

*Housing*

for the

*United States*

**AFTER THE WAR**

*National Association*

*of Housing Officials*

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# HOUSING FOR THE UNITED STATES AFTER THE WAR

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NATIONAL ASSOCIATION OF  
HOUSING OFFICIALS

1313 East 60th Street  
Chicago 37, Illinois



The men and women who will return from our world-wide battle fronts have a right to good homes. That means homes that are structurally sound; that have adequate light, air, and space; that are fit places to rear families in privacy and in health; homes designed for human enjoyment, that allow for pride and pleasure and creative living; homes in reasonable relation to all the essentials of a fully rounded family life—employment, health, recreation, education, and worship.

The nation has an obligation to offer them the hope of something better than a return to the shacks and tenements and blighted neighborhoods from which many of them have come. We have an obligation to make available to them the living conditions that our initiative and our capacity to produce can provide for all our people.

**T**HIS report was prepared by the Committee on Postwar Housing of the National Association of Housing Officials and is published with the general approval of the Board of Governors of the Association. Some of the members of the Board, however, have noted reservations on particular recommendations and wording, and the report, therefore, is not to be construed in its entirety as necessarily being the opinion of any Board member.

The names of the members of the Committee on Postwar Housing and of the Board of Governors of the Association appear on pages 62-65.

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## FOREWORD

In 1934 the National Association of Housing Officials issued a report entitled "A Housing Program for the United States." That report exerted an influence of far-reaching importance. The record of the ten years since then is the story of a new day in housing, marked by extensive governmental assistance to private enterprise, and by the beginning of a nation-wide attack on slums and a nation-wide program for the provision of decent housing for low-income families. The record also spans a range from near the bottom of the worst depression in the nation's history to a time when the nation's economy and its manpower are dominantly devoted to winning the most crucial war in the nation's history. With the end of the war will come reconversion to serve the needs of the people at peace. The difficult and challenging problems that will have to be faced, no less in housing than in other activities, have made it seem imperative that the Association outline the major elements which it believes should be considered in postwar housing for the nation.

This report, prepared by the Association's Committee on Postwar Housing, and approved in principle and issued by the Board of Governors of the Association, represents the best judgment of the Association on the basis of the facts as they now appear.

## SUMMARY

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### PART I—THE OBJECTIVE

**The General Objective** The objective of a housing policy for the United States must be the provision of adequate housing for all the people.

**The Present Stock of Housing** In 1940 there were 37.3 million dwelling units in the United States, of which 29.7 million were urban and rural nonfarm, and 7.6 were farm dwellings. Of farm housing, 53.4% was owner-occupied, while the percentage was only 37.5 for urban dwellings. Based on 1940 Census data, over one-third of the total housing supply was substandard.

**Housing Production Between the Two World Wars** The new private housing built between the two world wars served only a small segment of the need, and for the greater part of this period was markedly vulnerable to changing economic conditions. The percentage of owner-occupied housing decreased. The depression of the Thirties accentuated the shortage of housing for middle- to low-income families and accelerated the deterioration of older housing. Various factors maintained high costs, while insufficient incomes prevented a sizeable part of the population from obtaining adequate housing, either new or old.

**Progress During the Past Ten Years—Federal Aid to Private and Public Housing** During the past ten years the Federal Housing Administration and the agencies of the Federal Home Loan Bank Administration have facilitated the construction of new housing of better standards. During the same period, new dwellings for families of low income, to a present total of 131,349 (exclusive of war housing), have been provided by the United States Housing Authority and its successor, the Federal Public Housing Authority, through aid to local housing authorities, and by the other housing agencies which FPHA succeeded.

While improvements have been made in the building industry, many of its shortcomings remain.

**The Amount of Housing We Need** Postwar housing must produce dwellings serving the varying needs of all families. This requires making the best use of the existing supply and

providing new housing of satisfactory standard (a) for new families, (b) for replacement of existing substandard housing and of housing that becomes obsolete, (c) for relief of overcrowding, (d) for needs resulting from migration, and (e) for the maintenance of a sufficient supply of vacancies.

To meet these needs and bring the housing supply of the nation up to a satisfactory standard within a period of about fifteen years after the war, private enterprise and public housing together will have to produce an average of from one to one and one-half million dwelling units a year. This period may be lengthened by the time that it will take for the house-building industry to reach maximum capacity following the war.

**The Kind of Housing We Need** The improved minimum standards of space, light, ventilation, room arrangement, and equipment that have been developed during the past few years should be the least that the nation will tolerate for new housing and, as rapidly as possible, such of them as can practicably be applied should be established for existing housing. These minimum standards are still far from representing the best that we can do and should be regarded as a point of beginning for further advancement.

The family size and age composition of the population determine the number of dwelling units needed and their minimum sizes. Family incomes determine what quality of housing families can afford.

Housing operations during the past few years, both private and public, have brought about improvements in design and site planning, with homes built in planned neighborhoods that included community facilities—progress which points the way to further improvement in the postwar years.

## PART II—PROVIDING ADEQUATE HOUSING

**Making the Best Use of the Housing Supply** To make the best use of the housing supply, adequate maintenance must be assured, whether for owner-occupied or rental housing, and maintenance reserves should be provided by owners. The success of large-scale rental developments depends on making the housing available to the part of the market for which it was intended, efficient operation from a business point of view, good physical maintenance, provision of well operated community facilities, and skill and understanding in the handling of tenant relations.

Loss of values in prematurely obsolete dwellings is an unnecessary waste that can be minimized by proper design, construction, and standards of living space, making structures capable of modernization as needed. Residential structures should be permitted to remain in use beyond their properly amortized life only so long as their usefulness can be proved. Removal of dwellings as they become obsolete would clear the way for keeping neighborhoods in good condition by replacement in accordance with need.

**Facilitating Private Enterprise** The achievement of a large volume of housing in the postwar years presupposes greater activity on the part of private initiative and private investment than ever before. To induce the necessary infusion of capital, the unusual hazards attendant upon investment in housing must be reduced. Tendencies toward neighborhood deterioration should be controlled. Variations in tax rates within the same metropolitan area should be equalized. High title costs and the uncertainties of foreclosure proceedings should be minimized. The system of local taxation should be modified to balance the disproportionate load on real estate. Building codes should be revised in the light of technical progress, and such codes, as well as zoning and subdivision regulations, should be made uniform for metropolitan areas. Adequate means of land assembly and of removing obsolete buildings from the market are needed.

The strong backlog of demand, supported by wartime savings for home purchase, by ample mortgage money, by improved techniques, and by increased attention to lower-priced, quantity-produced dwellings has resulted in keying the home building industry to expanding postwar markets. A wise industrial reconversion policy will be needed to provide for builders the materials and equipment they require with a minimum of delay.

The remedial measures herein proposed are designed primarily to overcome the difficulties that will arise in sustaining housing production after the first stimulus following the end of the war, to avoid overbuilding for special sectors of the market, and to assure an adequate supply of housing for rent.

**Housing for Families Not Adequately Served by Private Enterprise** *The Place of Public Housing.* Private enterprise should endeavor to meet the needs of the market and should be given every reasonable aid to reach as far down the income

scale as possible. It is the responsibility of the public to provide housing for families not adequately served by private enterprise.

*Housing and Welfare.* The provision of public housing is a part of the public responsibility for the general welfare. Public housing provides accommodations for families who can not afford decent housing but who are otherwise self-supporting. It should not be used as a substitute for general relief for families whose incomes are below minimum subsistence requirements. The issuance of rent certificates has been proposed as a substitute for public housing. This scheme, however, would offer no security for investment in new housing or other than minor improvement in existing housing. It would be hugely costly, would tend to perpetuate substandard housing, and would be socially unsound in that it would require families who are self-supporting except for housing to go on relief.\*

**Cooperation Between Housing Authorities and Private Enterprise** A clear-cut statement by public housing authorities of their aims, and an acceptance by private enterprise of the fact that there is a sector of the housing need that it can not meet should open the way for cooperation between the two groups. Public housing construction can serve to some extent as a balance wheel for the home building industry, since it can be contracted when private building is at a high level and accelerated when the situation is reversed.

Joint development of neighborhoods by housing authorities and private builders would facilitate the moving of tenants from public housing to private rental housing and to home ownership. Housing authorities can serve private operators by making available data bearing on the housing market.

**Encouraging and Protecting Home Ownership** Home ownership should have the security of sound construction and protected neighborhoods. Lower down payments and lower amortization of the debt have made homes easier to acquire, but not necessarily easier to hold or maintain. Unless monthly payments are well within the buyer's ability to pay, the rigid amortization scheme may leave too little for property maintenance, or, in even a temporary stringency, may cause the loss of the property. Home buyers should be encouraged to increase payments in prosperous times in order to establish reserves against payments due in times of difficulty.

\*See footnote on page 20.

**Subsidy and Taxation** A comprehensive housing program requires public subsidy to reduce rents for low-income families not served adequately by private enterprise, and may require subsidy to write off excess land costs for urban redevelopment, whether by public or private enterprise.

There is both a national and a local responsibility in the provision of subsidy.

Any method of subsidy either for low-rent housing or for reduction of land costs should provide sufficient amounts for the purpose, should go as directly as possible to the accomplishment of the purpose, should achieve the maximum results for the amount, and should be adjustable to changing conditions.

Under present conditions, local subsidy for public housing can best be provided by tax exemption for the physical properties, with payments made in lieu of taxes. Such payments should be made in accordance with the ability of the tenants to pay, preferably in terms of the proper percentages of rental income.

The cost of providing minimum public facilities and services should be equalized over an entire urban area, regardless of division into local governmental jurisdictions, so that variations in the ability to pay as among various jurisdictions will not result either in deficient provision of facilities and services or in excessive tax burdens.

The disproportionate responsibility that real estate now bears in furnishing the revenues for local government should be balanced by the utilization of additional sources of revenue.

While greatly increased amounts of public housing can be provided under existing subsidy practices without materially affecting local tax rates, continued expansion of public housing, within its own proper field, plus extensive urban redevelopment, may, pending extensive revision of the tax system, call for increase in the relative proportion of subsidy to be furnished by the federal government. States should provide subsidy to supplement that furnished locally.

### PART III—HOUSING IN THE URBAN COMMUNITY

**The Local Housing Need and Market** Housing should be produced in accordance with ascertained needs as to types, quantity, income ranges, location, and the proportion of rental housing required. The actual planning for housing should be done by local communities in accordance with local needs and habits. Full

account should be taken of the utility of existing housing that conforms with modern living standards or can be made acceptable by rehabilitation and modernization. The needs of unusually large families, aged couples, and single persons unable to afford commercial housing of adequate standard should not be overlooked.

The sharp lines tending to divide communities into economic groupings can be softened by proper neighborhood planning. In public housing, graded rents help to avoid stratification. The joint planning of public and private housing developments is also a desirable means to this end.

**Housing and Building Regulations** Local building codes, housing regulations, zoning, and subdivision control are essential to effective community housing programs. These regulations are interrelated and are as necessary for unincorporated urban areas and areas likely to be urbanized as for municipalities. Lack of, or ineffectiveness in, such regulations results in overcrowding the land in new subdivisions and undesirably high density in redeveloped areas. Regulations applying to existing buildings should be strengthened and should be merged gradually with the requirements for new housing. More effective means to prevent room overcrowding are needed.

Local housing regulations, particularly those relating to vacating and condemnation of unfit dwellings, can not be enforced without a program for providing housing for the families who would thus be dispossessed.

The effectiveness of even the best housing, building, and zoning regulations depends on systematic inspection and vigorous enforcement.

**Housing Location and the Community Plan** Good housing means a good house in a good neighborhood. Good neighborhoods can be planned only as parts of the entire urban community. A proper community plan presents a pattern of land use and facilities designed to serve an estimated number of families of certain characteristics. The provision of desirable living conditions is one of the most important of city planning purposes. The residential neighborhood should be designed to insure the best arrangement of housing; ample open space; protection against heavy traffic and detrimental uses; shopping accommodations; and the educational, recreational, cultural, and related facilities and services that make for satisfactory community life.

**Land Acquisition** Eminent domain, when needed, is an appropriate procedure for the acquisition of land for either private or public housing developments, but it should be exercised only by a

public body and in connection with projects subject to regulation in the public interest. All justifiable means of reducing the acquisition cost of land held at exorbitant prices in blighted areas should be utilized. In making land available for redevelopment, either public or private, excessive land prices should be written down to values that are sound in terms of the redevelopment use.

The acquisition of development rights may be a practical and economical means of acquiring land needed in the future.

Communities may need to explore the possibilities of acquiring land reserves where necessary to prevent land speculation from producing harmful social results.

#### Assuring Desirable Neighborhoods *Protection of Existing Neighborhoods.*

Some of the forces that contribute to the decline of good neighborhoods can be minimized through zoning, well enforced building regulations, required removal of structures as they become obsolete, and through the activities of neighborhood improvement associations.

#### *Urban Redevelopment.*

(1) Rehabilitation of Deteriorating Neighborhoods. Corrective measures, such as modification of the street system, elimination of unfit structures and undesirable uses, and provision of appropriately located open spaces, may sometimes bring about sufficient improvement to stay the forces of decay in deteriorating neighborhoods.

(2) Clearance and Rebuilding of Badly Decayed Neighborhoods. Reclamation of badly decayed neighborhoods requires the assembling of the land and replanning it for its appropriate use, which may be housing for any income group of the population, commerce, industry, public facilities, public open space, or any combination of these uses. No feeble approach, such as patching up the worst features of city decay or accepting over-dense land use, will accomplish any permanent useful purpose. Control over the use of the land acquired in the process of urban redevelopment should remain in the public, whether through retaining title to the land and leasing it for use, or through sale, with the necessary control and the right of recapture entailed on the land. An important requirement of urban redevelopment is that there must be available for



displaced families sufficient dwellings of acceptable standards in convenient locations and at prices within their means.

