. Within a few weeks, construction was resumed and he and his family now occupy the completed unit.

Increasing interest of builders and developers in this area strongly indicates that a significant amount of new construction can be anticipated during the second half of the program. This trend will undoubtedly be further encouraged by the installation of the public improvement, including street lights, sidewalks, streets and storm sewers, all of which will be completed during the last half of the program.

The results to date have been extremely encouraging and have delighted staff members directly associated with the program. The program has strong as well as weak points that will be described in more detail later in this section. However, there is little doubt that from an overall standpoint blight has been arrested in this neighborhood and steady, as well as increasingly visible progress is being made to return the neighborhood to a sound basis for an indefinite period of time.

Stronc Points of Program

One of the most important features of this program is that it has been relatively easy to establish and administer compared to an Urban Renewal Program. Evaluation and planning of a project area can be accomplished in a few weeks and an application prepared in a similar period of time. Urban Renewal Projects, on the other hand, require months, sometimes even years for planning, and several months for preparation of the application.

The code enforcement program, once it is understood, is popular with the majority of neighborhood residents. They can see tangible benefits accruing to their neighborhood and to themselves as residents and property owners. Many of the Menlo residents have lived in this neighborhood all or a large part of their lives. They were aware that the neighborhood was gradually going down hill and welcomed a program that promised to not only stabilize but actually improve the area.
Staff assigned to the program have been amazed at how the "paint up, fix up" spirit can spread through a neighborhood. Many properties during the early stages of the program were fixed up by the owners, who were financially able, without benefit of project loans or grants. They simply wanted to set an example for their neighbors as they realized the overall objectives of the program - bringing all properties up to a reasonable standard and installing all needed public facilities - would benefit everyone who lived in the neighborhood. Many of these properties were structurally sound and needed only paint and minor repairs to bring them up to a high standard. However, the example they set has made it much easier to persuade owners of more seriously deteriorated properties to make the necessary repairs, often with the aid of low interest rate loans arranged by the project finance officer.

The concentrated code enforcement program, since it is carried out in basically sound neighborhoods, results in little relocation or disruption to family life. So far six families have had to move out of their homes for short periods of time while extensive repairs were made. However, the moving costs were paid from project funds. Also, another half dozen families living in rental units that the owners feel are not worth repairing will be relocated to standard housing elsewhere in the city and the units demolished. However, there are only a few such cases in the Menlo Project as compared to the total disruption that accompanies many urban renewal projects.
The loan and grant provisions, previously discussed in some detail, are outstanding features of the program and are well accepted by property owners. Likewise, the availability of funds for paying two thirds of the cost of needed public improvements is an important and well accepted feature of the program. These financial benefits make it possible for homeowners to improve their properties without undue hardship. Without these benefits, this would be very difficult if not impossible in many cases.

**Limitations of Program**

While the concentrated code enforcement program has many advantageous features, the program also has certain limitations.

The program can be applied only to basically sound neighborhoods that have started to deteriorate rather than badly deteriorated or hard core slum areas. If application of the housing code on a systematic basis will result in a high demolition rate, the program is not feasible since there is no provision for purchasing these properties. The answer here will be a Title I program, either total clearance and redevelopment or rehabilitation and limited clearance.

The inability to purchase any property under this program has presented some serious problems even in the Menlo Project. It is almost impossible to find an area where no demolition will be necessary. Since property cannot be acquired under this program, a hardship is
worked on owners of the properties that must be demolished. The pro-
gram needs a limited acquisition provision which could possibly be as
low as 5% and still be sufficient for most projects. Available infor-
mation indicates that such a provision is a definite possibility in future
housing legislation.

Another limiting factor in the program is the ineligibility of below
the surface public improvements, such as storm drainage systems. As
noted earlier, the existence of a drainage problem in the Menlo area made
it necessary to seek federal assistance under another program. This has
resulted in a considerable delay in making the other needed improvements
in the neighborhood such as streets and street lights.

Still another limiting factor of the program is that the grant pro-
vision with a $1500 maximum is not sufficient in all cases, particularly
as construction costs continue to rise. An increase in the maximum
grant permissible to $2500 is being considered by Congress in the Housing
and Urban Development Act of 1968.15 If this change should be included
in the new legislation, this portion of the program would be greatly
strengthened.

Initially, it was almost impossible to arrange a loan under the
program to add space to a basic unit or replace a deteriorated detached
storage building. The addition of one or more rooms is extremely

15. Urban Affairs Reports, Commerce Clearing House, Inc.,
important in many cases where large families are living in small homes of obviously inadequate floor space. However, more flexibility has been extended by regional administrators of the program and these problems are gradually disappearing. The only requirement is that overcrowding be related to some type of occupancy standard.

The dilapidated storage shed is a problem within itself in many older neighborhoods and Menlo Park follows this pattern. These are invariably constructed of scrap materials such as corrugated metal and old lumber, and almost always look very bad. During the early stages of the program, these dilapidated structures could not be rebuilt or replaced and often resulted in a sharp contrast with the main structure after it had been rehabilitated. However, program regulations have gradually been modified to the point where many of these auxiliary buildings can now be rebuilt or replaced, which is contributing to an overall improvement in the appearance of the project area.

**What Has Been Learned from the Menlo Program**

It will be recalled that the Tucson Goals Report recommended that a concentrated code enforcement project should be developed as a pilot project in order to get the necessary experience needed to halt the spread of deterioration and blighting influences. The Menlo project was

selected as a direct result of this recommendation and is fulfilling the objective of providing the necessary experience on which to base future projects. A federal program guide, as the name suggests, provides only general direction. As the staff assigned to the project learned during the early stages of the project, the only way to really understand the program is to actively engage in its execution. The Menlo project has provided invaluable information that will make it possible to undertake future projects with more confidence and carry them out more expeditiously than the original pilot program.

Importance of Neighborhood Organization

The lack of a neighborhood organization proved to be a serious hardship during the early stages of the Menlo project. Although the Menlo neighborhood is within the boundaries of the Manzo Area Council, the council is not particularly strong in the neighborhood and was generally ineffective as a means of communicating with residents. This is probably due to the fact that the majority of neighborhood residents are in the low to moderate income ranges rather than in the poverty income levels. To overcome the lack of a representative organization, it was necessary for the staff to distribute numerous informational letters and schedule meetings with small groups of residents, often in private homes, when any response could be generated to this informational material. It was absolutely necessary to organize the residents to a degree, even on a
loosely knit basis, as petitions had to be passed for necessary public improvements. Gradually enough interest was created in the program through small meetings, word of mouth and informational letters to provide the degree of cohesiveness that permitted the project to proceed. It was felt that unless a majority of the residents understood and supported the program, chances of success would be limited. Although the project proceeded slowly in the early stages, due partially to this communication problem, future developments strongly indicated that the time was well spent since support of a majority of the residents is proving to be the main reason for project success to date.

In the future, every effort must be made to insure a neighborhood organization well in advance of actually starting a code enforcement project. A special procedure is being developed for this purpose by staff members of the Urban Program, Division and will be based upon successful neighborhood organizations that operate in other sections of the city.

Need for Continuous Training

In Chapter III the training of staff was discussed and it was noted that the necessary training process, along with development of procedures, was time-consuming and contributed to slow progress during the early part of the program. As the program progressed, the need for a continuous training program became evident. It was not enough to train men
in the mechanics of carrying out the program but also essential to imbue in them the objectives and true purpose of the program. To be effective the housing advisors had to sincerely believe in the program and be aware of the contribution they were making to the community. Without this attitude, they could not be expected to encourage residents to do the little extras, over and above code requirements, that would lead to a truly revitalized and sound neighborhood. Housing codes are at best difficult to administer and men in the field, frequently facing unresponsive residents, the inevitable call-back, and sometimes inclement weather, tend to become discouraged and the program lags.

During the first year of the program, general staff meetings of administrative personnel, finance staff and field staff were held only at irregular intervals and usually as a result of some serious operating problem. Progress on project execution was slow and it was evident that there was a lack of mutual understanding of the problems of those assigned to the program. The problem was compounded by the fact that those responsible for overall direction of the program had many other responsibilities and only devoted a portion of their time to this project.

At the start of the second year of the program, it was decided to schedule a weekly meeting of all personnel working on the project including administrative, financial and field inspection. Everyone was encouraged to participate and bring up any aspects of the program that were causing difficulties. After a few sessions, the proper atmosphere
developed and a free exchange took place among all participants. As a result, many problems were brought to light, placed in the proper perspective and meaningful solutions worked out. Many helpful suggestions were developed at these sessions and a team approach gradually emerged that previously had been unattainable.

