

ORIGIN OF BALTIMORE NEIGHBORHOODS, INC.

Early Efforts of Two Improvements Associations

Early in 1958 the problem of block-busting¹ and of changing neighborhoods struck the northwest section of Baltimore with particular force. In two neighborhoods, Ashburton and Windsor Hills, immediate steps were taken by enterprising and courageous citizens to discourage the flight of white families from the area. These two improvement associations were re-organized on a bi-racial basis, and an agreement reached by white and Negro residents alike that a major effort to stabilize the neighborhood should be directed toward persuading the present white residents to remain and to attracting new white buyers for homes placed on the market.

Steps taken by the Ashburton Area Association included a house-to-house canvass and the distribution of a brochure telling of the association's aim to stabilize the area. As part of the association's efforts a flyer containing the names of new white buyers in the area was published, and residents who had put up "For Sale" signs were contacted and asked not to discriminate against a prospective white buyer in favor of a Negro buyer. These residents were also warned against dealing with unscrupulous speculators who would ask only a nominal fee from the owner and then charge a high fee to a Negro buyer. Letters were written to the personnel chiefs in key local industries to

¹Blockbusting has been defined by the Baltimore Commission on Human Relations as "the deliberate creation or exploitation by a real estate broker, dealer, speculator, or owner of prejudice, fear, ignorance or panic designed to induce a rapid change of a block's population from white to colored."

Early Efforts of Two Improvement Associations (continued)

ask them to recommend the Ashburton Area to employees and not to consider the section "off limits." Finally a letter was directed to the Real Estate Board of Greater Baltimore asking realtors to show homes in the area to prospective buyers and not to "quarantine" it.

Windsor Hills, a nearby section in northwest Baltimore, tried to achieve stabilization by slightly different tactics. The bi-racial improvement association started by publishing and distributing a brochure outlining the assets of the area including its solidly constructed older houses, with wide lawns and stately trees, good schools, recreational facilities, and proximity to the center of the city. Finding that this measure was inadequate, the association appointed one of its own members a resident agent to promote sales and rentals. Through painstaking efforts and at considerable personal sacrifice, the agent has succeeded in bringing 30 new white buyers to Windsor Hills. The association notes, with regret, that the average "outside" agent is unwilling either to recommend the area to white buyers or to risk his time on an obviously difficult, lengthy sale.

While the pioneering efforts of these two improvement associations helped to stem the tide of panic and flight, they were not sufficient to solve the problem. It was early recognized that no neighborhood association could successfully tackle it alone. The basic problem - they felt - was that of attitudes: the attitude of present homeowners, the attitudes of banks and mortgage lenders, the attitude of real-estate salesmen, and most importantly, the attitude of potential white purchasers. To change these attitudes and to perform the educational job necessary to reverse tradition and prejudice were tasks beyond the scope of individual improvement associations.

Appeal to the Business Community - the Greater Baltimore Committee

Accordingly, in July of 1958, the two improvement associations, joined by several others, and by the Baltimore Urban League, the Maryland Commission on Interracial Problems and Relations, and the Citizens Planning and Housing Association, set out to enlist the aid of the business community. An organization representative of this business leadership - the Greater Baltimore Committee - was considered both forceful enough to take action toward a meaningful solution and the logical organization to approach by virtue of its sponsorship of an imaginative non-federally aided \$127,000,000 redevelopment project for downtown Baltimore. The aforementioned civic groups petitioned the Greater Baltimore Committee for help pointing out that the future of such projects as the Charles Center and the proposed new Civic Center - projects for which the Greater Baltimore Committee had fought hard - would be jeopardized if ringed by miles of deteriorated neighborhoods inhabited by Negro and low-income white residents.

The approach stressed not only the effect of neighborhood change on the city's cultural, educational, and social life but also the need for higher income families to support downtown rehabilitation and renewal. Consideration of the opening up of additional areas of new and old housing to Negro residents, a stimulation of public awareness of the practices that cause disorderly change, and the enlisting of cooperation of real estate brokers in the preservation of the city - these were the requests made of the Greater Baltimore Committee.