*Design of New Neighborhoods.* Regardless of the redevelopment of older areas, new neighborhoods will continue to develop, whether within city corporation lines or beyond. Local communities should modernize their planning and their zoning and subdivision regulations to assure that the development of new residential areas will be in accordance with sound principles of neighborhood design.

*Community Facilities.* One of the chief contributions of large-scale housing development for middle- and low-income groups has been the provision of community facilities, indoor as well as outdoor. While it has been justifiable to provide such facilities as parts of housing projects so long as local communities did not do so, such facilities are essential to all neighborhoods and ultimately it should be the responsibility of local governments to provide them.

#### PART IV—RURAL HOUSING

Farm housing is directly related to the use of land for agricultural production. The farmhouse is part of the total farm "equipment" and is intimately related to farm operations, calling for a different design from that of an urban dwelling. The need for farm housing is determined by economic land use studies, and by analyses of rural population, both as to social characteristics and in relation to farm economic resources. Standards of healthfulness, convenience, and livability for farm housing should be no less than for urban housing. Rural housing programs should include provision of necessary community facilities. In order to avoid subsidizing housing in uneconomic farm areas, rural housing plans should be integrated with programs for sound use of the land. The improvement of rural housing will require public aids similar to those needed for urban housing.

#### PART V—GOVERNMENTAL AGENCIES

**Local Agencies** The foundations of an effective housing program for the nation lie in local responsibility.

*Housing Authorities.* While their immediate function is to provide good housing for low-income families not adequately served by private operators, local housing authorities must know the housing needs of the entire community. In relation to an over-all community housing program

and a comprehensive community plan they should seek opportunities for cooperating with and facilitating the operations of private enterprise. If the community so desires, the housing authority can serve as the agency for the acquisition of land for redevelopment, whether by private or public enterprise. The activities of housing authorities should be closely coordinated with those of the local governmental departments with which they must work.

*Planning Commissions.* There should be close working relationships between local housing authorities and local planning commissions. The housing authority should participate in the preparation, and the evaluation through the years, of the housing parts of the community plan.

**The Interest of the State** There is wide variation in the extent to which states have taken an interest in housing. In a few almost nothing has been done. In contrast, New York has made funds available for public housing, has provided for assistance to limited-dividend corporations, and has put into effect extensive legislation providing for housing regulations, as well as authorizing local housing authorities. State housing agencies should be established only when they can serve as instrumentalities of effective state participation in achieving the objectives of a comprehensive housing program.

**Federal Agencies** The translating of a comprehensive national housing policy into effective action requires that there be a permanent federal housing agency responsible for coordination of all the activities of the federal government in respect to housing, including the administration of such federal funds as may be made available for slum clearance and low-rent housing. The national contribution should take the form of encouragement, research, technical assistance, participation in subsidy as needed, and other forms of financial assistance, but not of control. With the end of the war there should be an end of federally-constructed and -operated housing, except as may be necessary to provide residential communities in connection with reclamation projects. While the actual planning and provision of housing is a local responsibility, the federal government should properly require evidence of need and of the existence of an adequate community plan and adequate standards, as justification for any expenditure of federal funds.

Provision should be made now for a permanent federal housing agency, so that it can be ready and functioning when the war ends.

PART VI—THE IMMEDIATE JOB

**Postwar Disposal of Federal War Housing** The interest of the local community is paramount in the disposal of war housing, and a designated local agency should have a determining voice in decisions as to how and when disposal is to be effected.

*Temporary Housing.* Temporary war housing should be removed as rapidly as an orderly transition to peacetime conditions permits. After that it should not be allowed to remain beyond possible temporary use for shelter during the elimination of substandard housing in the community. Its use as a substitute for slum housing would soon add to the total supply of slum dwellings in the community.

*Permanent Housing.* Public war housing of permanent types produced under the Lanham Act should not be dumped on the market at the end of the war. It should be disposed of to the occupants, to local housing authorities, or otherwise in a way that will best serve housing needs and avoid depressing the real estate market.

*Demountable Housing.* Demountable housing of satisfactory quality should be offered for sale to the occupants or to the local housing authority. If the housing is satisfactory for low-income families but is not in a suitable location, it might be transferred to the local authority for moving elsewhere in the same community, or to a local authority in another community, or it might be used in rural areas. Otherwise it should be disposed of so as best to serve the financial interest of the federal government without damage to the local community.

**Private War Housing** Privately produced war housing on which mortgages have been foreclosed, if unacceptable as part of the permanent housing supply of the community due to shortcomings in construction resulting from war conditions, should be demolished, unless the shortcomings can be corrected and the housing is needed. If such housing could best serve to house low-income families, it should be transferred to the local housing authority. Conversely, if local housing authorities have produced war housing of permanent construction that proves not to be suitable for public housing purposes, it should be sold to private enterprise if it is adaptable to some segment of the private housing market.

**The Immediate Postwar Housing Need** The total amount of permanent war housing that will remain after the war will fall far short of satisfying normal housing needs. Communities in which no housing has been produced for several years may face acute housing shortages with the return of war workers and service men and women, and may require the provision of emergency housing. If the materials and manpower situation permits, some resumption of nonwar housing construction should be permitted before the end of the war in order to serve civilian needs and to help in getting the house production industry ready for its postwar job.

**Advance Preparation of Plans for Postwar Housing** Housing construction, both private and public, is an important part of total construction and can aid in providing immediate postwar employment. How effective it will be for this purpose will depend on its being ready to go at the end of the war. Getting ready requires advance acquisition of land wherever possible and, at the least, advance preparation of plans and specifications.

Serious mistakes may be made unless housing construction is related to comprehensive programs based on intelligent community planning, and such plans and programs should be developed forthwith.

While there may be Congressional action to aid local plan preparation, local communities should proceed on their own initiative in developing local housing programs and devising means of obtaining funds for their execution.

**Guiding Postwar Housing Expansion** The unprecedented demand for housing when peace comes may result in typical "boom" conditions for housing production. There may be land platting far beyond the need. Measures of guidance and control should be put into effect now by local communities and should be made ready by governmental and private financing agencies, in order to avoid such distortions and imbalance in housing production and community development as occurred after the last world war.

## PART VII—CITIZEN PARTICIPATION

Laying down plans to guide postwar housing is futile unless the people understand the need and demand intelligent action. There must be assurance of a hearing for the voice of citizens in the formulation of policy by federal, state, and local housing agencies.

## CONCLUSION

No period in the nation's history has had such possibilities for doing great things in housing as that which lies ahead. With private enterprise, government, and labor working as understanding partners and supported and encouraged by intelligent and vocal public opinion, the goal of adequate housing for all our people can be attained. The postwar years can be our "golden age" in housing.



## Part One

### THE OBJECTIVE:

### Adequate Housing for All Families

#### THE GENERAL OBJECTIVE

The objective of a housing policy for the United States must be the provision of adequate housing for all the people. Adequate housing means housing of at least a minimum standard for every family, with housing above this minimum available to those who can afford it. Adequate housing also means more than sound structures. It means that satisfactory houses must be available in satisfactory neighborhoods. A satisfactory neighborhood is one of such scale, design, and relationship to the larger community of which it is a part, and having such facilities and providing such services, that it is convenient, attractive, healthful, and, altogether, a good place in which to live.

We, as a people, set this objective of adequate housing for all families, not primarily because it will provide employment—although it *will* help attain the goal of full employment at a high level of national income; nor simply because it will provide an outlet for investment of private savings—although it *will* help to utilize idle capital; nor merely because it is a means of proving our faith in what we are fighting for in the present war. We set such an objective because it is what we want for our people and know that we can have. Its desirability is not questioned. No thinking person now says that we must always have slums, or that low-income families must always live in hovels, or that blighted neighborhoods are an inevitable part of our urban life. The argument is not as to the objective, but as to its definition and as to the best way to attain it.

The objective once set by public opinion, its attainment must be made a matter of national policy. The methods to be used should be those which our intelligence and ingenuity determine are the best—and that determination must not be hampered or warped by preconceived formulae.

There is no conflict between socially sound objectives and economically sound methods. In the long run the best economic methods are those that are in conformity with the requirements of socially valid objectives.

In housing, economic advantage obtained at the expense of social values ultimately defeats itself, just as social objectives pursued without regard to economics will fail. Socially degrading and costly slums, and urban land use and urban land values that ignore human considerations, have promoted extensive urban deterioration. This has resulted in loss in investment and in income from land use. These losses, in turn, have increased the tax burden of other properties, while at the same time the deterioration has added to local governmental costs.

The objective of adequate housing is not confined to utility, sanitation, and convenience. Although planners and housers generally avoid speaking of "the city beautiful," esthetic effect should be recognized as a definite goal, second only to efficiency and economy. There is no sound reason why the residential neighborhood and the city of the future should not be attractive as well as efficient. This can be achieved initially with the same materials and at practically the same costs by intelligent planning and the use of skill and imagination in building design and neighborhood layout. The American city need not forever be drab and ugly.

#### THE PRESENT STOCK OF HOUSING

The size and general characteristics of the present supply of houses in the United States (exclusive of current war housing\*) are summarized in the reports of the Census of Housing taken as a part of the Sixteenth (1940) United States Census.

In 1940 there were 37.3 million dwelling units in the United States. Of these, 29.7 million were nonfarm, including "urban" (in places over 2500 in population) and "rural nonfarm" (in places under 2500 in population), and 7.6 million were farm dwellings. Of the total supply of occupied dwellings only 43.6% were owner-occupied, ranging from 37.5% of urban to 53.4% of farm housing.

About 13% of all dwellings were over 50 years old, and the median age of all dwellings was 25.4 years. Over one-third of the housing supply was shown to be of poor quality. Taking the Census classification of "needing major repairs or without private toilet or private bath" as an indication of substandard condition, 11.4 million nonfarm dwellings (38.3%) were substandard. Limiting the substandard classification for farm housing to dwellings in need of major repairs (disregarding the absence of private toilet or bath), 33.9% of farm houses were substandard.

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\*War housing is discussed in Part VI—"The Immediate Job," beginning on page 49.



## HOUSING PRODUCTION BETWEEN THE TWO WORLD WARS

Between the two world wars an average of 485,000 new nonfarm dwelling units per year were built in the United States. The number ranged from nearly one million (937,000) built in 1925—the largest number ever produced in one year in this country—to a minimum of 93,000 in 1933.

From 1930 to 1940 new dwellings were produced less than two-thirds as rapidly as the number of nonfarm families increased. This resulted in greater overcrowding, further doubling up of families, and extensive use of improvised shelter.\* Continued use of obsolete and substandard housing was necessary, for the most part because that was all that many families could afford.

These same deficiencies are present today, but in greater degree because of war conditions. Little housing is being built except for immigrant war production workers. This leaves almost untouched the normal demand for additional housing. The vast amount of war housing, both public and private, is nowhere near enough to satisfy normal demand. Its location frequently is not suited to peacetime needs. Much of it is of temporary construction and of substandard design and will be removed after the war. There is thus a backlog of housing demand that will present itself as a major claimant after the war. This demand will vary throughout the country with the distribution of the prewar housing supply and with movements of population induced by war and postwar conditions.

The new housing produced between the two world wars was characterized by the "move to the suburbs," reflecting both the greater mobility of population as a result of general use of the automobile, and the desire to escape from undesirable older neighborhoods and attain the benefits of pleasanter and more spacious surroundings. Thus, most urban communities continued to grow at the periphery and decay at the center, with resulting waste of existing public facilities, costly provision of additional facilities and services, deterioration of land values and sound land use at the center, and the creation of ragged fringes of transition uses and uncertain land values at the edges. The process was not sufficiently controlled by zoning, subdivision regulations, or other planning measures.

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\*During the decade 1930-39, incl., 416,000 families found "housing" in backs of stores, warehouses, garages, shacks, houseboats, tents, boxcars, etc. These accommodations were net additions to the total housing supply at the beginning of the decade. (Federal Home Loan Bank Review, September 1942, p. 402.)

Where such regulations existed (rarely outside city boundaries), they may have given some semblance of order to the new developments, but they failed to prevent land speculation or limit peripheral expansion. To be sure, much of this expansion was desirable and necessary, but lack of adequate controls produced serious neighborhood and community problems.

Private builders had no adequate machinery for land assembly in blighted neighborhoods and thus could not acquire the sites for rebuilding. Even if they had, land values, often exorbitant because of the hope of commercial or other intensive use, would have prevented redevelopment for housing suited to the market. Public authorities alone had sufficient powers to acquire previously developed land and, with the aid of subsidy, could use it for housing for low-income families. In their subsidized public housing developments, built on slum clearance sites, they have produced what, together with a small handful of developments produced by private operators, are the only examples of urban redevelopment to be found in the country.

The housing built between the two world wars served only a small segment of the market. Many families—probably half of all families in urban areas and an even greater proportion in farm areas—could not afford to buy or rent adequate new housing produced under construction and marketing methods then (and essentially even now) in vogue. The resulting supply was even more out of joint with the need because of the lowered incomes in the depression of the early Thirties. The surplus of higher-income housing increased and older housing slid more rapidly down the hill of physical deterioration and loss in value.

Too little housing was produced for the rental market. At the end of the decade (1940), 56.4% of all occupied dwellings (for urban dwellings only the figure was 62.5%) were renter-occupied, yet during the decade less than one-fifth of all new dwellings had been produced for rental. Production for the more limited sales market tended to restrict total production. It also limited the supply of housing available to families who could afford good housing but whose uncertainty of permanent location made it inadvisable for them to become home owners. Because of the demand for rental housing, a considerable number of residences ceased to be occupied by their owners and became rental housing. During the decade, the number of rented dwellings increased by over four million, or 25.8%, while the number of owner-occupied houses increased by less than one million, or 6.4%. This resulted in a decrease during the decade of 4.2% in the percentage of the total housing supply occupied by owners. Dur-

ing the depression years, many home-buying families found themselves unable to provide physical maintenance, thus hastening deterioration. Their tenure was often made more insecure because short-term financing arrangements could not carry them through periods of lowered incomes.