The improved procedures, work habits and attitudes that have emerged from these regular sessions have resulted in a sharp upward turn in production and a much smoother running operation. The training and coordinating effort must be continuous if these projects are to be carried out in an efficient manner.

Other Staff Considerations

Another important lesson learned in executing the Menlo project is the tendency to underestimate staff requirements during the planning stage. Originally it was felt that two inspectors under the direction of their supervisor, backed up by the finance officer and his assistant along with some part-time assistance from the administrative staff could successfully carry out the program. Lacking experience, it was difficult to foresee the many complexities that are involved in a rehabilitation type program. Gaining the confidence of neighborhood residents, persuading them to spend money for repairs, assisting them in every phase of the program from initial inspection to financing proved to be a tedious and time-consuming task. It was necessary to train specialists for some
phases of the program, such as estimating and work write ups, and provide ample administrative and financial back up. The housing inspection supervisor, who originally expected to devote not more than 25% of his time to the project, actually spends over half of his time on this program. Four inspectors are in the field instead of two, and one devotes full time to estimating while another devotes about half of his time to this function.

Overall direction of the program is the responsibility of the Urban Program Division, as previously noted. The division head and his assistant are each expected to devote about 10% of their time to the project. Instead, the division head devotes about a quarter of his time to the project and the assistant over 50% of his time. An accountant has been assigned to the program on a part time basis to complete the administrative back up.

The Menlo project has demonstrated an acute need for an overall project coordinator. Such a position was difficult to justify for the relatively small Menlo pilot project. However, with the expected funding of a second project in the near future such a position should be established to better coordinate the diverse and complex activities of the concentrated code enforcement program. An important objective during the second 18 months of this program will be to more precisely identify manpower requirements for a typical project in terms of man years required for carrying out the program. This was not possible during the first 18
months of the Menlo 1 project in light of a first experience with accompanying training and procedural development requirements.

Application of Experience to Other Programs

In Chapter I it was noted that the difference between a Concentrated Code Enforcement Program and a Rehabilitation Program under Title I Urban Renewal was only a matter of degree. The objectives are the same but more things can be done under Title I, such as purchase and demolition of some properties, resale of cleared properties and some realignment of streets and changes in original uses. In addition, the rehabilitation standard adopted for the project may be somewhat above the minimum housing code used for code enforcement projects.

However, the basic inspection procedures and financial aids in the form of Section 115 grants and Section 312 loans are the most important elements of both programs. The experience gained in the Menlo project will be invaluable when the city undertakes the more complex Title I Rehabilitation projects expected within the next two to three years. An experienced project coordinator for the code program will be able to move into a Title I Rehabilitation project with a minimum of delay and utilize essentially the same personnel. He will be dealing with more deteriorated conditions than found in the code enforcement projects but the approach will be essentially the same and his trained personnel will be able to handle these projects with relative ease.
Financial Aspects of the Menlo Project

The Menlo project to date has been successful from the standpoint of the major objective, that is, to arrest blight and restore stability to a basically sound neighborhood and prevent it from becoming a hard core slum. In the past, it has been common practice to measure the success of redevelopment programs largely on social values rather than economic. However, rehabilitation projects of any type require an allocation of local resources and the cost factor therefore cannot be ignored.

Quite recently there has been a noticeable effort to evaluate various redevelopment projects on a cost-benefit basis. Where reuse has been largely commercial, some rather spectacular projects have been developed showing the tax base increasing many times. The neighborhood project, where so many intangibles are involved, has presented problems in applying a cost-benefit approach.

Review of the Literature – Cost Benefit

Early efforts to justify government projects on a cost-benefit basis have been in the area of public works. Jesse Burkhead concluded that it was not possible to compare directly the benefits derived from expenditures for different types of programs. For example, a decision as to whether to spend funds for a high school or for a sewage plant cannot be made by direct measurement.17

However, within a homogeneous program category, it is both possible and necessary to undertake cost-benefit studies as a basis for the choices that must be made in allocating scarce resources. Highway departments have developed ratios measuring the cost of specified highway improvements in relation to volume and the manner in which traffic will be affected. Time saved, reduced cost of operating vehicles and lower accident rates all enter into this type of analysis and can be measured with some degree of precision.  

On the other hand, the use of cost-benefit ratios has been fraught with unresolved difficulties where intangible benefits are a major factor. 

Nathaniel Lichfield has done some writing in this area and deals primarily with decisions based on cost-benefit analysis in the planning stage. His writings are not particularly directed at a class of projects but rather overall analysis of city planning from the standpoint of cost-benefit. However, the ideas are significant in that he is willing to become involved more in the intangible aspects of project planning. He identifies the problem facing cities in this area as follows:

City planning proposals are made for the purpose of increasing the community's welfare in the evolution of cities. Ideally, the particular proposals made would be those likely to yield

18. Ibid., p. 251.

19. Ibid., p. 252.
the largest attainable combination of net benefits, as compared with the costs of attaining them. Yet, to date the profession has not developed a method for identifying and comparing benefits and costs. As a consequence, it cannot be demonstrated which of alternative plans or projects will bring the highest level of welfare returns in relation to the sacrifices that attach to each.20

Lichfield proposes what he refers to as a welfare test as an aid in making planning decisions. An attempt should be made to bring out the implications in benefits (services) that would accrue to the community and the cost (resources) at which they would be bought for a given project. This type of analysis seeks to test proposals for their likely effect on community welfare.21

Lichfield admits that there is no accepted method of analysis for his welfare test. He suggests that proposals be looked at in the light of what might happen if the proposal is not initiated and carried out. He further suggests that analysis of a proposal be looked at by a municipality in terms of the costs it alone incurs and the benefits it receives by way of taxes.22 This would be an important consideration in conservation and rehabilitation type projects, such as the Menlo project, since a large portion of the costs for such projects are borne by the federal government and the residents themselves.


21. Ibid., p. 274.

22. Ibid., p. 275.
In summing up, Lichfield emphasizes the "with and without" approach as being most important in attempting a cost-benefit analysis of each project. In this way a straight cost-benefit approach is tempered somewhat, as he recognizes, but the severe problems that arise in attempting to evaluate intangible benefits are avoided.23

However, an arithmetical approach as a first step is advisable even where intangibles will be an important part of the overall picture. He feels that these intangibles can be considered in their proper perspective only when some attempt has been made to analyze strict cost-benefit factors.24

Another writer who has done work in the field of cost-benefit analysis in connection with redevelopment projects is James C. T. Mao. Mao writes on the premise that cost-benefit analysis can be a useful tool in evaluating urban renewal decisions despite the presence of many intangible factors. He notes that at the time he made his study, no writer had produced in a single framework an evaluation broad enough to encompass all the different effects of renewal.25

23. Ibid., p. 278.

24. Ibid., p. 279.

Mao starts out by building a theoretical framework for measuring costs and benefits of an urban renewal project to society. Factors considered include resource allocation, impact on other areas, social benefits and fiscal position of the community. This theoretical framework is enormously complex and relies heavily on mathematical formulas to aid in the decision process. He then attempts to show how the process can be applied to a specific project in a California city. 26

His study is of limited value in relation to a conservation project, such as Menlo Park, as he deals entirely with clearance type renewal. The emphasis is on planned reuse and the effect of this reuse on fiscal position with consideration being given to social values. Very large sums of money are involved in his study as would normally be expected with clearance type renewal. Because of obvious limited applications to a conservation type project, no attempt is made to analyze his approach in this study. However, like other writers, he concedes that as a starting point the planner should start by comparing the comparable things and measuring the measurable things and then concentrating on those which seem non-comparable and non-measurable, the intangibles. 27

26. Ibid., pp. 95-96.

27. Ibid., p. 100.
Financial Analysis of the Menlo Project

With this background, the financial aspects of the Menlo project will be examined in some detail. While measuring many elements of a redevelopment project of any type presents certain obvious difficulties, there is general agreement that slum conditions are undesirable and warrant expenditure of public funds for corrective measures. The Housing and Home Finance Agency (now part of the Department of Housing and Urban Development) described the cost of slums and blight in these words:

The human cost of slums and blight is enormous. Disease, crime, and juvenile delinquency are much more frequent in rundown areas than elsewhere. The economic cost is huge, too. As blight spreads, it creates greater and greater needs for municipal services, while at the same time blighted areas return less and less tax revenue to the city. Businesses suffer from slums and blight too. Inefficient sites, lack of room for expansion, traffic congestion, poor housing and community facilities for employees, and inadequate transportation—all of these create higher operating costs for business, force many of them to abandon their locations for modern and efficient sites.28

The actual cost of the Menlo project can be closely ascertained since a budget has been established and must be adhered to. Table 1 reflects a highly simplified summary of the Menlo Project Budget.