Greater Baltimore Committee Reaction

While sceptics had warned that the Greater Baltimore Committee's hardheaded businessmen would never become involved in a problem as controversial, complex, and seemingly insoluble as that of changing neighborhoods, the civic groups found that the reaction to their petition was both prompt and encouraging. At a membership meeting in September 1958, the Greater Baltimore Committee adopted a report that recognized the serious economic consequences of changing neighborhoods and referred the matter to its Urban Renewal Subcommittee with the following charge:

"that the problem be considered with specific emphasis on its challenge to the economic stability of the city;

"that a solution to the problem be studied in conjunction with other city-wide organizations - civic, business, and governmental,

"that at the end of a thorough study, the Urban Renewal Subcommittee recommend what role, if any, the Greater Baltimore Committee should play in solving the problem of changing neighborhoods."

Subsequently, the membership moved to eliminate "if any" from the charge and finally recommended that a city-wide agency be formed in which the Greater Baltimore Committee would participate.

City-Wide Conference Held

In November, 1958, a conference sponsored by the Greater Baltimore Committee was held and attended by responsible business and community leaders throughout the city. Realtors, bankers, lawyers, city planners, educators, members of improvement associations and

City-Wide Conference Held (continued)

appropriate city agencies participated in panel discussions centered on such questions as:

1. How do we stop block-busting?
2. New housing for Negroes - how do we get it?
3. How neighborhood resources can be used.
4. How do we make older city housing competitive with new housing in the suburbs?

The chairman of the meeting, Mr. James W. Rouse, prominent mortgage banker, chairman of ACTION, and urban renewal expert said at the conclusion of the meeting:

"We find that the rapid conversion of neighborhoods from all-white to all-Negro occupancy presents Baltimore with one of its most serious economic crises in recent years. The flight of the medium and upper income families from the city limits and their replacement by persons of both races of the lowest income levels is a threat not only to our municipal solvency but to the economic stability of the entire metropolitan area. It is therefore recommended that there be formed a city-wide organization composed of representatives of civic and labor organizations, improvement associations, the Real Estate Board of Greater Baltimore, the Greater Baltimore Committee, the Association of Commerce, the homebuilders, and the city and state governments. During the preliminary stages and until the city-wide group is well established the Greater Baltimore Committee will provide clerical and professional staff assistance."

The formation of Baltimore Neighborhoods Inc. followed closely on the heels of this all-day conference. By-Laws and Articles of Incorporation were drawn and approved by the member groups and ratified on March 20, 1959.

PURPOSES OF THE ORGANIZATION

(as stated in the Articles of Incorporation)

1. To conduct a continuing program to stress and promote the advantages of urban living and the purchase of homes in residential neighborhoods.
2. To maintain the stability and quality of residential neighborhoods in the Baltimore Metropolitan Area.
3. To develop and implement means of financing older homes in the established residential neighborhoods of Baltimore City on a basis permitting these neighborhoods to compete from a financing viewpoint with the newer developments.
4. To remove the barriers which block the operation of a free market and thus to increase the availability of housing—sale and rental—to all people in the community; to stimulate construction of new housing units within Baltimore City; and to prevent the practice of "steering" Negroes to and whites from residential areas known as "changing neighborhoods."
5. To stem panic or wholesale flight from existing neighborhoods and to process and help follow through with complaints relating to real estate practices and similar matters affecting neighborhoods.
6. To protect residential neighborhoods against the deliberate creation or exploitation of prejudice, fear, ignorance, or panic, whether by real estate brokers, dealers, speculators or others desiring to induce a rapid change in the character of population; by encouraging action against persons who use illegal tactics in the furtherance of such techniques; and by education and other appropriate means.

Purposes of the organization (continued)

7. To work with neighborhood associations, builders, real estate brokers and agents, lending institutions, church and civic groups, labor organizations, the Negro community, appropriate state and municipal agencies, and the general public to coordinate efforts in behalf of the fulfillment of the objectives stated above.
8. To exercise such other functions as may be necessary to maintain the quality of the residential areas of the Baltimore Metropolitan Area.