In summary, the new private housing produced between the two world wars was directed to a market which consisted of a comparatively small part of the total population and did not include those most in need of housing, and it was markedly vulnerable to changing economic conditions.

While various factors accounted for the unsatisfactory nature of housing production between the two world wars and maintained high costs, inadequate incomes prevented a large segment of the population from obtaining adequate housing at all, whether new or old.

#### PROGRESS DURING THE PAST TEN YEARS—FEDERAL AID TO PRIVATE AND PUBLIC HOUSING

The entire relation of housing production to the market, the physical quality of new housing, and to some extent the relation of the location of new housing to community patterns, were markedly affected during the latter Thirties by the operations of the agencies assembled in the Federal Home Loan Bank Administration and those of the Federal Housing Administration, now divisions of the National Housing Agency. By divergent methods these two administrations have facilitated the flow of capital into the production of new housing, and, to some extent, into the improvement of existing housing. The operations of the Home Owners' Loan Corporation refinanced distressed mortgages, thereby saving the homes of over a million home owners during the depression.

The United States Housing Authority and its successor, the Federal Public Housing Authority, have provided new dwellings for 105,532 families of low income, by means of loans and subsidies to local housing authorities. In addition, 21,607 units built by the Public Works Administration and 4,210 dwellings provided by the Farm Security Administration are now operated in the FPHA-local authority program, making a total of 131,349 dwelling units in the low-rent program, exclusive of war housing.\*

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\*FPHA, under an amendment to the United States Housing Act, has provided funds with which local housing authorities have constructed as war housing 50,888 units that will revert to low-rent use after the war. In addition, 11,577 units of previously authorized low-rent housing have been converted to war use during the past three years; these will revert to their original purpose with the end of the war. Add to these, 25,513 low-rent units, the construction of which has been suspended, and it is possible that the postwar total of low-rent housing will reach 219,327 under the program authorized to date.

All these agencies have established the use of systematic market analyses as a basis for determining housing need.

The activities of FHA and of the agencies of the FHLBA in one sense may be said to be a lubricating of the operations of existing financial procedures. Two great advances have been made, however. One is the substitution of the amortized long-term mortgage for the short-term first mortgage, which was all too often supplemented by a second and even a third mortgage. The other is the progress made by FHA toward linking financing to proper neighborhood land use and good housing standards. But the activities of FHA, FHLBA, and FPHA have, within the limitations of the functions of the respective agencies as prescribed by law, necessarily operated through the existing organization and methods of the building construction industry. Improvements have been made, but many shortcomings of the industry remain.

#### THE AMOUNT OF HOUSING WE NEED

Postwar housing, in order to accomplish the objective of adequate housing for all families, must obviously produce dwellings suited to the greatly varying needs of all families. Both the size and the nature of the program must be adjusted to the need.

The program for the country as a whole must include the best use of existing housing, calling for adequate maintenance, and for repair and modernization as required.

The construction of new housing will need to include the following, for urban, rural nonfarm, and farm areas:

- a) The replacement of substandard housing, including both that which is so bad that replacement rather than repair and rehabilitation is the only remedy, and a small amount of less deteriorated housing which is located in substandard neighborhoods that must be completely redeveloped.
- b) Provision for doubled-up families and for overcrowded families not included in the foregoing categories.
- c) The replacement of housing that currently becomes obsolete or must give way to other uses in changing community development.
- d) Dwellings for new families.
- e) Additional housing in communities which experience net additions to their population as a result of migration.
- f) The maintenance of a sufficient percentage of vacancies to assure a smooth functioning of the housing market.

## . . . THE OBJECTIVE

These factors determine the size of the job that must be done in order to attain the national objective. To bring the housing supply of the nation up to a satisfactory standard within a period of about fifteen years after the war will require the production by private and public enterprise together of an amount of housing variously estimated at from one million to one and one-half million new dwelling units a year. This period may be lengthened by the time that it will take for the house-building industry to reach maximum capacity after the war. If the job is actually to be done within fifteen years, the average annual production will undoubtedly need to be nearer the million and one-half figure. In order to accomplish the objective, dwelling construction must be directed toward the satisfying of ascertained needs; it cannot consist merely of the production of so many houses, or of housing for a market that just "looks good" in an optimistic period, or only of housing that will be the most profitable. There will be great need for houses serving moderate- and low-income families and for rental housing in a much larger proportion to the total than was characteristic of the housing production of the Thirties. The new housing must be built for the families who need it and at prices they can afford.

## THE KIND OF HOUSING WE NEED

### Standards

The past few years have seen substantial improvement in the planning and construction of private housing. In public housing there have been developed minimum standards of space, light, ventilation, room arrangement, and equipment that now appear to assure healthful living conditions. Such standards should be the least that the community and the nation will tolerate for new housing. As rapidly as possible, such of these standards as can practicably be applied should be established as the lowest standards at which existing housing will be permitted to continue in use. The selective application of such standards, taking into account the ages of structures, could be a strong instrument toward the elimination of unfit housing.

While the elimination of housing below such minimum standards would mark one of the greatest accomplishments in the history of the nation, it still should not be regarded as the ultimate goal. The standards that we are now willing to call an acceptable minimum certainly do not represent the best that we can do. They are designed for use in housing of as low a cost as is consistently possible, much of it requiring public

aid to get it produced by private enterprise, or subsidy to make it available to low-income families. As a consequence, these present standards necessarily represent compromise with what we could regard as desirable under less limiting conditions. Examples of this are seen in room size standards which assure hygienic living but which sharply limit qualities of livability, with respect both to the amount of space as such and to its effect on the quantity and arrangement of furnishings; multiple use of certain rooms, resulting in a somewhat close regimentation of domestic functions instead of a more comfortable flexibility; cramped storage spaces; inadequate laundry facilities; and a lack of private outdoor space.

To be sure, these standards, which under present conditions (excluding the war) are regarded as an acceptable minimum, represent a vast advance over their predecessors. To realize that, we need only to recall the early tenement house regulations in New York City, one of which, adopted in 1887, required that there should be at least one cold water faucet on each floor of a tenement house—as, indeed, that requirement had represented an advance over the faucet in the yard or the well down the street (still prevailing in slum areas in some cities in the United States). What is emphasized here is that our acceptable standards of today must be regarded as the point at which we begin to advance tomorrow.

### Types

The quiet spaciousness of the New England village may not necessarily represent the way most families would like to live. But it undoubtedly comes nearer to it than do crowded apartments or monotonous rows packed closely together on noisy streets. There is a wide range in the types of dwellings that families prefer, from one-family houses on ample lots in small towns, to apartments in large cities. But whatever the preferred type, most families have a deep desire for family privacy, reasonable spaciousness of living quarters, and pleasant surroundings. There also persists a deep desire on the part of probably a majority of families to own their own homes, and the desire is usually for a free-standing house with a yard of its own.

These desires offer important guides to our housing needs. A more measurable guide is to determine the types of housing required to serve populations of certain sizes and of certain composition, principally as to family size, age, and income distribution. The family size and age composition of the population determine the number of dwelling units needed

and their minimum sizes, and influence their design and neighborhood relationships. The family-income composition of the population markedly influences housing need, since it determines what quality of housing families can afford or, given housing of specified minimum standards of adequacy, what families can not afford adequate housing without assistance.

All these factors, together with the quantity, quality, suitability, and availability of existing houses, determine the size and nature of the housing "market."

### Design and Planning

Until recently, most architectural skill in the residential field was directed toward the design of houses for a very small part of the population—mostly for the group (from three to five per cent) having family incomes of more than five thousand dollars per year—and most architectural experience was in this limited field. During the past few years, through the influence of both the Federal Housing Administration and the public housing program, the attention of architects has been directed much more largely toward housing for families of moderate and low incomes. Particularly noteworthy, especially in group developments, is the change in approach from that of the design of a building, to that of the design of dwellings, arranged and grouped to produce the best results in livability.

Large-scale group developments have given an opportunity, only occasionally used heretofore, to employ advanced architectural design. Some public housing as well as some private developments have shown encouraging beginnings of freer expression than has traditionally characterized residential architecture. Yet far too many large-scale housing projects, public and private, have been dull, monotonous, and unimaginative. These projects, most of which are expected to last beyond the year 2000, might have been models in site plan and design. The fault has sometimes been inertia and lack of imagination on the part of owners or housing authorities and their architects, and sometimes too arbitrary federal control, or too rigid cost limitations. By making full use of our developing technology and experience, the housing of the future can be better designed and more attractive.

Full advantage should be taken of advances in design and in the use of materials, but the public should not be led to expect that miracle houses will automatically be available after the war.

The same public and private activities that have brought about better design of housing for lower-income families have also resulted in better site planning. Improved layouts of sites have been encouraged through the initiative of private developers and local housing authorities and under the standards of the Federal Housing Administration and of the Federal Public Housing Authority. "Large-scale" rental developments, both public and private, have broken away from the traditional pattern of a series of lots fronting on a street, and in many instances have produced attractive site plans for groups of dwellings. Progress has also been made in developing better livability of surroundings, with homes built in planned neighborhoods that included facilities for education, recreation, and cultural development. This progress should serve as an incentive for further advancement and for the development of improved skills in the production of the maximum in livability for the cost. Experience serves to broaden the range of choice. For example, it has been learned that the advantages in design and management arising from large-scale operation do not necessarily require the development of huge projects, but may be achieved by smaller projects, fitted into a comprehensive program and planned as parts of integrated neighborhoods. The latter may be preferable in terms of the needs and conditions in the particular community.



## PROVIDING ADEQUATE HOUSING

### MAKING THE BEST USE OF THE HOUSING SUPPLY

In order to make the best use of the housing supply and to give it maximum protection, adequate physical maintenance must be assured. Deterioration is contagious, and there is a mutuality of interest in adequate maintenance that warrants making ownership of property subject to the obligation of maintaining it properly. The responsibility should be no less for owner-occupied than for rental housing, and should apply to housing serving all ranges of income. As a stimulus to this end, maintenance reserves might be required during the mortgage period in order to set a standard for proper maintenance throughout the life of the building. An effective plan for educating the small home owner as to the importance of keeping his property in repair, before spending for unessential equipment, and for encouraging owner-occupants to learn how to do their own repairs and renovations, would do much to improve property maintenance.

A number of private residential subdivisions in various parts of the country have used covenants of restrictions to entail on the land the obligation of maintaining various community facilities and services through annual payments by the purchasers of lots. This device might be worthy of experimentation in order to ascertain its effectiveness as a means of requiring the setting aside of reserves for the maintenance of dwellings.

The lack of sufficient information on actual cost of maintenance and operation for owner-occupied detached houses makes financial provision for these operations difficult and obscures the real total cost of housing to either owners or renters.

Valuable experience is being built up in the operation and management of large-scale rental housing developments, both private and public, particularly in: making the housing available to the part of the market for which it was intended; efficient operation of the housing from a busi-

ness point of view; maintenance of the property in good physical condition; and provision of well operated community facilities, especially in public housing.

Good layout, design, and construction are vital to successful housing, but they are only the first steps. Poor maintenance and careless management, devoid of understanding and skill in the handling of tenant relations, will spell the failure of any housing development, no matter how well designed and constructed. The shabby, rundown appearance of a few comparatively new large-scale housing projects—both grounds and buildings—points up the importance of intelligent and continuous operating efficiency.

A special committee of the National Association of Housing Officials is now conducting a study of the operating experience in large-scale projects. This kind of analysis, not only as to operation and management but as to successes and failures in site selection, in design, in construction, and in the planning of the dwelling units, should be of invaluable aid in the great era of home building to come. The results of this study will be made available to private operators and to public housing authorities alike.

Probably the greatest need in the operation of private large-scale rental housing, assuming efficient operation, is recognition of the community relationships of the housing and of the families occupying it. As private enterprise becomes increasingly successful in providing housing for lower-income groups, management will have to give increasing recognition to the importance of tenant cooperation in maintenance.

In the field of large-scale housing, success depends in no small measure on the quality of administrative organization and on the efficiency of personnel. Sound policies of recruitment and compensation, together with the facilities for both pre-service and in-service training, are essential in obtaining and maintaining adequate personnel for the successful management of large-scale housing, both public and private.

The best housing produced when general housebuilding is resumed after the war will not have unlimited life. Whether it will meet future standards and continue to provide acceptable housing will depend in large measure on how it is designed and constructed, how it is maintained, and on the protection given the neighborhood in which it is located. If good standards are met in these respects and if the living space is ample, obsolescence should not reduce the normal expectancy of the structure nor its livability, because it will be capable of moderniza-

### . . . ADEQUATE HOUSING

tion in line with changing concepts of space arrangement and equipment. Loss of values in prematurely obsolete dwellings has been one of our country's greatest wastes. That much of this is avoidable is shown by the fact that many dwellings 75 to 100 years old, located in sound neighborhoods, are still attractive and comfortable homes.

One of the reasons for the existence of slums in all our large cities and for the blighting of residential neighborhoods is the fact that dwellings, as well as other structures, are permitted to remain in use far beyond their properly amortized life. A building permit should not be merely a document permitting the construction of a building, but also a license for its existence for a specified period and for as long thereafter as its usefulness can be proved. It should also be possible to determine the life of existing deteriorated dwellings and set a date after which they would be closed for occupancy or ordered demolished. Methods for making such a plan effective should be developed. Such termination of the existence of buildings as they become obsolete would clear the way for keeping neighborhoods currently in good condition by replacement in accordance with need.