### TABLE 1

**SUMMARY OF THE MENLO PARK PROJECT BUDGET**

<table>
<thead>
<tr>
<th></th>
<th>Administration and Related Services</th>
<th>Public Improvements</th>
<th>Total Project Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>City</td>
<td>Federal</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$38,237</td>
<td>76,475</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$114,712</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>City</td>
<td>Federal</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$100,252</td>
<td>200,504</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td>300,756</td>
</tr>
<tr>
<td><strong>Total Project Cost</strong></td>
<td></td>
<td></td>
<td><strong>$415,468</strong></td>
</tr>
</tbody>
</table>

Source: City of Tucson, approved Menlo Park Budget, December 29, 1966.

If Lichfield's suggestion is to be followed, only the actual cost of a project to the municipality should be considered. In the case of the Menlo project this amounts to a rather modest sum. The cost of the storm sewer work is completely discounted since this work would have had to be done sooner or later at community expense, or as in this case joint federal and city expense, since it is now established city policy to make this type of improvement out of general revenues. The Menlo project hastened the decision to make this expenditure, undoubtedly by several years, but nevertheless the assumption is that it eventually would have
been done as a general community cost project. Assisted code enforcement is on a one third local, two thirds federal basis. Therefore the administrative portion of the budget reflects this breakdown with the local share represented by staff salaries. Improvements are apportioned in the same manner. However, in this case the local share is to be assessed to benefiting property owners. Therefore, there is no direct cost to the city. The loans and grants that are associated with the program do not enter into the local budget picture since funds are obtained directly from the federal government for this purpose. The net result is that the direct cost of the program to the city is $38,237.

Based on social and economic values that are now generally conceded to accrue to a city by eliminating blighting factors and returning an area to a sound basis, it would seem a relatively simple matter to show how this modest expenditure could be easily justified on a strict cost basis. Actually, this is not the case.

Undoubtedly costs of serving the area will decrease as a result of the successful completion of the Menlo project. The question is how much will they decrease and this figure is not easily ascertained. Cities have not, for the most part, developed an accounting system that reveals how much it costs to serve a given area. It is obvious that providing certain services to some areas is more costly than for others due to population density, remoteness, characteristics of the population, and so on.
From a practical standpoint, nearly all city departments use averages to compute per capita costs. The Fire Department, for example, reports it costs $10 per person to provide fire protection to each individual in Tucson. The police reported $14.20 per capita for police protection, in 196. These figures are the result of simple mathematical calculations whereby total budgets are divided by the number of people living in the city. Improved municipal cost accounting, taking advantage of the rapidly developing computer science, will some day change this situation, but data currently available is limited to simple averages.

What If Nothing Is Done

Lichfield suggests that this is an important test to apply to any redevelopment type project. Carrying this approach somewhat to the extreme, a comparison could be made with the Pueblo Center Urban Renewal Project, where conditions were permitted to deteriorate to the point that rehabilitation was out of the question and total clearance and redevelopment was the only alternative. Granted that the comparison is not completely valid, since the urban renewal area is mixed commercial and residential while the Menlo area is almost entirely residential. Table 2 shows the anticipated cost to the community of preparing this 80-acre site for reuse.

---

TABLE 2
FINANCING PLAN FOR PUEBLO CENTER PROJECT

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land Acquisition</td>
<td>$ 7,960,000</td>
</tr>
<tr>
<td>All Other Costs - Including Clearance, Site Improvements and Administration</td>
<td>7,265,000</td>
</tr>
<tr>
<td>Gross Project Cost</td>
<td>$15,225,000</td>
</tr>
<tr>
<td>Land Sale Proceeds</td>
<td>4,620,000</td>
</tr>
<tr>
<td>Net Project Cost</td>
<td>$10,605,000</td>
</tr>
<tr>
<td>Federal Share (2/3 of Net Project Cost)</td>
<td>7,070,000</td>
</tr>
<tr>
<td>Local Share (1/3 of Net Project Cost)</td>
<td>$ 3,535,000</td>
</tr>
</tbody>
</table>

Source: City of Tucson Urban Renewal Division, 1966.

The foregoing illustration is submitted to dramatize the substantial difference in cost to a community for a project designed to conserve what already exists compared to a project where total clearance and redevelopment is involved. If the Menlo area had been permitted to deteriorate to this level, the cost of redevelopment could well be of similar magnitude.

Revenues vs. Cost of Services

The blighted neighborhood returns less in taxes than the cost of services to the area. The greater the degree of blight, the wider the gap normally will be between revenues and cost of services. 30

However, certain qualifications must be made in analyzing an area on this basis. When considering residential areas, studies now being conducted in the city Department of Community Development in connection with the annexation program tend to indicate residential areas do not return in revenues the full cost of servicing regardless of relative physical conditions. Some may come reasonably close to returning the cost of direct services but when the cost of general government is also considered, few if any will be self-sustaining. This, of course, points to the importance of commercial and industrial property in the overall revenue structure of a community. It is difficult to ascertain the actual costs of providing services to a given area since, as noted earlier in the chapter, only average figures are available for cost analysis. However, it is generally known that the cost of rendering a particular service to an area may deviate widely from the average for a variety of reasons.

Another factor that clouds the issue in making cost of services revenue comparisons in Tucson is the fact that the city does not place heavy reliance on the property tax as a source of revenue. Since only 14.4% of the city's revenues are derived from this source, the condition of an area and the resulting assessed valuation have only minor effect on city revenues. However, assessed valuation of an area is highly important to other taxing agencies who derive the bulk of income from the property tax, such as school districts.
With these qualifications, the matter of cost versus revenues is considered. Table 3 is based on an estimated population of 1,200 people.

Again, it is emphasized that this analysis is based on average revenues and average costs of services since more exact figures are not available. Since this is a low to moderate income neighborhood, it can reasonably be assumed that revenues might be somewhat below the average amounts shown in Table 3. Likewise, there is no precise way of determining if the average costs for services closely approximate the actual cost of these services. For purposes of illustration, it is assumed that they do.

When the Menlo project is completed, it is estimated by project administrators that average assessed valuation will increase by approximately 10%. This will result from improvements to individual properties and the effect of the physical improvements on property values. In addition, it is estimated that over the next five years, approximately 75 new units of housing will be constructed in the Menlo area, largely as a result of the upgrading effect of the code enforcement project. This will result in a moderate increase in revenues derived from the area.

The cost of services to the area will also be affected by the completion of the project. An adjustment would first have to be made for the modest increase in population caused by the anticipated new construction. On the other hand, the per capita costs for some services can
<table>
<thead>
<tr>
<th>Expenditures</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Police Protection at $14.20 per capita</td>
<td>$17,000</td>
</tr>
<tr>
<td>Fire Protection at $10.00 per capita</td>
<td>12,000</td>
</tr>
<tr>
<td>Refuse Collection and Disposal at $1.25 per unit per month (350 units)</td>
<td>5,250</td>
</tr>
<tr>
<td>Other Public Works Services (estimate)</td>
<td>10,000</td>
</tr>
<tr>
<td>Library at $3.35 per capita</td>
<td>4,000</td>
</tr>
<tr>
<td>Parks and Recreation - $10.00</td>
<td>12,000</td>
</tr>
<tr>
<td>Direct Cost of Services</td>
<td>60,250</td>
</tr>
<tr>
<td>Cost of General Government at $15.00 per capita</td>
<td>18,000</td>
</tr>
<tr>
<td><strong>TOTAL COST OF SERVICES</strong></td>
<td><strong>$78,250</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Income</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Assessed Valuation 450,000 X City Tax Rate of 1.75 per 100</td>
<td>$7,875</td>
</tr>
<tr>
<td>City Sales Tax at $18.00 per capita</td>
<td>21,600</td>
</tr>
<tr>
<td>Shared State Taxes at $15.00 per capita</td>
<td>18,000</td>
</tr>
<tr>
<td>Miscellaneous - Parking Meters, Fines, Forfeitures, etc., at $2.00 per capita</td>
<td>2,400</td>
</tr>
<tr>
<td><strong>TOTAL REVENUES</strong></td>
<td><strong>48,875</strong></td>
</tr>
<tr>
<td><strong>NET DEFICIT</strong></td>
<td><strong>$29,375</strong></td>
</tr>
</tbody>
</table>

be expected to drop below city averages as a result of improvements made to the neighborhood through the Menlo project.

Street lights have a recognized deterring effect on crime. Statistics vary widely from city to city but a local survey conducted by the Tucson Police Department revealed that conservatively the occurrences of burglary, larceny and auto theft offenses are 50% less in neighborhoods that have lights compared to those that do not. Traffic accidents occurring during nighttime hours are reduced at least one third. Cost of providing police protection could very well be reduced 25% below the city-wide average.31

Fire protection will be reduced somewhat since application of the housing code to all units in the neighborhood will reduce many fire hazards. Since figures are almost totally lacking in this area, the estimated cost of reduced services below the average is placed at a conservative 10%.32

Refuse collection, due to a slightly denser development and improved streets, can be expected to cost a little less, possibly around five cents per stop.