RECENT ACTIVITIES

Successful Suit Against Block-Buster Before Maryland Real Estate Commission

In April, 1959, one of the directors, Mr. Melvin Sykes, was successful in obtaining a suspension of the license of a realty firm for violation of the state real estate code in a series of blockbusting cases. On appeal the judge of the Baltimore City Court upheld the earlier suspension by the Maryland Real Estate Commission on the grounds that the realty company had used an improper listing form and had falsely advertised property in connection with blockbusting tactics.

Commenting on the decision, the Baltimore Sun said: "In the wake of blockbusting testimony, the Real Estate Commission has risen up and publicly penalized a firm for 'improper dealings.' Now changing neighborhoods can feel that there is some law on their side after all.

"The three months suspension of Manning-Shaw's license is a welcome action in the light of unwholesome efforts by speculators and brokers to induce rapid turnover of properties in formerly white residential areas. The suspension should serve as a warning to other operators, and give heart to the neighborhoods that are trying to prevent panic sales. Perhaps most important of all, the Real Estate Commission, once started, should be inspired to take a more active role in preventing the practices that demoralize a neighborhood into making a mass flight to county suburbs.

Successful Suit Against Block-Buster Before Maryland Real Estate
Commission (continued)

"Many of the answers to changing neighborhoods have yet to be found, but in clamping down on one continued and flagrant course of misrepresentation, the Real Estate Commission has given neighborhoods some additional time to try out the answers now at hand."

An article in the May 1959 issue of House and Home entitled "New Weapon in the War against Slums" quoted Mr. James W. Rouse as follows: "The Manning-Shaw case is going to reverberate across the country because here in Baltimore, for the first time, it has been proven that the fear clutching at the home owner and the blight force mocking the urban planner - blockbusting - can be stopped. This is the first time ... that private citizens ... have won the ruling of an official body ... that some rules must be observed in offering real estate for sale."

Preparation of City Ordinances Outlawing Blockbusting Tactics and
Land Installment Contracts.

The Board of Directors of Baltimore Neighborhoods Inc. has prepared draft legislation to be introduced into the City Council this September making it illegal for realtors to engage in certain practices commonly associated with blockbusting. Part of this legislation is devoted to a translation into law of the existing code of ethics endorsed by the real estate profession in Baltimore. However, it is felt that the police powers of the city, applicable to all realtors whether or not they are members of the Real Estate Board and subscribe to its code of ethics, will enlarge the scope and put teeth into the statement of the professional group.

Attracting White Buyers to Older In-City Neighborhoods: Establishment of a Real Estate Committee within Improvement Associations

Members of the Board of Directors have made themselves available to many neighborhoods which have little or no concept of measures to slow down or to arrest flight.

A case history will demonstrate how helpful this type of communication can be. Recently, a director was called by the Lauraville Improvement Association and notified that this area had become a "changing one." The area lies adjacent to the Negro state college, Morgan College which is west and north of the association. A small colored community allied generally to the college for a number of years has served as the springboard of recent accessions of Negro property. Sparked by spite sales two years ago by a white family to a Negro family, Negro influx has now spread to at least 6 blocks of a formerly all-white community. Telephone and mail solicitations by realtors, the association reported, have begun to create unrest and panic. Advertisements in the newspaper for colored and the unwillingness of many real estate operators to show to prospective white buyers contributed to the problem.

Baltimore Neighborhoods Inc. after learning that members of the improvement association had talked individually to real estate operators voicing their complaints and had held general and block meetings to educate the residents to the full aspects of the problem called a meeting of 40 real estate operators in the area to explain their responsibility to stabilize the section. As many of the realtors were small businessmen, whose livelihood depended largely on the area and not on a city-wide basis, the appeal that a changing neighborhood would ultimately put them out of business made sense.

Attracting White Buyers to Older In-City Neighborhoods: Establishment
of a Real Estate Committee within Improvement Associations (continued)

A real estate committee of the improvement association was formed to furnish pertinent data to realtors who were willing to cooperate in bringing white buyers to the neighborhood. Less than a month after the meeting, the first white buyer was reported triumphantly to Baltimore Neighborhoods Inc. by the association. The sale has done wonders to improve morale in the neighborhood, out of all proportion to the economic fact.