Local building and housing regulation and the place of systematic inspection of existing structures are dealt with in the section on this subject.\*

### FACILITATING PRIVATE ENTERPRISE

It is generally agreed that the achievement of a large volume of housing in the postwar years presupposes greater activity on the part of private initiative and private investment than has ever previously been experienced. Consequently, in developing a postwar housing program, every reasonable encouragement must be given to the housebuilding industry and every reasonable inducement to investment capital, so that the desired volume will in fact be produced.

Up to the present time housebuilding has been starved for capital, beset with the disabilities of archaic regulations, and cramped by ill-designed "protective" restrictions of its own making, particularly in the labor, materials, and subcontracting fields. The combined result has been an industry that, by comparison with other industries of similar importance, is technically backward and limited in the scope of its market.

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\*Page 30.

A change in this situation can come primarily from a generous infusion of capital. An assured supply of capital is necessary to encourage the industry to grow beyond the market limitations it has previously accepted, to induce it to drop the restrictive practices designed for the control of a limited market, and to permit it to take advantage of the economies possible only through large-scale operations. But over a long period, capital has found that investment in housing is attended with unusual hazards. Investment capital, consequently, has been available neither in amounts nor at rates of return that permitted a broadening of the housing market to its fullest potentialities. A few instances will demonstrate the truth of this assertion.

Land costs, especially in the older sections of cities, are frequently pegged at levels inconsistent with changing attitudes toward land coverage and density. Location, the very basis of investment, is subject to deterioration beyond the control of the investor, due to adverse changes in adjoining areas against which present zoning and planning regulations rarely offer adequate protection. More than this, inequalities in the appeal of municipalities of the same metropolitan area because of variations in tax rates; in building, zoning, and subdivision regulations; and in public improvement benefits constitute a constant threat to established investment. The system of property taxation, unrelated as it is to the earning power of property, places housing, along with all real estate, in an unfavorable position compared with other types of investment. High title costs and the cost and uncertainties of foreclosure procedures further complicate the situation.

These and other special hazards to housing investment indicate the prime points of attack if a large volume of new housing construction is to be sustained over a long period. Building codes must not only be revised in the light of current engineering knowledge and the possibilities of vastly accelerated technical progress, but they should be made uniform over the entire market area, usually a metropolitan district. Similarly, zoning and subdivision regulations should be drawn with a view to the needs of an entire metropolitan area and, together with the building code, should establish a uniform set of rules within which enterprise can function on a properly competitive basis. Adequate means of reassembling land and of removing obsolete property from the market are needed; and mortgage and title laws require revision to conform to modern financial needs. Were these things accomplished, it is safe to assume that

many of the restraints common within the industry would automatically disappear.

These improvements must be brought about primarily through state and local action. The federal government can, as it has through mortgage insurance, attempt to compensate for some of the special risks now existing. It might possibly, through proffered benefits (as in the public roads, public health, and social security programs), induce states and municipalities to make changes in their laws, or it might, through direct action (as with much of the war housing), circumvent the obstacles mentioned. Such moves by the federal government, however, can not cure the trouble at its source. The fundamental obstacles to a flow of capital must be removed; and, while it may be true that the process will take time, it must be borne in mind that it is a long-range objective that is to be achieved.

There are certain favorable factors in the short-term picture. Taking the nation as a whole, there is undoubtedly a strong backlog of demand supported by savings ready for home purchases. There promises to be no lack of mortgage money on terms at least as favorable as were prevalent immediately before the war. In many places, materials shortages have caused a more realistic attitude toward building codes and a breaking down of prejudices and restrictions against simplified techniques. Techniques have improved, waste has declined, the average volume per builder has increased, and a focus has been given to the low-priced, quantity-produced dwelling that is bound to affect future programs. In spite of the drastic wartime restrictions on building, there emerges from the war a housebuilding industry that is stronger, more efficient, and more confident than existed previously. We have, in effect, the beginnings of a new industry—an industry keyed to expanding rather than to restricted markets and eager for the means through which expansion can take place.

If it can be assumed that a wise industrial reconversion policy will provide builders with the materials and equipment they need with a minimum of delay, the stimulus of war savings and war-created confidence should result in the rapid return to volume such as we had in 1940 and 1941. The problem that we are principally concerned with here, however, is not that of the initial phase, which is largely one of industrial readjustments, but that which will follow when the initial impetus is over. Then we shall be faced with the difficulties of maintain-

ing a volume of housing production properly balanced to potential demands, of avoiding overbuilding in special sectors of the market, and of assuring an adequate supply of dwellings for rent. It is in anticipation of these difficulties that work must be undertaken at once on the hard task of removing the disabilities affecting housing as an investment.

The possibilities of future accomplishment through private initiative are indeed great. But it must be borne in mind that we are dealing with an industry which, though old in history, is still an infant in the modern industrial sense. It has, through the fixed nature of its product, problems of land and finance such as have not troubled the development of any other of our great industrial enterprises. In the critical period ahead, we can afford to provide reasonable incentives to speed the industrial transition already under way.

#### HOUSING FOR FAMILIES NOT ADEQUATELY SERVED BY PRIVATE ENTERPRISE

##### The Place of Public Housing

Private enterprise up until the past decade provided practically all the housing that was built in this country. It met the needs of the high-income groups well and also the needs of many of the middle-income group, but it was able to provide practically no new housing of good quality for families of low income. As a result, most of these families had no alternative but substandard housing and slums. Public housing was developed to meet this need.

The housing goal, now fairly generally accepted, is the elimination of slums and the providing of all economic groups with satisfactory housing. Achieving this goal is the responsibility of private enterprise to the extent that it is able to achieve this while acting as private enterprise. The measures for facilitating private enterprise discussed in the preceding chapter should enable the provision of profitable housing of good quality for families of lower income than those heretofore adequately served by private enterprise. How far down the income scale private enterprise can go remains to be determined. The outlook seems favorable that the incomes of persons in the middle- and lower-income brackets may continue higher after the war than before. The use of recently developed materials and methods and the elimination of avoidable hampering con-

ditions may—and it is hoped will—lead to a reorganized and a stronger building industry. Despite the fact that rising incomes almost invariably give rise to increased building costs, there is definite prospect that in the postwar years more of our families may be able to meet the economic costs of adequate housing and fewer of them will be in need of subsidies.

During the past decade little housing has been produced for the lower part of the middle-income groups. Private enterprise has built mostly for a higher-priced market and at the same time these middle-income families have been ineligible for public housing. A fertile and necessary field for private operators will be to supply the large demand from this group of our population. In the past, too little commercial housing has been provided anywhere for Negro families of any income group. Some of this need constitutes a potential market that has been almost entirely ignored by private builders.

The margin between what low-income families can pay and the cost of housing production is too great to expect that most of these families will be able to afford adequate housing produced at a profit. After the war, there certainly will be, as there always has been, a sector of the population that can not pay an economic rent. It is for this low-income group that public housing will be needed. For them, no other alternative exists except left-over substandard housing or slums. Existing housing in good neighborhoods, provided it is of acceptable standards or can be made so, can properly be passed down the income scale, but adequate maintenance must be assured. However, much of the present low-rental accommodation is dilapidated, insanitary, and unfit for occupancy, or is in badly deteriorated neighborhoods.

The housing provided for low-income families need not always consist of new housing alone. In other words, it may be possible for housing authorities in some communities to develop means for also making some use of existing housing, through purchase or lease, and necessary repairs and rehabilitation.

The field of actual provision of public housing is strictly limited to that in which private operators do not provide adequate accommodations. This involves varying amounts of subsidy in order to make up the difference between what the family can pay and the economic cost of housing. This policy does not result in a fixed class of beneficiaries. Public housing is and should be available to a family only so long as the family is unable

to pay for adequate accommodations, new or old, provided through normal commercial channels.\*

Private enterprise, to fulfill its responsibility, must produce housing for all parts of the market representing the housing needs of families who can afford decent housing. And while private enterprise properly expects public housing to keep out of this part of the total housing market, it should endeavor, in turn, to facilitate the operations of public housing in the part of the market that only public housing can serve. Public housing, for its part, while seeking to facilitate the operations of private enterprise and to find means of cooperating with private enterprise in specific ways, will find that its major attention must be directed to doing well its own peculiar job. In other words, public housing should concentrate on the field in which private enterprise can not possibly operate. The provision of adequate housing for the American people is a job of such magnitude that the full resources of private enterprise and the best efforts of public housing agencies can be utilized without the two conflicting or getting in each other's way. Reassurance to both private enterprise and public housing agencies should be sought in clear indications of the intentions of each, expressed in clear-cut housing programs and effective means of accomplishment.

The activities of public housing constitute a clear net addition to the total national production and provide new outlets for labor, materials, land, and capital which would not otherwise find productive utilization.

### Housing and Welfare

Public responsibility for housing is a part of the public responsibility for the general welfare. The role of public housing is to provide decent housing for families of low income at rents which they can afford and which would otherwise enable them to obtain only substandard dwellings.

To use or consider public housing as a substitute for general assistance for families whose incomes are below minimum subsistence requirements

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\*Before the war the strict income limits for families eligible for public housing were carefully adhered to. The war has limited home building to the minimum required in critical war areas. The result has been severe shortages in most industrial communities. For that reason, it has often become necessary to allow families to remain in public housing even though their incomes from wartime wages exceeded the income limits, simply because there was no place for them to go. This shortage has been especially true in the case of Negro families, for whom in many cities there are literally no vacant accommodations, even in totally unfit housing. This is an emergency situation. As soon as these conditions change with the end of the war, the policy of requiring that families who can afford adequate private housing move out of public projects will and should again be enforced.



would be a distortion of its purpose. Such families need financial assistance not only in the provision of housing but in the provision of every necessity of life. Relief, in the form of financial assistance, is the means whereby a pre-determined subsistence level is attained. It is the responsibility of welfare agencies and not of public housing to provide minimum subsistence incomes for families needing such assistance. Once these families are in possession of minimum subsistence incomes, it is the responsibility of public housing and not of welfare agencies to provide them with decent housing. Public housing properly concerns itself with the most economical construction and the most efficient management of housing that are possible within adequate standards of health and community living. The rents in public housing having been set at levels that represent the rent-paying ability of families forced to live in substandard housing but who are assumed to be otherwise self-sufficient, it is the responsibility of welfare agencies to assure that families needing general assistance will be able to pay such rents.

The provision of direct rent relief has been proposed as a substitute for public housing. Under this scheme, presumably all families of low income who can not afford decent housing would be given public relief through the issuance of rent certificates which could be used at their face value in part or full payment of commercial rents in private housing.

This proposal constitutes a reversion to the discredited "relief" technique of meeting general welfare responsibilities, and is objectionable in principle. It would mean putting on the dole families who are self-supporting except for inability to pay for decent housing. If the suggestion is based on the assumption that most families living in bad housing are in the relief category, the assumption is wrong. If it assumes that self-respecting families will apply to a department of welfare for any kind of relief except when in dire distress, the premise is untenable.

During the depression of the Thirties, millions of dollars were paid out in rents by city welfare departments, with no noticeable effect on housing conditions except that in most cities relief families lived in the worst housing. This is the only experience to date by which the rent certificate scheme can be judged.

What would the results of a more general application of the scheme be likely to be? If applied to all badly-housed families, the cost would be enormous—far greater than the cost of public housing—both because a substantial part of the amount would have to go to profits and because of the high costs of maintenance of the older dwellings that would be

used. There is no assurance that local communities would or could stand such an outlay or, if they undertook such expenditures, that they would continue them. At present the federal government is unwilling to aid in local relief and there is no reason to believe that it would pay for local rent relief. There would be no way to avoid giving rent certificates to families in substandard housing, thus tending to perpetuate such housing except for possible minor repairs. There is no way in which rent relief could operate to provide security for investment so as to cause private enterprise to build new housing for low-income families. If it could do so in any measure, it would appear that drastic restrictions on such private enterprise housing would be necessary in order to safeguard the public interest.

There should, of course, be continual, open-minded seeking for the most effective method of providing housing for low-income families at the minimum cost to the public. Proposals to this end, however, must be subject to critical examination both as to the economic soundness of their methods and as to their effects in terms of human welfare.\*

#### COOPERATION BETWEEN HOUSING AUTHORITIES AND PRIVATE ENTERPRISE

With a clear-cut statement by public housing authorities of their aims and an acceptance by private enterprise that there is a sector of the housing need that it can not meet, the way should be open for cooperation between the two groups. If public housing authorities know what private enterprise is prepared to do, they can more readily define their own sphere of activity and help facilitate private enterprise building.

Public housing construction can serve to some extent as a balance wheel for the home building industry. If the slums are to be cleared and the needs of low-income families met, the local authority will need a plan and a program for the part of the job it needs to do, subject to modification as private enterprise succeeds in reaching farther down the income

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\*Messrs. Frederick Bigger, Miles L. Colean, and Earle S. Draper, members of the NAHO Committee on Postwar Housing, state that they "do not condone the manner in which shelter certificates were used in the Thirties, nor do they necessarily commit themselves to some particular position which the statements on the subject in this report seem to be attacking." They state their belief that "neither in this report nor in general discussion has there been a full and objective analysis and appraisal of alternative uses of shelter certificates when and if accompanied definitely by more positive occupancy controls, compulsory demolition of substandard housing, and a going program of new building and reconditioning;" and wish to be recorded as disapproving the general character of the statements on rent relief in the report.

scale in the provision of housing. While the public housing program will need to be a continuing one, it can be contracted when private building is at a high level and accelerated when the situation is reversed.