32. Interview, John Peterson, Fire Chief, City of Tucson Fire Department (June 26, 1968).
Other public works services can be expected to remain at about the same figure. Some additional costs will be incurred to maintain the street lights. However, this should be offset by somewhat reduced costs for street and drainage maintenance resulting from project improvements. Library services can be expected to remain at about the same per capita cost level. The modest increase in population should have no appreciable effect on operating park facilities in the general vicinity of the Menlo neighborhood. There is no indication that the per capita costs of general government will change as a result of the project. 33

The cost-revenue outlook for Menlo Park upon project completion is based on an estimated population of 1450 as shown in Table 4.

While determining the costs of municipal services is obviously not precise under present methods of accounting, it is felt that reasonable assumptions can nonetheless be made and a definite improvement can be expected to result from completion of the Menlo project. As shown in Table 4, it is estimated that revenues derived from the area will be sufficient to meet the direct cost of services. A deficit will remain from adding the cost of general government but the future deficit is estimated to be $9,000 below that registered before project completion. Over a 5-year period, this reduction would amount to $45,000 which even when discounted to current value would be more than sufficient to offset the

33. Staff conclusions.
### Table 4

**COST OF SERVICES VS. REVENUES, MENLO PARK, AFTER PROJECT COMPLETION**

<table>
<thead>
<tr>
<th>Expenditures</th>
<th>Direct Cost of Services</th>
<th>Cost of General Government</th>
</tr>
</thead>
<tbody>
<tr>
<td>Police Protection at adjusted per capita estimate of $10.65</td>
<td>$15,440</td>
<td></td>
</tr>
<tr>
<td>Fire Protection at adjusted per capita estimate of $9.00</td>
<td></td>
<td>13,000</td>
</tr>
<tr>
<td>Refuse Collection and Disposal at $1.20 per unit per month (425 units)</td>
<td></td>
<td>6,480</td>
</tr>
<tr>
<td>Other Public Works Services (estimate)</td>
<td></td>
<td>10,000</td>
</tr>
<tr>
<td>Library at $3.35 per capita</td>
<td></td>
<td>4,850</td>
</tr>
<tr>
<td>Parks and Recreation (estimate)</td>
<td></td>
<td>12,000</td>
</tr>
<tr>
<td><strong>TOTAL COST OF SERVICES</strong></td>
<td><strong>61,760</strong></td>
<td><strong>21,750</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Income</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Assessed Valuation 665,000 X City Tax Rate of 1.75</td>
<td></td>
<td>11,500</td>
</tr>
<tr>
<td>City Sales Tax at $18 per capita</td>
<td></td>
<td>26,100</td>
</tr>
<tr>
<td>Shared State Taxes at $15 per capita</td>
<td></td>
<td>21,750</td>
</tr>
<tr>
<td>Miscellaneous Income at $2 per capita</td>
<td></td>
<td>2,900</td>
</tr>
<tr>
<td><strong>TOTAL REVENUES</strong></td>
<td><strong>62,250</strong></td>
<td><strong>$21,260</strong></td>
</tr>
<tr>
<td><strong>NET DEFICIT</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

local dollar cost of the project of $38,237. Thus, the Menlo project has a favorable cost-revenue ratio even without the many intangible benefits required in a more comprehensive cost-benefit study.
CHAPTER VI

SUMMARY

To date, the Menlo project has been very successful as a pilot project for the federally assisted Concentrated Code Enforcement Program. There is every evidence that the project will meet the major objective of reversing blighting trends and preventing the neighborhood from deteriorating to the point where more drastic and costly measures would be necessary for rehabilitation. It has provided the training and experience necessary to undertake similar projects in other parts of the city.

Many intangibles are associated with a program of this type. Even the more tangible factors are difficult to measure precisely due to a general inadequacy in municipal cost accounting and revenue apportionment devices. Nevertheless, with reasonable assumptions, city expenditures for a code enforcement project can be justified on a cost-revenue basis.

The renewed interest in building new homes in a formerly static area is a more tangible benefit that promises to further stabilize the neighborhood as well as increase tax value.
Finally, the satisfaction of the staff assigned to the project is worthy of mention. They have seen their efforts rewarded by being a part of a process that is visibly changing a declining neighborhood to a sound, viable part of the community. There is always a pride and satisfaction in being part of a successful effort that produces tangible results.

The first 18 months of the Menlo project have established the Concentrated Code Enforcement Program as an important tool for the reversal of blighting trends in many neighborhoods in the City of Tucson.
APPENDIX A

TYPICAL INFORMATIONAL LETTERS

On the following pages are examples of typical letters used in Menlo Park to help keep residents informed of the various activities being carried out in connection with the code enforcement project.
Dear Menlo Park Area Property Owner:

We are pleased to announce the success of the City in obtaining a $267,645.00 grant, under the Housing and Urban Development Act of 1965, to assist in carrying out a neighborhood conservation program. The Mayor and City Council have designated as the program area, a part of the Menlo Park Neighborhood. Boundaries of this area, as shown on the attached map, are Spruce Street on the south, Fresno on the north, Grande Avenue on the east, and Silverbell Avenue on the west.

In the very near future, the City proposes to install in this area, the balance of paved streets, sidewalks, street lights, and landscaped rights-of-way. The cost to owners not now served with these improvements will be substantially less than the normal amount of an assessment district. The value of your property and the appearance of your neighborhood will be materially improved by the effect of this program.

The only requirement that needs to be met to take advantage of the savings and benefits of the program, is that structures be brought up to the existing Uniform Housing Code adopted by the City of Tucson for the purpose of keeping property and safety standards at a high and uniform level. Included in this program are provisions allowing property owners to obtain financial assistance to improve their property, bringing it up to code standards.

During the early stages of the program, a site office will be opened for your convenience within the Menlo Park area. In the meantime, if you have any questions about this program, please contact this office at 721-4505, and we will be glad to assist you.

Very truly yours,

[Signature]

Urban Program Administrator

[Enclosure]
Enclosure: Department of Community Development, Letter of February 1, 1967.
Dear Resident:

A field office for the Menlo Park Neighborhood Conservation Program has been opened at 64 North Melrose Avenue (Phone: 791-4534) for your convenience. At first, the office will be open Monday through Friday from 1:00 P.M. until 5:00 P.M. These hours may be expanded as the program progresses.

Within the next few weeks, you will be contacted by one of your neighbors asking you to sign petitions for any one or a combination of the following public improvements, depending upon where you live: (1) completing sidewalks, (2) installing street lights, and (3) paving streets where required. When you are asked to sign petitions for street lighting you may also choose between two different styles of fixtures.

We will not know the exact assessment cost for any of these improvements until completion of each improvement contract, since the total as-built cost is the basis for your assessment. However, an estimate of your probable cost, based on recent improvement districts, will be shown to you on the petitions that you will be asked to sign. Please note that in this Menlo Park Program, you will pay only one-third of these total as-built costs. The remaining two-thirds will be paid for you by the program grant.

After each public improvement is completed, the contractor is allowed a thirty day cash collection period during which you may pay all or part of your assessment to the contractor or his agent. If you choose not to pay all of your assessment during this time, the remaining unpaid balance may be paid over a ten year period to the Treasurer of the City of Tucson. By selecting the ten year method of payment, you will pay only one-tenth of the unpaid assessment each year plus a small simple interest charge which is currently 3 3/4% of the remaining balance.

This program and the installation of these improvements are only possible with your active interest and support. If you have any further questions concerning these improvements that cannot be answered by the person contacting you, we ask that you please contact Mr. Richard Martens, Assessment Supervisor for the City of Tucson, at telephone number 791-4124.

Sincerely,

William M. Mills
Urban Program Administrator
Dear Menlo Park Resident:

This letter is to inform you that as a part of the City's continuing effort to give its citizens the best possible service, we are planning two special alley clean-up and trash pick-up days for the Menlo Park Neighborhood Conservation Program area. These days are to be Wednesdays, January 17th and 31st. On or before either or both of these days, we urge you to place all of the trash or any other material that you wish to have removed in the alley back of your home. If you have a great deal of trash, please place it so as not to block the alley.

This is your opportunity to clean out that storage room as well as to dispose of the useless and unsightly items that may have accumulated in the yard. Remember that one of the goals of the Menlo Park Neighborhood Conservation Program is to create an attractive and well maintained neighborhood that will add greatly to everyone’s enjoyment of the area.

We invite your whole hearted participation in this effort. If you are unable to move your heavier and bulkier items of trash into the alley or because of an unusually large volume of refuse you would like to have a City trash trailer placed nearby, you may call Mr. Holt Shields of the City's Housing Inspection Division at 791-535 for assistance.

The entire clean-up program will be carried out in close cooperation with the Manzo Area Council. If as a result of a call to Mr. Shields, a person is found to be in need of assistance, Mr. David Herrera, local Area Worker, will provide the needed aid through the facilities of the Manzo Area Council.

Let's all work together and make this clean-up effort a complete success.

DEPARTMENT OF COMMUNITY DEVELOPMENT
69 North Meyer Avenue
791-4505

William M. Mills
Urban Program Administrator

MANZO AREA COUNCIL
1201 West Speedway Boulevard
624-9552

David Herrera
Area Worker
This is a courtesy letter to inform you that Housing Advisors from the City Inspection Division will be inspecting each home in the Menlo Park Neighborhood Conservation area in the near future. These inspections will be performed under the authority of the Tucson Housing Code and are designed to prevent neighborhood deterioration by seeking out and eliminating safety, fire and health hazards.

Every Housing Advisor carries a badge and photo identification card which he will show to you. Please check the identity of any person who may contact you concerning this program.

When the Housing Advisor visits your home, he would prefer that you accompany him during the inspection. An inspection report will be mailed to you soon after his visit. Federal financial assistance will be available to you for needed repairs as shown in the inspection report.

The success of the Menlo Park Neighborhood Conservation Program depends upon your cooperation. If, for any reason, you are not at home when the Housing Advisor calls, he will leave a courtesy notice requesting that you call the City Inspection Division to arrange for an inspection date and time convenient for you.

Sincerely,

Richard C. Higginbotham
Chief Inspector
Dear Homeowner:

As a result of the recent inspection by a City Housing Advisor, you have received the enclosed notice of repair, rehabilitation or maintenance work necessary to bring your home up to minimum Tucson Housing Code standards. Should you decide to perform this work with your own financial resources, you may obtain your building permit and proceed with the work. HOWEVER, SHOULD YOU CHOOSE TO APPLY FOR FEDERAL FINANCIAL ASSISTANCE THERE ARE CERTAIN STEPS THAT MUST BE TAKEN TO INSURE THAT THE WORK WILL BE PERFORMED AS SOON AS POSSIBLE TO YOUR SATISFACTION AND OURS. Below is a general outline of these steps for your guidance.

(STEP ONE) Call the City Inspections Division at 791-5353 for an appointment with a Housing Advisor to discuss how you would like this work to be done and the type of materials and equipment you would prefer to use. The Housing Advisor will then prepare the job specifications that must be used to perform the necessary work on your home. It is best not to approach a contractor about your work until the job specifications are completed. This will enable any contractor to have an understanding of the required work to be done. It will aid him in making an intelligent bid on your job.

(STEP TWO) As soon as the job specifications are completed, the Housing Finance Advisor will make an appointment to help you apply for the appropriate Federal financial assistance. Also at this time, you should indicate whether the job is to be done by a contractor or yourself. If you have a contractor that you wish to use, the job specifications will be sent to him as well as several others for competitive bids. If you have no preference, we will assist you in obtaining a qualified contractor for your job. Only Arizona State licensed and bonded contractors can be approved to perform work paid for with Federal funds.

(STEP THREE) As soon as your application for financial assistance is approved, you will be notified and we will award the contract to the successful bidder.

You will have other contacts with the Housing Finance Advisor to arrange for the closing of your loan and the repayment of the amount borrowed. If your financial assistance is in the form of a grant, no repayment will be necessary.

We hope that this information will aid your understanding of what must be done to apply for Federal financial assistance.

Sincerely,

Mac H. Hermann
Housing Finance Advisor

MRH:let
Ho. 2 September 11, 1967

Hi, neighbor! This is Will Fixup again with the second edition of this newsletter. Our first edition was well received for which we thank you. We will try to keep giving you useful and interesting information in these letters.

As before, if you have any comments or informational items that would be of interest to others in the program area, you are invited to submit them to me at my office at 64 North Melrose or call me at 791-4534 or 791-4505.

THINGS ARE HAPPENING!

A start has been made in home improvements. Some projects are being financed with local funds, while several homeowners have applied for the 3% Federal loans and for the grant. These homeowners are to be congratulated for moving ahead and helping to improve the neighborhood. We expect to process many more grant and loan applications in the near future.

DO YOU BELIEVE IN RUMORS?

I DO NOT! Last month I was told two untrue rumors by people living in the project area. Let me invite you to call my office at the above telephone numbers to obtain correct information on any rumor that you may hear. You may save yourself a great deal of needless worry.

As a case in point, one rumor stated that if you should qualify for a grant of up to $1500 to rehabilitate your home, you will have to repay the money that you receive and a lien will be placed against your property. THIS IS UNTRUE. IF YOU RECEIVE A GRANT, YOU WILL NOT HAVE TO REPAY THE MONEY AND A LIEN WILL NOT BE PLACED AGAINST YOUR PROPERTY.

Another rumor stated that if you wish to apply for a 3% loan you will be required to accept a certain amount or apply for more money than you need to do the work in your home. THIS IS ALSO UNTRUE. THE TRUTH IS THAT YOU CAN ONLY APPLY FOR ENOUGH LOAN MONEY TO PAY FOR THE NEEDED REHABILITATION WORK ON YOUR HOME.

I do hope that you will call me anytime you hear something that does not sound reasonable or fair so that I can give you the correct information.
As I told you in the first newsletter, the City of Tucson is going to install four new fire hydrants in the area. As a result of this action, the Arizona Fire Rating Bureau was contacted for information concerning fire insurance rates. I was told that Menlo Park is already located in a Zone 1 area which offers you the lowest rates available anywhere in Tucson. How about that?

COULD A DOCTOR FIND YOUR HOME?

If you called a doctor or the Fire Department rescue truck or any emergency service, could they locate your home? Many homes in Menlo Park cannot be identified from the street because the house numbers cannot be seen. Section 25-68 of the Tucson Code states: "numbers . . . shall be conspicuously placed immediately above, on or at the side of the proper door . . . so that the numbers can be seen plainly from the street . . . Whenever any building is situated more than fifty feet from the street line or when the proper door is not visible from the street, the number . . . shall be conspicuously displayed at the street line near the walk, driveway or common entrance to such building . . . the numbers used on an entrance to a building shall be not less than three inches in height and shall be made of a durable and clearly visible material." For your own sake and as a courtesy to your friends and neighbors, the address of your home should be clearly displayed.

HAVE YOU LOOKED AT YOUR MAILBOX LATELY?

As long as we are on the subject of properly displayed addresses, let's talk about the appearance of mailboxes in the Menlo Park area. Is your mailbox attractive? Straight on its post? Is the post upright? If you have your name and address on your box, can they be read easily? Many homeowners in the area could not answer yes to all of these questions? Can you??

HANDYMAN TIPS

USING ROLLERS - A freshly loaded paint roller will have less tendency to cause drips or runs if the first stroke on the wall is made in an upward direction. On ceilings, make the first stroke by working away from you. Avoid spinning rapidly if you don't want to get splattered, and pick up more paint as soon as the roller cover shows signs of running dry.

DRIP CATCHER - To prevent open paint cans from dripping or running onto the floor and furniture, stand the can in an inexpensive paper plate. The plate will catch all drips and can be thrown away when the job is finished.