The two groups might well explore the possibility of joint development of neighborhoods so as to facilitate the movement of tenants from public housing to private rental housing, as well as to home ownership.

Housing authorities have the facilities for assembling and analyzing facts on population sizes and composition, family incomes, and other factors bearing on the housing market. This information can be of great benefit to private operators and should be made currently available to them.

With well trained management, public housing is able to encourage among its tenants habits of prompt rent payment, good housekeeping, and care of property. As the incomes of public housing families increase, these families will be passed on to private enterprise housing—and as better tenants than they were before.

#### ENCOURAGING AND PROTECTING HOME OWNERSHIP

The decrease in home ownership during the past decade is striking. The causes that lie behind it should be thoughtfully examined. There can be no doubt as to the desirability of home ownership for all who want it and can afford it, and there can be no doubt of the widespread desire for it. But what is wanted are well constructed houses in protected neighborhoods, where savings can be invested with some assurance that property will not deteriorate before the mortgage can be paid off. The provision of such houses, with a sharing in the savings that can be effected in lowered building costs, will do more to increase home ownership than can ever be expected from slogans or sales campaigns or an abundance of gadgets.

When we return to peacetime conditions, our people will have larger amounts of savings ready to invest in buying homes. Home builders will have an unprecedented opportunity to produce the kinds of houses that are needed and to produce them at lower costs. It is the clear obligation of responsible builders and interested financial institutions to support building and subdivision regulations that assure sound quality of construction and intelligent neighborhood protection, and to prevent undesirable practices by the few who do more to discourage home ownership than all the efforts to advertise its advantages can offset.

Modern mortgage loan facilities, through lower required down payments and regular amortization of the debt over long periods, have made homes easier to acquire. These facilities have not necessarily made homes easier to hold or maintain. Unless the monthly payment is well within the buyer's ability to pay, the rigid amortization scheme may leave too little for property maintenance, or, in even a temporary stringency, may cause the loss of the property. Additional amortization should be encouraged in prosperous periods, in order to build up credits against payments due when times are bad. The encouragement, or requirement, of the establishment of reserves for painting, replacement of equipment, and other items of main future expense, would not only serve as a means of assuring that such costs can be met but would instill in the home owner the idea that the house is a depreciating asset, the value and utility of which both depend on the care that is given it.

The extension of home ownership calls for constant endeavor to produce better housing at a lower unit cost. This calls for unremitting research with respect to materials and construction methods; for provision of sufficient flexibility in frequently strait-jacketed building codes to permit the unhampered use of proven new materials and methods; for elimination of wasteful and restrictive practices in the building industry, whether on the part of management or of labor; for improved organization and financing of the house construction industry; and for improvement in the real estate taxation situation.

Lower cost can not be achieved through slogans. The catchword of prefabrication offers some promise but certainly no panacea—and the promise calls for much more experimentation than has yet been done and much more experience than has yet been had. There is also needed more realism about the relatively small part of total housing cost that is represented by the "shell." The house on wheels may have fad appeal and emergency utility, but would be an abomination as a permanent and substantial part of the housing supply of the nation. Houses are not isolated units, but must exist as integral parts of satisfactory neighborhoods.

The two traditional means by which families obtain housing are purchase and rental. There is need for a kind of tenure which may be described as more than rental and less than ownership. Experiments in the direction of such a form of tenure have been undertaken in mutual and cooperative housing enterprises. It may be that there can be developed a form of transferable equity, through which the purchaser, in effect, will acquire an equity in "housing" rather than in an individual

“house.” Such a plan might extend many of the benefits of home ownership, minus some of its present insecurity.

### SUBSIDY AND TAXATION

The carrying forward of a comprehensive housing program requires public subsidy to make housing available for families whose incomes are too low to permit them otherwise to occupy decent housing. It may also require subsidy to write off whatever part of the cost of any slum-cleared land required for housing, public or private, is in excess of its “use” value—that is, the value determined by the kind of use to which the land is to be put, in accordance with a comprehensive community plan.

It is highly important that these two types of subsidy be kept distinct, even though both types may apply in the same land area, as for example in the acquisition of excess-cost land in blighted neighborhoods for subsidized public housing. Neither private redevelopment nor public housing can properly be charged with the excess land cost.

There should be no concealing of subsidy, and it should be applied as directly as possible to the accomplishment of the desired result.

There is both a local and a national responsibility in the provision of needed subsidy. The immediate benefit is local, both in the elimination of substandard housing and the redevelopment of blighted areas, and in the provision of decent housing for low-income families. In addition to the resulting civic improvement in terms of a more orderly and more attractive city, the local community benefits in sounder land values and in an urban pattern that is capable of more economical and efficient provision of public facilities and services. It benefits by the elimination of conditions that contribute to high rates of juvenile delinquency, crime, disease, and infant mortality, and to excessive fire hazard. Beyond these measurable benefits, the community gains intangibly in the contribution made by better housing to human happiness and to a pride in home that makes for a greater sense of community responsibility on the part of the individual citizen.

The national benefit is found in the contribution that urban redevelopment and better housing make to the national welfare in sounder citizenship, a healthier citizenry, and better cities throughout the nation. Furthermore, whatever responsibility the localities may have because of their failure to establish and maintain effective controls over the use of land and the condition of dwellings and to provide well balanced and

properly serviced neighborhoods, the basic cause of the bad housing in which low-income families are forced to live is lack of sufficient national income, so distributed that every responsible family is able to obtain the minimum essentials of satisfactory living. The factors responsible for the size and distribution of the national income are either nation-wide or interrelated within the nation.

A further national benefit is found in the importance of housing production to the national economy. Although housing production can not be expected to be the balance wheel for the whole economy, it does provide employment and outlets for investment capital in the durable goods industries, and can contribute importantly to this vital sector of the economy. Public housing lends itself particularly to acceleration when needed as a stimulus to employment and investment.

Under present conditions, the most practical method of providing the local contribution to subsidy for public housing is tax reduction, accomplished by tax exemption for the physical properties of the development, with cash payments made to the local government in lieu of taxes. Stated in reverse, the reason for tax exemption for public housing is not that the properties are publicly owned, but that tax exemption is the most feasible and effective means of providing necessary local subsidy. The amount to be paid in lieu of taxes should be determined in accordance with uniform and equitable formulae.

One reason for considerable dissatisfaction with the present public housing taxation policy derives from lack of clear understanding of the necessity for subsidy under present conditions and of the purpose of tax exemption in providing part of it. In addition to explaining clearly the need for subsidy, the best way to overcome misunderstanding with respect to tax exemption is through frank accounting as to how much the net tax exemption on a particular housing development actually amounts to, compared with the total subsidy requirements.

The two alternative methods of providing federal subsidy for public housing that are at present available are the payment of capital grants and the payment of annual contributions. The capital grant method has not been used; as provided for in the United States Housing Act of 1937, it would result in an insufficient reduction in annual cost. Furthermore, capital grants are incapable of adjustment to varying annual need. Annual contributions alone have been used as federal subsidy in aid of the housing developments of local housing authorities.

Annual contributions are also the form of subsidy used in the only

state-aided public housing program in the country, that of the State of New York.

While methods for both local and federal subsidy for public housing are well established, the idea of subsidy directed specifically toward reduction of the cost of land for redevelopment purposes is in its infancy. Local subsidy for this purpose is provided for in urban redevelopment laws in several states, through the medium of tax concessions. There is no provision for federal subsidy for this purpose apart from low-rent housing, although there are two bills on the subject now before Congress, and several related proposals are under discussion by various interested groups. Federal tax or interest concessions, which are among the current proposals, are forms of subsidy. So are losses that would be met under any system that might be developed for guarantees (as distinguished from actuarially sound mutual insurance) of bond or mortgage payments.

Proposals for subsidy, whether federal, state, or local, for the reduction of land cost for urban redevelopment, and proposals for other forms of subsidy for the reduction of rents in public housing than those now available, should be examined according to the following criteria: (1) is the amount, as proposed to be applied, sufficient to accomplish the purpose—i.e., will the aggregate amount of applicable subsidies achieve the desired reduction in rents or land costs, as the case may be? (2) does the subsidy go as directly as possible to the accomplishment of the object sought? (3) will the subsidy achieve the maximum reduction for the amount used? (4) is the method sufficiently flexible so that the amount of subsidy can readily be adjusted to the need, determined on an annual basis? The latter consideration would indicate that the subsidy should be applied against annual cost, rather than in the form of capital grants.

In considering changes that might be made in the amount of subsidy provided for rent reduction, and in the respective portions of subsidy to be provided by the federal and local governments, local attitudes will undoubtedly have weight. The relation of subsidy to rents should always be borne in mind, however. Increase in payments in lieu of taxes, unless offset by additional subsidy from other sources, will inevitably have the effect of increasing rents, and, if too great, may render the housing incapable of serving the low-income families who are most in need of it. Payment of full ad valorem taxes (apart from the effect of this on the payment of federal annual contributions, which are conditioned on local subsidy to the amount of at least 20% of the amount of the federal subsidy) would result in rent increases to the extent that

rentals would be uncomfortably close to those of some private housing.

Consideration should also be given to the effect of payment of local subsidy on local governmental revenues; more specifically, the effect of tax exemption as a form of local subsidy on the local tax base.

The solution is not easy. At the outset, it should be recognized that the taxes that the local community loses on a tax-exempt public housing project can not by any stretch of the imagination be considered to be ad valorem taxes on the completed development less payments made in lieu of taxes. Except as a result of subsidy—both federal and local—the development would not exist: it does not represent a capital investment that the unaided rent-paying ability of the occupants could have brought about. What the community does lose is the taxes on the dwellings that those families were previously occupying, assuming that the new housing has replaced the old (wherever located in the community), or the equivalent of such taxes if the old housing becomes occupied as a result of increased demand—and also assuming no in-lieu payments. If in-lieu payments are made in an amount equal to taxes on the previously occupied dwellings, the locality not only has lost nothing, but has gained in the reduction of governmental costs that always accompanies public housing. In such an event, it certainly can not be said that the taxpaying property of the community is carrying the load of subsidy.

The payments made in lieu of taxes on public housing should be in terms of the ability of the tenants to pay. This ability is reflected in the rental income of the development, and the amount to be paid can, therefore, be expressed in a percentage of this income. The present policy of the Federal Public Housing Authority authorizes payments in lieu of taxes on low-rent housing equal to 5% of shelter rents. This amount could undoubtedly be increased without adversely affecting the low-rent character of the housing.\*

It might well be that public housing, by making payments in lieu of taxes which are based on ability to pay, can be the forerunner of improvements in existing procedures that will be of widespread benefit to the whole field of housing investment, production, and ownership.

Reforms in the taxation of private residential property are badly needed. The fact that the average residential neighborhood, taken by itself, can not "pay its own way" results in serious inequalities when an

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\*A NAHO Committee on Housing Subsidy and Finance has recommended that the authorized payment be increased to 10% of shelter rents.



urban community is divided among a number of local governmental jurisdictions. In such a division it inevitably occurs that some of the jurisdictions consist predominantly of moderate- to lower-value residential areas, and are thus seriously handicapped in providing necessary public facilities and services. Some method should be established for equalizing the cost of providing at least minimum facilities and services over the entire area of an urban community, regardless of the interposition of local political boundary lines.

After all this, the final problem still remains unsolved—the serious deficiencies in the present system of local taxation that places the principal part of the burden on real estate. To be sure, owner-occupied homes have a distinct advantage under present federal income tax laws, in that the value of rental equivalent for such homes is not included in income, while mortgage payments are deductible from income. In general, however, continuing demands for increased local governmental services and extensive urban improvements must look to sources of revenue in addition to that derived from real estate.

The answer to the problem is far beyond the scope of this report. Some of the ablest minds of the nation in the field of public finance and taxation are grappling with it. Part of the answer may lie in the localities themselves seeking other sources of revenue. But many of these have already been pre-empted by the state and federal governments. It may lie partly in local sharing in state and federal revenues, with the function of the state and federal governments in this regard limited to that of collection and disbursement, without accompanying control—if this be possible. Suffice it to say that probably no other single reform would do more to lift an impeding burden from private investment in housing and remove an important obstacle to the achieving of better cities than would the provision of sources of substantial revenue in addition to real estate taxation.

Any extensive revision in the tax system will be a long process. Even so, much more public housing than the maximum amount now found in any community could be provided before there would be any material effect on local tax rates, particularly as reductions in local governmental costs as a result of public housing would begin to make themselves felt in substantial measure.

A postwar public housing program must meet the crying needs of families now living under substandard conditions and must also provide part of the answer to the insistent demand for decent housing that will

come from persons returning from the armed forces, many of whom will require assistance to obtain it. At the same time, it is expected that extensive programs of urban redevelopment will be undertaken. It may be that the provision of adequate local subsidy for all these purposes under the existing federal-local pattern will lie beyond the ability of the local community. It may be necessary to rely on an increase in the relative amount of subsidy to be furnished by the federal government, since its sources of revenue are much broader than those available to localities. Or states might assume the responsibility of providing subsidy to supplement that furnished locally and thus relieve the federal government of this additional burden at a time when paying for the war will be a primary consideration.

## HOUSING IN THE URBAN COMMUNITY

### THE LOCAL HOUSING NEED AND MARKET

In the past, production of housing has been the result of a more or less informed conjecture as to what kind of housing was needed at the time, and how much could probably be marketed. Even when the conjecture was correct, the developer had no protection against others overbuilding the market and adversely affecting the results of his efforts. Mortgage lenders exercised no restraining hand in this respect, for their lending policies were largely dictated by consideration of the credit market. The procedure was generally haphazard and planless.