I hope you have found this letter interesting and informative concerning the "happenings" in your neighborhood. I will continue to try and keep you informed on developments in the future but for now,

So long,

Will Fixup
APPENDIX B

LOAN AND GRANT PROCEDURES

The procedures and check lists developed to assist in the processing of Sec. 312 loans and Sec. 115 grants for the Menlo project are included in the following section.
SECTION 312 REHABILITATION LOAN PROCESSING CHECK LIST

<table>
<thead>
<tr>
<th>Step</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Obtain: (a) Signatures on Loan-Grant Authorization, CE-19 and Staff Ownership</td>
</tr>
<tr>
<td>2.</td>
<td>Complete Staff Ownership Verification CE-18 (steps 12 &amp; 13 if applicable)</td>
</tr>
<tr>
<td>3.</td>
<td>Employment Status Report, CE-21 (orig. &amp; 2 copies) (a)</td>
</tr>
<tr>
<td></td>
<td>(b)</td>
</tr>
<tr>
<td>4.</td>
<td>Deposit Verification (HUD 6234) (a)</td>
</tr>
<tr>
<td></td>
<td>(b)</td>
</tr>
<tr>
<td>5.</td>
<td>Obtain Credit Report (orig. &amp; 2 copies)</td>
</tr>
<tr>
<td>8.</td>
<td>Make prelim. elig. tests on CE-6(VI &amp; VII) &amp; CE-20. Ref. Yes No LEC Yes No</td>
</tr>
<tr>
<td></td>
<td>Take field trip with UPA &amp; Assist. before proceeding.</td>
</tr>
<tr>
<td></td>
<td>(a) Under $3500, HUD 6232 by staff (b) $3500 and over, FHA-2800 with work</td>
</tr>
<tr>
<td></td>
<td>write-up and estimate. Put third copy in office appraisal file. Complete</td>
</tr>
<tr>
<td></td>
<td>step 14.</td>
</tr>
<tr>
<td>10.</td>
<td>Assign application number to loan: No.</td>
</tr>
<tr>
<td></td>
<td>Enter into Application No. Record Book (FHA ONLY)</td>
</tr>
<tr>
<td>11.</td>
<td>Order Title Report (orig. &amp; 2 copies) if loan $3500 or more Req. Rec.</td>
</tr>
<tr>
<td></td>
<td>Make 3 copies of invoices</td>
</tr>
<tr>
<td>12.</td>
<td>If no refinancing, obtain 3 copies of Sales Contract (if applicable)</td>
</tr>
<tr>
<td></td>
<td>If refinancing, obtain one file copy.</td>
</tr>
<tr>
<td>13.</td>
<td>If contract is NOT being refinanced, obtain opinion of Counsel (orig. &amp; 2</td>
</tr>
<tr>
<td></td>
<td>copies) Rec.</td>
</tr>
<tr>
<td>14.</td>
<td>Using rough estimate (step 7) &amp; appraisal (step 9) make 2nd elig. check on</td>
</tr>
<tr>
<td></td>
<td>CE-6 (I to V) of step 8. MEMO TO SHA FOR WORK WRITE-UP &amp; EST. Sent</td>
</tr>
</tbody>
</table>

Circle each step, number or letter when completed and initial.
SECTION 312 REHABILITATION LOAN PROCESSING CHECK LIST

15. Estimate (3 copies) and work write-up (7 copies) Received____________________
    1 copy of work write-up for step 20(CE-LP) or 9A as applicable

16. Notify assistant to UPA that case is ready for bid call____________________

17. Order bid call: Sent____________________ for____________________
    Must send Notice of Bid Call to owner and tenant

18. Bids to Inspections for certification and applicant for acceptance_______

19. Accepted Bid Rec'v____________________ Name of Successful Bidder____________________

20. Notify successful bidder with appropriate CE-31 L or CE-31 LP____________________ Sent

21. Insurance certificates received and inserted - Private________ Industrial________
    in Construction Contracts.

22. Make 4 copies of Successful Bid (orig. & 3 for contract, 1 for submission)
    Assemble four contracts without Notice to Proceed.____________________

23. Unsuccessful Bidder Letters, CE-14 (1 copy to SHA) sent____________________

24. Compute Possibility of Refinancing, CE-6 (VI & VII) Yes____ No________

25. If step 24 is YES, Req. Mtge. Payoff Demand (orig. & 2 copies)____________________

26. Compute Possibility of Loan-Grant Combination, CE-20 Yes____ No________
    Make copy for submission file

27. If Step 26 is YES, Set up Grant File and Inform Applicant____________________

28. If impounds are to be collected, estimate deposit needed and notify applicant for
    possible inclusion in HUD-6230, Box D-7 No____ Yes____ If YES, complete steps 1B & 2B

29. Complete Loan Qualification, CE-6________________________________________
    Make copy for submission file

30. Prepare Loan Application HUD-6230 for signatures (orig. & 6 copies)________

31. Obtain borrower's signature on HUD 6230 (orig. & 5 copies. Sig. in Box 0 must match
    name in Box A) and four construction contracts____________________

32. Prepare Loan Application Submission Package per Check List, CE-3A.
LOAN APPLICATION SUBMISSION CHECKLIST

Name ___________________________ Application No. ___________________________  

*1A. Prepare Legal Size Folder with Cherry Colored Label Giving:

   Borrower's Full Name
   Subject Property Address
   Loan Application Number

2A. Left Side of Folder - Top to Bottom

   a. HUD-6230, Application for Rehabilitation Loan (original & 5 copies)
   b. HUD-6232 or FHA-2800, As-Is Property Appraisal (original & 1 copy)
   c. HUD-6233, Request for Verification of Employment or Income (original)
   d. HUD-6234, Request for Verification of Deposit (original)
   e. Title Report or Staff Ownership Verification, CE-18 (original & 1 copy)
   f. Land Sales Contract (if applicable) (2 copies)
   g. Opinion of Counsel on Land Sales Contract (if applicable) (original & 1 copy)
   h. Compliance Letter, Work Description, Cost Estimate (original & 1 copy)
   i. Contractor's Low Bid for Rehabilitation Work and Certification (1 copy)
   j. Written Credit Report (original & 1 copy)
   k. Mortgage Status Statement, CE-21 (if applicable) (original & 1 copy)
   l. Mortgage Pay-off Demand (if applicable) (original & 1 copy)
   m. Statement and Schedule of Progress Payments (if any) (original & 1 copy)

*3A. Right Side of Folder

   a. Agency Cover Letter to ARLS (include statement covering any deletions of above)
   b. Other Related Correspondence. Include copy of CE-6 and CE-20.

*4A. Loan Application Submitted to ARLS (1st class & Registered)__________________________

5A. Memorandum copy of loan approval received (to step 18 or 4B as applicable)__________

6A. LOAN APPROVAL RECEIVED (includes 3 copies each of HUD Forms-6230 and 6235 and HUD's transmittal letter)__________________________

*7A. Make two copies of transmittal letter (from step 6A.) Send one copy to Fed. Prog. Acc. and other copy to Step 8A.__________________________

8A. Deliver one copy each of approved HUD Forms 6230 & 6235 of step 6A and transmittal letter of step 7A to borrower during step 16B.__________________________

*9A. Send Notice of Loan Approval, CE-30, to Contractor.__________________________

10A. Obtain contractor's signature on Construction Contracts (step 22)__________________________

11A. Prepare for loan settlement per Check List CE-3B.
LOAN SETTLEMENT PREPARATION CHECK LIST (LPA 349)

Name ____________________________ Application #: ______ Date: ______

1B. Impound Account Preparation (for any secured Section 312 Loan) Obtain following:
   1. Original and Certified copy of Hazard Insurance Policy
   2. Original and Certified copy of Insurance Premium Payment Receipt
   3. Most Recent Tax Bill and Payment Receipt (original and file copy)
   4. Most Recent Assessment Bill (if any) and Payment Receipt (orig. & file copy)

#2B. Prepare Accrued Escrow Expense, CE-28 (orig. & 2 copies)
   Original to Borrower - copies to: FNMA, step 10C-11, & files

#2B. If applicant indicated in step 28 that Accrued Impounds are to be included in the
   Loan, prepare CE-16 for check to be made out to Loan Servicer ________:

4B. Arrange "Date Certain" with Borrower. Allow HUD Minimum of 10 Working Days to
   deliver check. Do not use first five working days of the month:______

#5B. Prepare Seven Copies of HUD-6236 - Distribute as follows:
   (a) Orig. and 5 copies to Reg. Office. Sent AIR MAIL on ________
   (b) One copy in Borrower's file ________

#6B. Prepare Payment Analysis, CE-27 (orig. & 3 copies)
   Orig. to Borrower at Loan Settlement. Signed copies to: FNMA, step 10C-11, ARLS,
   step 13C-7 & file.

#7B. Prepare Promissory Note (original for Reg. & copy for applicant /If applicable, second
   copy for mortgage/)

8B. Prepare Reality Mortgage (orig. for Reg. & 1 copy each for FNMA and applicant)
   1st / / 2nd / / 3rd / / Equitable / / Prepare Request for Notice (orig. only) if applicable.