Every effort should be made to encourage the production of housing in accordance with ascertained needs as to types, quantity, income ranges to be served, location, and the proportion of rental housing required. The need can be ascertained best by local action, and national needs will logically be determined by a summation of local needs. National housing policy should reflect national population trends, the nation-wide character of major economic changes and of the controlling forces in conditions of investment and in the flow of credit, and the national interest in the provision of adequate housing for all families as a sound national policy. The actual planning for housing should be done by local communities, and it should be solidly based on local habits, customs, and traditions.

Local planning for housing should take full account of the utility of the existing supply of housing, making the best use of old dwellings that conform with modern living requirements. As more new houses are built and more deteriorated houses removed, market analyses to ascertain housing need should become increasingly critical of the quality, and thus of the utility, of the existing supply.

Reliable information on the requirements of the market should be made currently available to both private and public enterprise. The volume, the type-distribution of new private enterprise housing, and the

price in relation to need can be influenced through the instrumentalities of federal financing. Regulation of the location of housing, both public and private, as well as of the layout and design, in the interest of sound community development, should be accomplished primarily by local regulatory measures based on comprehensive community planning.

A defect in the public housing program in the past has been failure to provide sufficient accommodations for unusually large families, for aged couples, and for single persons. Future determinations of need should take into account the requirements of these neglected groups.

Existing conditions and methods of neighborhood development alike have tended, undesirably, to produce stratified communities, with neighborhoods consisting of separate and frequently limited economic or social groups. This is particularly so at each end of the income scale. Low-rental areas are in the main insanitary and ugly. They have an expulsive influence, tending to force those who can afford something better to move away. It is not contended that persons of all economic levels can or should be able to live anywhere in any community, nor that broad groupings in the community are undesirable. We can, however, strive to soften the hard lines that tend arbitrarily to set off portions of our people from others. In public housing we should minimize any tendency toward the compartmentalizing of certain economic groups in fixed neighborhoods. One means for doing this is the joint planning of private and public developments in suitable, adjacent locations.

### HOUSING AND BUILDING REGULATIONS

Regulation by local governments is essential to an effective community housing program. The regulatory measures of principal concern to housing are:

- a) Effective building and related codes, governing standards of construction, plumbing and electrical installation, and other features of safety.
- b) Specific housing regulations, relating to such matters as room sizes, window sizes, sanitary facilities, some features of room arrangement, and occupancy. Such regulations may be included in the building code or in a separate enactment; sometimes they are found in the zoning ordinance; or they may be more flexibly formulated by the local health department if it has such powers.
- c) Zoning, governing by districts the nature and intensity of land use, including regulation of the open spaces around buildings, the sizes

of courts, the height and bulk of buildings, the land coverage by buildings, and the density of population.

- d) Subdivision regulations, governing the layout and improvement of new additions to the urban pattern.

All these regulations are closely interrelated and should be worked out in proper harmony and balance. They are as necessary for unincorporated urban areas as for municipalities and should also apply in undeveloped areas subject to future urbanization. In addition to their community value, they benefit responsible builders by giving them added neighborhood protection for comparatively small developments and by helping to check unfair competition by fly-by-night operators.

The indiscriminate location of trailers has developed a new problem that requires control, else we shall have slums on wheels to add to our housing troubles.

In most communities, the standards of zoning laws and subdivision regulations are too low to assure the provision of adequate open space and to provide proper control of density. If buildings continue to be crowded together on small lots in new subdivisions and if old areas are redeveloped with undue density, we shall simply repeat past mistakes and fail to achieve the goal of better homes, better neighborhoods, and better cities.

Many cities have adopted or otherwise have in effect regulations requiring that existing buildings be maintained in safe condition and conform to certain other standards. Unfortunately, these regulations are usually weak and ineffective. The gap between these low standards and the standards established for new housing is everywhere too great. In furtherance of the great purpose of providing adequate housing for all families and in recognition of the principle that no one is entitled to profit from the maintenance of socially detrimental conditions, there should be established far higher standards than have heretofore been thought feasible, below which no housing will be permitted to exist in the community. The tightening of such regulations of existing housing, until they finally merge with the requirements for new housing, may be expected to proceed only gradually. During this period of adjustment, one of the most important actions the community can take is to apply the full weight of the community regulations to housing that has lived beyond a period reasonably necessary for the amortization of its cost.

The problem of room overcrowding has never been attacked realistically in the United States. The provisions of building codes on the sub-

ject, commonly requiring 400 cubic feet of air per adult and 200 cubic feet per child, are seriously inadequate and nowhere enforced. The 1940 Census revealed that over 3,000,000 families were then living under unhealthfully crowded conditions, with an average of over one and one-half persons, and often with two to four persons, to the room. The Committee on the Hygiene of Housing (American Public Health Association) is now working out standards of room occupancy based on the most searching study of the problem ever undertaken in the United States.

These standards will be a valuable guide to local communities, but standards alone will not reduce room crowding. Local housing regulations can not be enforced unless there is a program for providing housing for families when the application of the regulations results in elimination of the houses they occupy (unless, of course, there is an ample supply of habitable vacancies in existing housing at suitable rents—and for low-income families this would usually mean that there is an excess of vacancies on the market). Regulations can force unfit housing off the market but they can not make up for the deficiency in family income which denies the family the occupancy of decent housing. Nor can they assure adequate housing in suitable neighborhoods with essential community facilities. The provision of new low-rent housing must go hand in hand with the enforcement of regulations to vacate or condemn insanitary and unsafe dwellings and to eliminate unhealthful room crowding.

The effective enforcement of housing, building, and related regulations can not be achieved simply by checking applications for building and occupancy permits, supplemented only by action when violations happen to be called to the attention of enforcing officers. There should be established administrative procedure for systematic inspection, covering all the major matters included in the applicable regulations. Such inspection if not actually unified, should at least be fully coordinated as to the various related regulations. Lax enforcement, whether in the initial application of the regulations or in proceeding against violations, inevitably breeds contempt both for the regulations as such and for the standards which they express. This contempt becomes cumulative and tends to pile up the difficulty of obtaining observance of the regulations and correction of violations. On the other hand, vigilant enforcement develops a public sense of security in the regulations that greatly strengthens their effectiveness. Citizen interest thus supplements official action. The alert-

ness of groups of citizens who have pride in protected neighborhoods can provide strong support for official enforcement activities.

### HOUSING LOCATION AND THE COMMUNITY PLAN

In urban planning, housing should be considered in relation to the physical pattern of the urban community and its neighborhoods.

Good housing means a good house in a good neighborhood. Housing can not be provided with a satisfactory neighborhood environment unless the neighborhood is planned. The neighborhood can not be planned except as a part of the larger community. The urban community properly includes not only the already urbanized area, but also the area beyond it which is likely to become urbanized within the predictable future.

The problems of local planning do not end with the corporation boundaries of a city or of a rural village. One of the chief weaknesses in local planning has been the artificial political boundaries which break up functional metropolitan areas into a series of disconnected governmental units. Urban and rural planning to be sound must be based on the larger areas in which common community problems exist. For cities, the metropolitan region should form the basis for planning.

The proper relationship of houses to their neighborhoods is achieved not alone in a satisfactory physical design. The housing must serve a population of ascertained characteristics. A housing program must be based on intelligent estimates of the size and composition of future population, and these determinations, in turn, must be derived from estimates of the economic future of the area.

A proper city or metropolitan plan presents, not the urban layout for a piece of topography, but the pattern of a community designed to serve so many families of certain characteristics. It includes: a land use and population density pattern; a complex of neighborhoods; major thoroughfares and parkways; transportation lines and terminals; parks, recreation areas, and other open spaces; utilities; various classes of public buildings; and other physical features of the desired community.

The design of residential neighborhoods should be one of the most important parts of city planning. While city plans should provide for convenience and efficiency for business and industrial districts, it should be recognized that, in one sense, business and industry exist to enable people to live, and that the provision of desirable living conditions is the

most important purpose of city planning. The residential neighborhood must consist of more than streets and lots; it must be designed to assure the best arrangement of housing, with ample open space. It must be protected against the intrusion of heavy traffic and detrimental uses. It must be provided with convenient retail shopping accommodations, and the educational, recreational, cultural, and related facilities and services that make for satisfactory community life. Soundly developed neighborhoods have power to attract citizen interest and loyalty, essential to wholesome civic and social development and to mutual interest in property maintenance and community protection.

While a national objective of adequate housing for all families involves national policy, this objective can be realized only in the neighborhoods of the cities and towns and rural communities throughout the land. And it can be accomplished worthily only within the framework of comprehensive city, town, and rural community planning. It is not enough that there appear to be no conflict between a housing project and the street pattern, or some other fragmentary feature of a so-called city plan. Rather, the housing project itself must be one of the means which is used for the accomplishment of the city plan.

#### LAND ACQUISITION

Locations for housing, whether on vacant land or on sites that are to be cleared, can not be determined with validity except in accordance with a comprehensive community plan establishing a pattern of land use and population density. The land use plan may indicate a pattern considerably at variance with existing conditions, but, assuming its competence and its local acceptance, it offers the only stable basis for the functional organization of the community and for a comprehensive local housing program.

Obviously, the acquisition of land is the first physical step in producing housing. Eminent domain has frequently been used for land acquisition for public housing. It should be available for either public or private enterprise developments, but should be exercised only by a public body and only in connection with projects subject to regulation in the public interest. Eminent domain is an attribute of sovereignty and its exercise is a drastic measure. As a means of land acquisition for housing, it so profoundly involves the public interest and is so capable of mischief in distorting sound patterns of community development if improperly, or even thoughtlessly, used, that its exercise should never



pass out of public hands. At the same time, the local public agency to which the instrument is entrusted should use it as necessary for any phase of the community's program, public or private.

The use of eminent domain overcomes unwillingness to sell and, to some extent, unreasonable price demands. It can, however, do little about prices which are in harmony with prevailing market prices but which are too high to permit the land to be used for the type of housing called for by the comprehensive plan. It has, therefore, been suggested that when this condition is met in a blighted area, the property be allowed to "stew in its own juice," in the hope that further deterioration will destroy the unjustified values established by community sanction in the past. This remedy would not only run counter to the community's interest in the orderly process of putting land to its best use, but, through the costliness to the public of the continued existence of blighted neighborhoods, would ordinarily be more expensive in the long run than paying the current price and writing off whatever excess there is above a value dictated by a fair return from the prospective use. Nothing constructive can be accomplished by moralizing about the justice of forcing the owners of overvalued real estate to carry their own losses in a readjustment. Whatever sins of these owners may have contributed to the unsound conditions, the transgression is one in which the whole community has participated through lack of planning and effective control. The sensible course lies between the two extremes of placing the entire burden of inflated land values on the present owners and imposing that burden entirely on the community.

There are a number of justifiable ways of reducing acquisition costs of land held at exorbitant prices in blighted sections. If local enforcement officials will rigorously compel the vacation of all unfit structures and condemn those that are unsafe, and will systematically order the correction of all conditions in violation of the law, these actions should have weight with the courts in condemnation proceedings. The proposal already made\* that buildings be permitted to exist for specified periods of time, and thereafter only if their further utility can be demonstrated, should aid in eliminating unjustified values, since the acquisition value at any time would normally be the then unamortized value. Where assessed values are too high, they serve to sustain unreal values and they should be reduced to a point consistent with the income-producing capacity of the property. Zoning which allows commercial and

\*Page 13.

industrial use where such use is unlikely and unwise encourages owners to hold property at excessive values. Correcting such zoning would eliminate this factor in inflation. In the earlier stages of a long-term program there are usually sound alternatives in the scheduling of specific developments. The timing of land acquisition can take advantage of the most favorable prices, letting further deterioration do what it can to the more unfavorable prices during the time available in the program schedule.

Outside of taking advantage of such possibilities, however, the public must face the necessity of writing down excessive land prices to values that are sound in terms of the redeveloped use.

The acquisition of vacant land for housing, especially at the urban periphery, involves less difficulty. However, speculative prices may have to be overcome, especially if the owner is convinced that the land is "ripe for development." These prices, plus the cost of installation of utilities, may raise the site cost to a point of comparability with a site consisting of more valuable land, with all or some of the utilities already installed. But expediency is not the answer: the only safe guide is the principle of turning all land to its best use.

Most communities have tax delinquent land in varying amounts. In some blighted sections of cities the volume is considerable. Simpler and more effective procedures for public acquisition of tax delinquent structures should be worked out. While it will seldom happen that such properties will be so generally contiguous as to facilitate large-scale redevelopment, it may be possible to exchange them for other suitable land, or they can be sold and the proceeds used for this purpose. Acquisition of tax delinquent land may be a useful aid in acquiring property in blighted areas both at the core and on the fringes of cities.

In carrying forward a comprehensive housing program, including redevelopment of blighted areas, a community might well supplement the outright acquisition of land for immediate use by the acquisition of the development rights to land needed for future use. By this means, a future title would be acquired, leaving the existing improvements to continue in private use until the time specified by the terms of purchase. This method would provide land as needed in accordance with a long-range program, but would allow productive utilization of existing structures, preferably to the end of their useful life. The cost of such development rights would undoubtedly be low, since it would, in effect, consist of the value of the right to receive income from the use of the land for a period of time possibly distant in the future.

So important is it that the community have full facility in land acquisition at reasonable prices and so anti-social is speculation in land needed for housing, that communities may well explore the possibilities of acquiring land reserves where necessary to prevent land speculation from producing harmful social results.