9B. Obtain Updated Pay-off Demand to Date Certain (triplicate) for all Liens to be paid
   off. Request all release instruments be completed and available for surrender on Date
   Certain. Req. __________________________ Rec. __________________________

#10B. Prepare Payment Request, CE-16 for Pay-off Checks on Liens in 9B ________:

#11B. If pay off checks are needed for step 15B-6 & 8, present to Fed. Prg., Acc. unsigned
   loan check, DA-23 to encumber full amount of loan, and Payment Requests (step 3B & 10B
   with attached Pay-off Demand (step 9B). Pay off checks Reg. Rec. ________:

#12B. Prepare 4 Notices to Proceed. Insert one in Orig. Contract for steps 15B7 __________:

13B. Order Written Updated Title Report 2 days before "Date Certain" on all secured loans to
   also verbal information. Check against title of step 11.
   Ordered __________________________ Received __________________________

14B. LOAN CHECK and five copies of HUD-6236 ________ Received ________

LOAN SETTLEMENT CHECK LIST

15B. At Loan settlement, borrower will sign following documents in this order:
   1) Five copies of HUD-6236 (step 14B) 5) Loan Check (step 14B)
   2) Payment Analysis, CE-27(step 6B) 6) Indebtedness Pay-off checks (step 11B)
   3) Promissory Note - Orig.(step 7B) 7) Notice to Proceed (4 copies)
   4) Mortgage - Orig.(step 8B) 8) Accrued Escrow Expense Check (from owner or
      step 11B)

16B. At loan settlement, leave with borrower: CE-27(step 15B-2) copy of Note & Mtge. and
   documents of step 8A plus Orig. Construction Contract & Notice to Proceed.

17B. Distribute construction contracts when they are completed:
   (1) orig. to borrower (2) contractor (3) ARLS (step 13C-8) (4) file

18B. Send copy of Notice to Proceed to Senior Housing Advisor. Sent ________

19B. Proceed to loan settlement check list CE-3C.
POST LOAN SETTLEMENT CHECK LIST

Name __________________________ Application NO. ________________________

1C. Deposit Endorsed HUD Loan Check with City Treasurer to Acc’t 697-204-9101
Make copy of receipt for file, send orig. to Fed. Prog. Acc. (step 3C)

2C. Prepare DA-23 for "Borrower and others" to Deposit all Loan and Other Nonies into

3C. Deliver Orig. Receipt (step 1C) & DA-23 (step 2C) to Fed. Prog. Acc.
Have FHA enter loan into Payment Record and Application No. Record book.

4C. Deliver Pay-Off Checks (step 15B6) and Request Mtge. Releases

5C. All Mtge. Releases Received

6C. Obtain Opinion of LPA Counsel Covering Legality of All Loan Instruments
(steps 15B3 & 5C) Request

7C. Record Loan Instruments and Request for Notice Left

8C. Make 3 Copies of Recorded Mortgage Releases
   (1) Orig. to Step 9C (2) Copy to ARLS in step 13C6 (3) Copy to file

9C. Deliver Original Recorded Mortgage Releases to Borrower

10C. GNMA Transmittal of Applicable Documents. Sent Registered Mail

   1. Transmittal Letter - Orig. & 2 Letterhead Copies also 1 copy to step 12C0 & 13C3
   2. HUD Form 6230 - One Approved Copy (step 5A)
   3. HUD Form 6235 - One Executed Copy (step 5A)
   4. HUD Form 6236 - One Executed Copy (step 5B1)
   5. Copy of Mortgage from Step 10B
   6. Insurance Policy - Orig. (from step 1B-1)
   7. Insurance Premium Receipt - Orig. (from step 1B-2)
   8. Most Recent Tax Bill and Payment Receipt (from step 1B-3)
   9. Most Recent Assessment Bill (if any) and Payment Receipt (step 1B-4)
   10. Signed Payment Analysis CE-27 (step 15B2)
   11. Accrued Escrow Expense Computation CE-28 (step 28)
   12. Borrower’s Accrued Escrow Expense Check, (Step 15B-8)
   13. If No Mortgage, send copy of Title Report to Furnish Legal Description of
       Property to Servicing Agent (note on cover letter)

11C. Memo to Fed. Prog. Accountant Notifying Loan Transfer to GNMA

12C. Regional Office Transmittal of Applicable Documents. Sent Registered Mail

   2. Letterhead Copy of Transmittal Letter to ARLS (step 15C1)
   3. HUD Form 6235 - Two copies signed & witnessed (step 5B1)
   4. Promissory Note - signed original (step 15B3)
   5. Mortgage - orig. signed & recorded (step 15B4 & 7C) If unsecured, so state
   6. Photo copy of Recorded Mtge. Releases (step 5C & 7C) if Refinancing. If no
       refinancing, so state.
   7. Insurance Policy - certified copy (step 1B-1)
   8. Orig. Counsel Opinion on Legality of Loan Instruments (step 6C)
   9. Letterhead Copy of GNMA Transmittal Letter (step 10C1)

13C. ARLS Transmittal of Applicable Documents. Sent 1st Class

   1. Transmittal Letter (orig.) Letterhead Copy to Reg. (step 12C2)
   2. Copy of Transmittal Letter to Reg. Office (step 12C1)
   3. Copy of Transmittal Letter to GNMA (step 10C1)
   4. HUD Form 6236 - One executed copy (step 5B1)
   5. Signed Title Report for secured loans (step 12B)
   6. Copy of Executed Release of Mortgage (step 5C & 8C)
   7. Payment Analysis CE-27 (step 15B2)
   8. Unbound Construction Contract (step 18B3)
   9. Notice to Proceed CE-13, 2 copies

14C. If applicable, Proceed to Progress Payment & Change Order Check List, CE-3D

15C. If No Progress Payments or Change Orders, Proceed to Contract Closeout Check
List, CE-3E.
**PROGRESS PAYMENT CHECK LIST**

<table>
<thead>
<tr>
<th>Name_______________________</th>
<th>Application No.</th>
</tr>
</thead>
</table>

**1D. Progress Payment Record - Construction Contract in Excess of $3500**

<table>
<thead>
<tr>
<th>Request Number</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Invoice Received (quadruplicate)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Orig. to Acc., copies to ARLS, borrower &amp; file</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b. Amount of Invoice (check against contract)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c. Inspection Report Rec’d (five copies)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Orig. to Borrower, copies to Acc, ARLS, Cont’r, &amp; file</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>d. Payment Request Made (CE-16)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>e. Warrant Rec’d - Stub Completed</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>f. Borrower’s sign. obtained</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>g. Contractor notified</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>h. Warrant picked up - stub signed</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>i. Two copies of stub made</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Orig. in file, copies to ARLS &amp; borrower</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>j. Amount of Payment</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>k. Accrued Payments</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>l. ARLS Transmittal (see 2D)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**2D. After Each Progress Payment Transmit Following to ARLS**

<table>
<thead>
<tr>
<th>a. Transmittal Letter</th>
<th>c. Copy of Inspection Report</th>
</tr>
</thead>
<tbody>
<tr>
<td>b. Copy of Invoice</td>
<td>d. Copy of Signed Warrant Receipt</td>
</tr>
</tbody>
</table>

**CE-22, CHANGE ORDER CHECK LIST**

<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
</tr>
</thead>
</table>

**3D. Estimator will complete Description and Estimate of Additional Work Needed**

**4D. Obtain bid for additional work from Contractor**

**5D. Enter Description of Work and contractor’s bid on CE-22 and complete Sections IV and V**

**6D. Have Change Order accepted by owner**

**7D. Orig. and 3 copies of CE-22 rec. by H. F. A.**

**8D. CE-22 Distribution: Orig. to owner (step 3F) copies to contractor, file and ARLS in step 6F-8**

**9D. Proceed to final payment procedures list, CE-3E.**
**FINAL PAYMENT PROCEDURE**

Name ___________________ Application No. ___________________

1E. Final Inspection HUD Form 6245 Received (Orig. and 4 copies)
   1) Orig. to owner (step 3F) 2) ARLS (step 6F4) 3) RAAs 4) File 5) Fed. Prog. Acc.

2E. Determine if Construction Finished by Contract Completion Date

3E. Contractor's final invoice (orig. & 2 copies) Check Balance if Prog. Pay: Made
   1) Orig. to Fed. Prog. Acc. (step 6E) 2) ARLS (step 6F3) 3) File Rec.