## ASSURING DESIRABLE NEIGHBORHOODS

### Protection of Existing Neighborhoods

Many forces contribute to the decline of once good neighborhoods. One of these is the tendency for families to seek the openness of peripheral areas, frequently leaving the older dwellings to be turned over to families whose incomes are insufficient to provide for proper maintenance. This tendency may be expected to continue. Other forces making for neighborhood decline can be prevented or kept in check. The right kind of zoning will keep out of the small home neighborhood uses which would be injurious to them, such as commerce and industry and apartments, thereby helping to keep noise and dirt and traffic at a minimum. Building and housing regulations, if enforced, can do much to prevent the neglect of individual properties and can eliminate the deteriorating effect of dilapidated structures. Setting a limit to the physical life of buildings will bring about their removal when they have outlived their usefulness. Organized into neighborhood councils, citizens can encourage good habits of property maintenance and foster improvements and betterments of advantage to all. They can counter any proposals for undesirable zoning changes.

### Urban Redevelopment

The redevelopment of slums and deteriorated neighborhoods is now commonly spoken of as urban redevelopment. It calls for:

*Rehabilitation of deteriorating neighborhoods.* These are areas in which the housing is still of sufficiently good quality to warrant rehabilitation and repair. In some situations, the neighborhood entity, general design and character, and the condition of the housing are such that corrective measures might produce a neighborhood that will be satisfactory for a considerable period of time. In other situations, the rehabilitation can do little more than stay the forces of decay for a while, until, in the scheduling by which the housing program in the community is accomplished, the neighborhood is marked for general overhauling.

*Clearance and rebuilding of badly decayed neighborhoods.* Reclamation of badly decayed neighborhoods requires the assembling of the land, the redesign of the street system and of other features of the neighborhood, and the rebuilding of the neighborhood for the uses and for the intensity of use determined by the community plan. Such use may be housing for any income group; or it may be business, industry, public facilities, or public open space; or it may be any combination of these uses or other uses indicated by the community plan.

It can not be too strongly emphasized that no feeble approach such as patching up the worst features of city decay or timidly accepting over-dense land use will suffice. If decayed centers of our cities are to be salvaged, they must be so reconstructed that they can compete reasonably in attractiveness with new neighborhoods that are now drawing off population to the periphery. This is surely one instance in which failure to plan boldly will be fatal.

Once land has been publicly acquired in the process of urban redevelopment, the public should retain controls far more extensive and more certain than the regulatory powers possessed with respect to all land in the community. This should be so regardless of whether the redeveloped use be public or private. Retention of control by the public is essential if a recurrence of the conditions that caused the blight in the first place is to be forestalled, and if changed conditions are to be met effectively as they occur. Retention of control should preferably be by retention of title. Then the parts of such areas that are designated for redevelopment by private enterprise would be made available by long-term leases from the public agency holding title. Such leases should contain provisions for recapture, on fair terms, in the event that changed conditions require it.

It may be found in some cities that outright sale will be preferred to long-term lease—for example, with respect to the use of urban redevelopment procedures for reassembling the land in lightly developed outlying subdivisions that have “gone sour.” If sale instead of lease is to be permitted at all, it should be only if it can be done in such a way as to leave the public with, in effect, the same controls as if title were retained in the public. This would undoubtedly require not less than that there be entailed on the land (1) provision that all development shall be completely in conformity with publicly prescribed plans for the use of the land, the density of occupancy, land coverage by buildings, and the site

layout of the area; (2) establishment of limits of life of structures; and (3) provision for recapture of title.

Because of the probable large scale of urban redevelopment and the likelihood that it will eliminate large blocks of housing, another important requirement is that there must be available for families displaced dwellings of acceptable standard, in convenient locations, and at prices within their means. Unless this is done as an inherent part of the redevelopment proceedings, or at least as a required concurrent proceeding, the community will make little or no social gain through the redevelopment and will almost certainly worsen its housing situation. As a matter of fact, if such housing for displaced families is not available, urban rehabilitation will be self-limiting because public opinion will not permit families to be thrown into the street or forced into crowded hovels to make way for such projects. With neighborhood redevelopment for housing as part of a comprehensive housing program, the rehousing of displaced families becomes simply another part of the same program. If the area is occupied by low-income families and is suitable for redevelopment for such use, the logical instrument to use in providing for such families is the program of the housing authority.

#### Design of New Neighborhoods

Whether cities grow substantially in size or not in the succeeding decades, the trend so marked during the Thirties for families to seek the openness of the countryside is likely to continue. New neighborhoods will develop, whether within city corporation lines or beyond. If extensive redevelopment of decaying city areas occurs, it will in many instances involve less dense land use and that in turn will occasion rehousing some families on vacant tracts.

It is, of course, easier and cheaper to develop sound neighborhoods in these newer areas and, therefore, of the greatest importance that private enterprise be fully cognizant of its opportunity, and that local communities modernize their planning and their zoning and subdivision regulations.\*

#### Community Facilities

One of the chief contributions of large-scale projects, particularly those for lower-income groups, has been realization of the importance of community facilities, indoor as well as outdoor. Community buildings

\*See Page 33.

for nursery schools; girl scout, boy scout, and teen age social activities; clubs of fathers and mothers; and tenant organizations have met a need second only to healthful housing itself. They have the effect of developing neighborhood interest and good citizenship among the grown-ups, and give an outlet for the surcharged energies of childhood under wholesome supervision and away from the demoralizing influence of the street gang and the low type commercial attraction. Many housing projects have been wisely located adjacent to park and play areas. In the absence of such existing facilities, they have usually been developed as a part of the project, often with local governmental cooperation. It has been the sound practice to make all these facilities, whether within buildings or in the open, available to the residents of adjoining areas.\*

So long as local communities could not or were unwilling to provide for these needs, it has been justifiable to provide them as a part of housing projects. They are, however, essential to all neighborhoods, and ultimately it should be the responsibility of local governments to provide most of them—including parks, recreation fields, and community building facilities. In residential developments of the apartment type, tot areas should be provided as a part of the project. In new subdivisions, land needed for recreation should be provided as a part of the subdivision.

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\* A more extensive discussion of the problem of community relations is contained in a report "Community Relations in Urban Low-Rent Housing" published by NAHO in May 1940.

## RURAL HOUSING

### RELATION TO LAND USE

Farm housing is directly related to the use of land for agricultural production. The farmhouse is a part of the total farm "equipment" and is intimately related to farm operations, calling for a different design from that for a dwelling in an urban community. The needs of farm housing reflect the economics of rural land use and the operating requirements of farm land. Farm housing costs bear a different relation to cash family income than do urban housing costs, for farm cash income is supplemented by items of subsistence produced on the farm. Members of the farm family frequently participate in the physical production of the dwelling which houses them, and they generally assume considerable responsibility for keeping the house in repair by their own labor.

Farm housing needs vary with variations in characteristics of farm families and farm workers—whether owners, tenants, part-time farmers, or settled or migrant laborers. The problem of providing adequate housing for farm laborers, while closely related to the general economy of the area under consideration, is ordinarily not a part of individual farm operations. Economically, at least, it is little different from that of providing adequate housing for urban wage earners.

The need for farm housing is determined by economic land use studies and analyses of rural population as to social characteristics, and in relation to farm economic resources. These studies should include probable changes in land use and shifts in population planned to bring about a better economic balance. Farm population is relatively less mobile than is urban; and where there are high net reproduction rates, they characteristically build up population surpluses. The scheduling of adjustments must be at a different tempo than in urban areas. Induced migrations resulting from the public acquisition of submarginal lands, or from special colonizing enterprises, such as in connection with major reclamation projects, should be treated as special problems.

## TYPES AND STANDARDS

While the types and designs of farm housing will be substantially different from those of urban housing, standards of healthfulness, convenience, and livability should be no less. There should be no attempt to justify inadequate standards simply because large numbers of farm families "live that way." When it comes to providing the farm house, there certainly should be the fullest utilization of the industry and ingenuity of the farm family, which is often able to do a good deal toward building its own house and keeping it in repair. This does not mean, however, that the job can be considered as satisfactorily done by the provision of an incomplete or inadequately equipped house.

## THE RURAL COMMUNITY

As with urban housing, adequate rural housing means more than just good houses. Rural areas, too, consist of communities and neighborhoods, even though the population density must be measured in acres per family rather than families per acre. Rural neighborhood life is frequently more closely knit than that in urban neighborhoods, with greater reliance on neighborhood activities for social and cultural satisfaction. Proper planning of educational, cultural, and other community facilities is an essential part of the comprehensive planning that must underlie an effective rural housing program.

## PROBLEMS OF FINANCE AND OTHER AIDS TO RURAL HOUSING

From the point of view of private mortgage finance, the farm home is not considered a good risk for a separate loan, since the loan is justified only by the success of the business of farming. Private funds for farm housing, therefore, are available only indirectly. As a result, there is little hope of improving the quality of housing for low-income farmers through the operation of private finance alone. Federal assistance is needed to provide: more effective use of various forms of farm credit; a method for making available to rural housing the benefits of such direct loans and subsidies as may be necessary to serve low-income families, but through procedures suited to the nature of rural housing and to the needs of rural families; and utilization of the educational facilities of the Department of Agriculture in fostering sound maintenance methods.

Obviously, housing should not be subsidized in uneconomic farm areas. On the contrary, rural housing plans should be integrated with the efforts of states, counties, and the Department of Agriculture to promote sound use of farm land and the shifting of farm families from areas where it is impossible to make a satisfactory living from the land.



## **GOVERNMENTAL AGENCIES**

### **Local, State, Federal**

#### **LOCAL AGENCIES**

The foundations of an effective housing program for the nation lie in local responsibility—responsibility for ascertaining local housing need; for preparing comprehensive community plans; for formulating housing programs, based on those plans and designed to serve the need; for providing protective measures; for providing in full or in part such subsidies as may be needed (whether for reduction of rents in public housing or for reduction of land costs in urban redevelopment); and for the actual designing, building, and operating of such public housing as the community may require.

#### **Housing Authorities**

Local housing authorities are local administrative agencies whose immediate function is to provide good dwellings for low-income families not adequately served by private operators. But this can be done satisfactorily only in relation to the housing needs of the entire community. The local authority can know what these needs are and how they can be met only on the basis of a thorough understanding of housing conditions in the community and through the formulation of an over-all community housing program, based on comprehensive community planning.

To achieve its fullest possibilities for exercising leadership in the community, the authority must maintain an outlook beyond its own strictly limited field in the building and operating of housing, and must take advantage of opportunities for developing close cooperation with, and for facilitating the operations of, private builders. In a number of war industry communities, private builders and public housing authorities have gotten together and worked out acceptable plans for meeting local housing needs. A similar open-minded and understanding approach

to the community's postwar housing problems should lead to collaboration that would be greatly beneficial.

The local housing authority can be the source of up-to-date, reliable information on the community's housing conditions and housing needs, and on the characteristics of current market demand, and should make this information generally available. Such data and market analyses are of the utmost importance to commercial builders, are essential to the authority's own operations, and are of value to homeseekers.

A local housing authority now usually has the power of eminent domain. Its functions are so closely related to the purposes of urban redevelopment that the power of eminent domain could readily be extended by state enactment so that, if the community desired, the housing authority could be made an agency for the acquisition of land for redevelopment. Otherwise, special local land acquisition commissions may need to be established. Housing authorities in most states already have powers that would enable them to acquire land on which substandard housing exists and make it available to private builders for development. Opportunities of this nature will disclose themselves with the formulation of a comprehensive local housing program and with collaborative endeavor to find the best answers to the housing needs of the community.

The housing authority should take a leading part in bringing about broad-visioned community planning and the adoption of effective zoning, building, housing, and subdivision regulations.

In short, the housing authority, as an agency set up by the local community, can become the focal point of the community's housing interests and an increasingly useful instrumentality in the accomplishment of the community's housing objectives. To achieve this position, it must concern itself with the housing needs of the whole community, and must seek to develop community confidence in its program.

Practically all local housing authorities derive their powers from state law and, with a few exceptions, are autonomous political subdivisions of the state. Nevertheless, their activities are intimately related to the operations of the local governments, municipal or county, with which they are associated, and should be closely coordinated, through definite administrative procedures, with those of the local governmental departments with which they must work. The closer the coordination, and the better the understanding with which it is facilitated, the greater assurance there is of an effective housing program for the community.

### Planning Commissions

It is the function of the local planning commission to prepare the community plan, to recommend measures for putting it into effect, and in some particulars (if it has been specifically assigned such responsibility) to perform administrative operations with respect to it—e.g., in the exercise of subdivision control and in passing on the location of housing projects.

The close relationship that should exist between local housing authorities and local planning commissions should call for frequent contacts between the two. The relations between them should not be casual, but should be clearly defined, and should operate as a matter of normal administrative procedure. This will tend to come about if the master plan of which the planning agency is the custodian is comprehensive, including designated areas for housing as an integral part of the plan. Participation by the housing authority in the preparation of the housing parts of the plan should lay the foundation for fully cooperative relations thereafter and for continuing consultation on the evaluation of the plan.

### THE INTEREST OF THE STATE

The function of the states in a housing program for the nation is clear-cut in one respect: adoption of the legislation that is required for the establishment of local housing authorities (now in effect in 39 states and, for war housing alone, in 3 additional states). The states also have a considerable opportunity to facilitate the operations of private housing production, such as through legislation affecting the investment of funds by insurance companies and savings banks. Yet there are wide differences in what the states have done. At one extreme are several states with no authorization of local housing authorities, no legislative authority for regulation of housing conditions, and no apparent recognition of any state responsibility in housing as such. In most states, county governments can neither adopt zoning regulations nor control building construction in unincorporated areas because state legislatures have failed to give them that power. At the other extreme is the State of New York, with authorization of local housing authorities and of limited-dividend companies and corporations receiving the benefits of partial tax exemption; with extensive legislation relating to housing regulations and to local planning; and with a substantial program of state financial assistance to local housing authorities. In two or three states, state housing agencies have the power to build and operate housing, but these powers

are not now being exercised. Such powers might be useful for rural housing or for the facilitation of housing programs in complex metropolitan areas.