4E. All Subcontractor's Lien Releases (orig. & 2 copies) Check Against Contract
   1) Orig. to owner (step 3F) 2) ARLS (step 6F5) 3) File

5E. Obtain all Warranties Due Borrower (Orig. & 2 copies)
   1) Orig. to owner (step 3F) 2) ARLS (step 6F6) 3) File

   Attach orig. final invoice (step 3E1) and Final Inspection HUD 6245 (step 1E5)

7E. Final Warrant Rec. "Receipt in Full and Waiver of Lien" Typed on Stub

8E. Obtain Borrower's Signature on Final Warrant

9E. Notify Contractor to Pick up Warrant. Date Called

10E. Warrant signed for and picked up

11E. Make 3 copies of Warrant Stub (Orig. in file, copy to borrower (step 3F) ARLS
   (step 6F7) Regional Office (step 7F5)

12E. HFA Will Enter Payment Into Rehabilitation Loan Payment Record

13E. Prepare for Loan Closeout Check List, CE-3F
LOAN CLOSEOUT CHECK LIST

Name __________________________ Application No. __________________________

#1F. Payment Request, CE-16 to Fed. Prog. Acc. to Pay Applicable Items Below: (Include documentation and explanation to support each request) Sent _______ Rec _______
   1. FHA Appraisal Fee
   2. Title Report Cost
   3. Recording Fee
   4. Refinancing Costs
   5. Loan Reduction to Loan Servicing Agent (undistributed balance)
   6. Request Disposition of Funds, CE-23 (orig. & 4 copies)

#2F. Obtain Borrowers Endorsement on all Warrants and Documents of Step 1F, Dist. of CE-23
   (1) Orig. to borrower, copies to: (2) Fed. Prog. Acc (step 4F)
   (3) ARLS, step 6F2 (4) Reg. (step 7F2) (5) File _______ ________

#3F. Leave with borrower (during step 2F contact)
   1. Final Inspection HUD Form 6245 - orig. (step 1E-1) plus owner's concurrence.
   2. Lien Releases - originals (step 4E1)
   3. Warranties - originals (step 5E1)
   4. Copy of contractor warrant stub (1E1) and steps 1D-a,c, and i, if applicable
   5. Orig. CE-23 (from step 2F)
   6. Orig. CE-22 (step 8D) & documents of Step 1D, c & i (if applicable)

#4F. Return Endorsed Warrants Reimbursing City and copy of CE-23 to Fed. Prog. Acc.

#5F. Servicing Agent Transmittal: Send Certified Mail _______ ________
   1. Letter of transmittal stating use of funds transmitted, borrower, loan number, amount, form of remittance. (Letterhead copy to FNMA & Region in step 7F3)
   2. Warrant of step 1F5 and 2F

#6F. Transmit following to ARLS, Send 1st class _______ ________
   1. Transmittal letter (sample in Secretary's notebook)
   2. Copy of Disposition of Funds, CE, (step 2F)
   3. Copy of contractor's final invoice (step 3E2)
   4. Copy of Final Inspection HUD Form 6245 (step 1E-2)
   5. Copy of Lien Releases (step 4E2)
   6. Copy of Warranties Due borrower (5E2)
   7. Copy of contractor's final pay check stub (1E1)
   8. Any pertinent instruments not previously sent (change orders, etc.).

#7F. Transmit following to Regional Office. Sent 1st class _______ ________
   1. Transmittal letter (follow format of step 6F)
   2. Copy of Disposition of Funds, CE-23 (step 2F)
   3. Copy of letter to Loan Servicing Agent (step 5F1)
   4. Copy of Invoices supporting advanced loan expenses claimed by LPA (step 1P)
   5. Copy of contractor's final pay check stub (1E1)

#8F. Insure that Loan File is complete and organized _______ ________

#9F. Mark Case Completed in Application Record Book and Loan Payment Record Col.

#10F. Place in Completed File
## SECTION 115 REHABILITATION GRANT PROCESSING CHECK LIST

<table>
<thead>
<tr>
<th>Application's Name</th>
<th>Phone:</th>
<th>Applicant's Address</th>
<th>Legal Description of Property</th>
<th>Owner-Occupant</th>
<th>Number of Dwelling Units</th>
<th>Applied for Section 312 Rehabilitation Loan</th>
<th>Other Funds Being Used</th>
<th>Rehab Estimate</th>
<th>Low Bid</th>
<th>Grant Approved Amount</th>
<th>TOTAL</th>
</tr>
</thead>
</table>

### Steps

1. Obtain Signature on Loan-Grant Authorization, CE-19
   
   1. Obtain Information for Grant Application HUD Form 6260
   
   3. Complete Staff Ownership Verification, CE-18
   
   4. Obtain Opinion of LPA Counsel on Contract of Sale (if applicable)

5. Obtain Opinion of LPA Counsel on Contract of Sale (step 4) per LPA Letter 439.

6. Complete Staff As-Is Value Estimate, CE-17 (if Loan-Grant combo, use FHA appraisal)
   
   *7. Obtain Employment Verification on HUD Form 6233 or Verification of Income using appropriate form letter*

8. Verify Monthly Housing Expenses (Box F of HUD 6260)

9. (a) Memo to S.H.A. requesting estimate & work write-up

   (b) Compliance letter & cost estimate (1 copy) rec.

10. Notify Assit. to U.P.A. case is ready for bid calls

11. Bids to Inspections for certification and applicant for acceptance

12. Accepted Bid Rec’v. Name of Successful Bidder

13. Notify Successful Bidder and Request Insurance Certificates, Send CE-31 G

14. Insurance Certificates Received: Industrial Private

15. Make 2 copies of Successful Bid for contracts of step 17

16. Send Unsuccessful Bidders Letter CE-14 (copy to S.H.A.)

17. Assemble three Construction Contracts
SECTION 115 REHABILITATION GRANT PROCESSING CHECK LIST

*18. Prepare Grant Application, HUD Form 6260, for signature of Grantee

19. Obtain Grantee’s Signature on:
   (a) HUD Forms 6260 (Box I must match Box A-1)
   (b) Construction Contracts (3 copies)

20. Obtain Contractor’s Signature on Construction Contract (3 copies)

21. Distribute Construction Contract as follows:
   (a) Original to Grantee in step 28 (b) copy to contractor (c) copy to file

*22. Send copy of Notice to Proceed to Senior Housing Advisor. Sent
   Be certain name of contractor is on notice.

23. Approve Grant Application, HUD 6260 Box J and E-2 (from step 19(a))

24. Assign Application No. to HUD 6260, in Box E-1, d
   Enter into application number record book

*25. Forward Executed Copy of HUD Form 6260 (from step 24) to RAA

   to Request Escrow Warrant

27. Construction Escrow Warrant Received (from step 26)

28. Obtain Grantee’s Signature on Escrow Warrant and Deliver Contract from
   step 21(a)
29. Deliver Endorsed Escrow Warrant to Federal Programs Accountant.
Enter Into Grant Payment Record and Application No. Record Book. (HFA only)
30. If Needed, Complete Change Order form CE-22 (orig. and 3 copies)
   (a) orig. to Grantee (b) copy to Fed. Prog. Acc. (step 32) (c) Contractor and file

31. If Step 30 Needed, Execute Amended HUD 6260 showing New Total Grant Amount.
   (a) copy to RAA (b) Xerox copy to Fed. Prog. Accountant (step 32)

32. If Step 30 & 31 completed, send DA-23 and Payment Request CE-16 to Fed. Prog. Acc.
    with necessary documents to increase DA-23 of step 26.


34. Final Inspection HUD Form 6245 received (orig. & 4 copies)

35. Determine if Construction finished by Contract Completion Date

36. Distribute HUD Form 6245 (step 34) as follows:
   (a) Original to Grantee in step 42c-1
   (b) Copy to HUD ARLS with CE-23 of step 45
   (c) Copy to HUD - RAA in step 40(b)

37. Received Contractor's final invoice (original & file copy)

38. Obtain all Lien Releases (original and file copy)

39. Obtain all Warranties due Grantee (orig. and file copy)

40. Payment Request, CE-16 to Fed. Prog. Acc. for final warrant with:
    (a) Original Contractor's Final Invoice (from step 37)
    (b) Copy of Final Inspection HUD Form 6245 (from step 36(a))
    (c) Request Disposition of Funds, CE-23 (orig. & 3 copies)

41. Final Warrant and Disposition of Funds CE-23 (orig. & 3 copies) received.

42. Meet with Grantee for following:
    (a) Obtain Endorsement on Final Warrant (step 41)
    (b) Obtain Signature on all Disposition of Funds, CE-23 (step 41)
    (c) Deliver to Grantee:
        1. Original Final Inspection Form (from step 36(a)) plus Owner's concurrence.
        2. Original warranties (from step 39)
        3. Original Lien Releases (from step 38)
        4. Original Disposition of Funds CE-23 (from step 42(b))
        5. If applicable, original Change Order CE-22 (from step 30(a))

43. Distribution of copies of signed Disposition of Funds CE-23 from step 42(b)
   1) Copy to ARLS in step 45 2) Fed. Prog. Acc. 3) File

44. Notify contractor to pickup warrant

45. Transmit copy of HUD 6245 (step 36(b) and CE-23 of step 42(b)) to HUD ARLS

46. Release warrant after contractor signs stub. Attach stub to CE-16 in file
   Column E, F, H, I, of Grant Payment Record completed by H.F.A.

47. Prepare Completed Grant File per organization list and check for completeness of documents

48. Mark case COMPLETED in Application Record Book and place in completed file
LIST OF REFERENCES


Interviews

Carter, John, Police Lieutenant, City of Tucson Police Department. Interview June 24, 1968.

Peterson, John, Chief of City of Tucson Fire Department. Interview June 26, 1968.