A federal program of financial assistance to housing can well be supplemented by state action. By such action, a state could assure the benefits of a comprehensive housing program for its own citizens, even though such benefits were delayed for the nation as a whole through curtailment of the federal program. Where public housing is needed in small towns, it may be necessary for the states to create or authorize regional authorities within the states to deal with the problem. Such agencies might also deal with rural housing.

There is considerable uneasiness on the part of the state governments over the increasingly important position of the federal government vis-a-vis the states and over the growing prevalence of direct dealings between the federal government and municipal corporations. This concern remains fruitless if expressed merely in outbursts against "federal bureaucracy." If the states are to maintain a strong position in the total structure of government, there must be expression of state responsibility through effective action.

This is not to urge the creation of state housing agencies simply on the theory that the state government should not be overlooked in the operation of a national housing program. The mere insertion of a state agency between federal housing agencies and local housing authorities might actually be obstructive rather than helpful. A state housing agency should not be established unless it can serve as an instrumentality of effective state participation in achieving the objectives of a comprehensive housing program and as an aid to local housing authorities.

In addition to providing financial aid, a state housing board with adequate staff and funds (but not otherwise) could assist local authorities by analyzing housing needs, especially of the larger areas of which the particular local communities are a part and in relation to state and regional economic trends and population changes; and by research, special housing studies, and technical advice. As in the local community, the work of a state housing board should be closely coordinated with that of the state planning agency.

#### FEDERAL AGENCIES

The national concern in housing is that there shall be enough good dwellings. In accordance with this concern, the national contribution

should take the form of encouragement, technical assistance, participation in subsidy as needed, and other forms of financial assistance.

For the period of the war and six months thereafter, the housing agencies of the federal government\* have been assembled in the National Housing Agency, with three major constituents—the Federal Housing Administration, the Federal Public Housing Authority, and the Federal Home Loan Bank Administration. In establishing the National Housing Agency as a war expedient, the President had to take the situation as it was and devise a form of organization that would most expeditiously do a difficult job. There was no time to fabricate new operating procedures, had they been deemed desirable: it was necessary to use procedures already in operation, facilitating and supplementing them as required. The most important things to be done were to achieve coordination of the operations of existing agencies, to put into effect machinery which could determine the need for war housing, and, within completely controlled production, to expedite the provision of housing in accordance with the determined need. The wisdom of thus using and supplementing existing procedures is demonstrated in NHA's record of successful accomplishment in the face of great difficulties.

The effective carrying forward of a comprehensive national housing policy requires that there be a permanent federal housing agency, responsible for effective coordination of all the activities of the federal government with respect to housing, including the administration of such federal funds as may be made available for slum clearance and low-rent housing. Whatever agency is actually responsible for providing rural housing, the rural housing program (a) should be coordinated with the production of other housing, and (b) should be related to the various activities of the Department of Agriculture which deal with agricultural land use economics.

With the end of the war there should be an end of federally constructed and operated housing projects. The single exception would be machinery set up on a regional basis, perhaps federally chartered, to provide residential communities for major reclamation and power projects, such as the Grand Coulee development.

While the actual determination of housing need, the formulation of housing programs, and the planning and design of housing projects are matters of local responsibility which the federal government should not

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\*Except the rural housing operations of the Farm Security Administration in the Department of Agriculture.

seek to control, the federal government, before giving financial assistance, should properly require assurances from the localities that will justify the spending of federal money, such as evidence that there is need, that the community has made an adequate plan for its future development, that its proposals for housing are in accord with that plan, and that suitable standards have been established.

The federal agency should establish a central research bureau, competent to test housing design and the suitability of various types of equipment and materials for use in housing. The standards developed should make full use of the experience of existing housing projects and should serve as a master guide for private builders and housing authorities. The conclusions should be advisory, both as to criteria and as to regulatory measures.

Provision should be made now for a permanent federal housing agency, so that it can be ready and functioning by the time the war ends.

## THE IMMEDIATE JOB

### POSTWAR DISPOSAL OF FEDERAL WAR HOUSING

During the four-year period ending June 30, 1944, there will have been produced by public agencies more than 775,000 dwelling units of war housing of all types, contrasted with the construction of 132,537\* low-rent family dwelling units† over a period of about eight years. This war housing total consists of some 515,000 family dwelling units, 156,000 dormitory units, 49,000 trailers, and 55,000 dwelling units in converted structures.

This housing has had to be "programmed" by the National Housing Agency in the face of inconclusive and shifting factors of need. Nearly 200,000 family dwelling units are of permanent construction, suitable to serve postwar needs of the community. Most of these were built early in the program. Next came "demountable" houses, capable of being removed and erected elsewhere, and supposed to be good enough to stay in the community if there should be permanent need for them. Only a very small part of the public war housing that is now being produced is of other than temporary character, and temporary housing constitutes by far the largest part of the present total war housing supply. Its quality is determined by lowered standards reflecting shortage of materials, and its location has been dictated in general by the needs of war workers,

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\*This figure is the 131,349 total shown on page 5, plus 1,188 units constructed by the Farm Security Administration for subsistence homestead projects which have been sold, with the securities held by FPHA.

†In addition, a total of 62,465 federally-financed units now used for war housing will be turned over for low-rent use after the war. Also, 4,885 units of war housing built by local authorities in the State of New York with State aid will be converted to low-rent use after the war and contracts have been signed in New York State for another 13,351 units for low-rent use, to be constructed after the war. Also, the construction of 25,513 units of FPHA-aided low-rent housing has been suspended with the war; these may be reinstated with the return to a peacetime program.

and often in detail by expediency, with little opportunity to consider the future requirements of the community.

In addition to public war housing, private enterprise during the same four-year period will have produced about 1,040,000 war housing units. This total consists of about 210,000 family units in converted structures, a few thousand single person units, and about 825,000 new family dwelling units. All the privately produced war housing is intended for postwar use in the communities in which they are located. Because of war pressures and changes in programs for industrial development, some of the new dwellings may be in locations where they will not be needed after the war. Because of the extent to which it has been necessary to use unsatisfactory materials, some will have to be replaced, and some will require remodeling.

Under the terms of the Lanham Act, under which most of the public war housing has been produced, the federal government is directed to dispose of it after the war—temporary units by removal and permanent units to “be sold and disposed of as expeditiously as possible; provided, that in disposing of said housing consideration shall be given to its full market value and said housing or any part thereof shall not, unless specifically authorized by Congress, be conveyed to any public or private agency organized for slum clearance or to provide subsidized housing for persons of low income. . . .”

The interest of the local community is of paramount importance in the disposal of war housing. A local agency, preferably the local housing authority, should have a determining voice in decisions as to how and when disposal is to be affected. This agency should develop its recommendations in close collaboration with the local planning commission, and should seek the advice of all interested groups in the community. For the sale to local housing authorities of war housing produced under the Lanham Act, Congressional authority would be required for every individual project, as the law now stands. This procedure is too cumbersome to be practical, and, the Act should be amended so as to authorize sale within the discretion of the National Housing Agency, so far as the federal government is concerned.

Postwar disposal of war housing can not be accomplished with assurance of serving the best interests of the affected community except in relation to a comprehensive housing program, based on comprehensive community planning. And it will not be done satisfactorily unless a carefully worked out policy and effective procedures are evolved in



advance of the war's end. Management considerations, particularly as to the costs of operating housing developments of dwindling occupancy and problems of maintaining necessary facilities and services for them, should not be overlooked in scheduling the de-tenanting of war housing.

### Temporary Housing

An important task after the war must be the demolition of the temporary war housing, totaling to date some 435,000 dwelling units. A recent amendment to the Lanham Act requires its removal within two years, except where it is needed for a longer period to permit an orderly transition to peacetime conditions. The problem of removal, however, is much more complicated than this provision indicates and there is no "formula" answer that will apply in all situations. If part of the wartime increase in population which necessitated the housing in a particular community remains, removal of the temporary housing will be difficult until provision is made for permanent rehousing. If the temporary housing is better in quality than existing slum or other deteriorated housing, there will undoubtedly be considerable pressure in favor of retaining it. Any such retention should be temporary only, and only for the purpose of providing interim shelter during the replacement of slum dwellings by decent housing. Temporary war housing should not be permitted to become a part of the permanent housing supply of the community, since any resulting apparent improvement in over-all housing conditions would prove deceptive and the community would shortly find that it had simply added to its total supply of slum dwellings. The soundest solution lies in a housing program that will replace existing slum dwellings as rapidly as possible with satisfactory permanent housing available to the slum dwellers.

### Permanent Housing

Public war housing of permanent types produced under the Lanham Act must, under the provisions of that Act, be disposed of by the federal government. Such housing should not, at the end of the war, be dumped on the private real estate market, where it would depress values, not only of private housing constructed during the war but of all housing in the locality.

Permanent war housing should preferably be disposed of either to the occupants or to local housing authorities for use in their low-rent housing programs. If it is sold to other buyers, this should be done in such a way as not to affect the local real estate market adversely. If sold to the

occupants, consideration might well be given to utilizing the mutual ownership scheme, under which the occupants join in a nonprofit corporation, buy the project, and hold and operate it as a whole.

#### Demountable Housing

If the war housing is of a demountable type and there appears to be permanent need for it in the community, the first inquiry should be to determine whether it is actually of satisfactory quality for continued use. If not satisfactory for long-term use, it should be treated as temporary housing.

If the demountable housing is satisfactory for continued use, it should be offered to the occupants or to the local housing authority. However, demountable war housing may not be of such types or in such locations that it can serve the needs of its present occupants or of the occupants of existing slum dwellings. If the housing is satisfactory for low-income families but not in a suitable location, it might be transferred to the local housing authority for moving to some other location in the same community, or it might be transferred to a local authority in another community, or it might be used for the improvement of rural housing conditions. Otherwise, it should be disposed of in such a manner as will best serve the financial interests of the federal government without damage to a local community.

#### PRIVATE WAR HOUSING

There may be instances in which extensive foreclosure of mortgages on privately produced war housing will occur. If so, disposition of the housing involved should be considered in relation to the remaining supply and to the market. If such foreclosed housing is unacceptable as part of the permanent housing supply of the community, due to war-impelled use of inferior materials, to shortcomings in construction, or to other reasons, it should be demolished unless the shortcomings can be corrected and there is a continuing need for that amount of that kind of housing. There may be instances in which foreclosed housing of good quality could serve to replace substandard housing, in which event it could be transferred to the local housing authority having jurisdiction. Conversely, if there are instances of a local housing authority having produced war housing of permanent construction which is not suitable, possibly on account of location, to serve the public housing needs of the community, but which would satisfactorily serve the needs of some segment of the

private housing market, the housing should be made available for such use through sale to private enterprise. Some additional legislation will probably be necessary to make possible the arrangements herein suggested.

#### THE IMMEDIATE POSTWAR HOUSING NEED

The approximately 1,815,000 new and converted dwelling units of war housing, both public and private, that will have been produced up to June 30, 1944 have served critical war needs, but have necessarily fallen far short of serving normal housing needs. Subtracting the approximately 435,000 units of temporary housing, to be removed after the war, there will have been an average annual addition to the nation's housing supply of approximately 350,000 units—about three-quarters of the average annual production of new housing between the two world wars, and not much more than the average annual amount of the seriously deficient production of the Thirties. These figures as to the net addition to the total housing supply are based on the removal of only the temporary war housing. Undoubtedly a considerable amount of the demountable housing (totaling about 75,000 family dwelling units) will also be removed, further reducing the net addition. The estimated increment is striking when set against the estimated postwar need of from a million to a million and a half new dwelling units a year.\*

These national figures find their true significance when translated into the postwar needs of specific communities. There is likely to be some surplus of war housing of permanent types in some of the war production centers, depending primarily on the volume of postwar industrial employment in these centers. But there is also the likelihood of serious housing shortages in some of the communities in which there has been little or no war production and in which no housing whatever will have been built for a period of several years. The housing in these communities will feel the impact of returning war workers and returning service men and women, many of whom will represent new householders. There may be expected a sharp increase in the number of new families immediately following the war, both because of the occurrence of war-deferred marriages and because the men and women resulting from the wave of increased births following World War I are now reaching marriageable age.

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\*Page 7.

It is difficult to predict the postwar pattern of industrial production and employment, and of resulting population shifts. The extent to which industrial reconversion may take place before the end of the war, as well as the speed of demobilization of the armed forces, will also materially affect the situation. In any event, there should be an awareness of the possibility that in some communities there may be immediate postwar housing needs approaching the acuteness of some of the war housing needs that the nation has been experiencing. Special measures for meeting such needs may have to be taken, even to the extent of providing emergency housing. There may be instances in which surplus demountable war housing could be used for this purpose.

If the materials and manpower situation permits, it would be advisable for the controlling federal agencies to allow some resumption of the production of nonwar housing before the end of the war in both hemispheres. In addition to serving critical nonwar housing needs, such resumption, particularly as the production of war housing is tapering off, would keep the channels of distribution open, ready for expansion, and would aid in getting the house production industry ready for its big postwar job.

#### ADVANCE PREPARATION OF PLANS FOR POSTWAR HOUSING

The sharp dislocation in industrial production which will come with peace may, together with the demobilization of the armed forces, result in a period of acute unemployment that will last until production of consumer goods begins to take up the slack. If so, bridging this low swing in the curve of employment will be an immediate postwar necessity. Large-scale production of public works may be needed to supplement private enterprise during such a period, and many states and localities are now engaged in the advance preparation of plans for public works. Housing construction, both public and private, provides employment not only in the construction industry itself but in the production of materials and in related industries. Public housing programs can be of particular value in the immediate postwar period because of their capability of acceleration in the interest of providing additional employment.

A high level of national income and full employment are impossible unless the construction industry provides its full share of production and jobs. A postwar housing program of the magnitude indicated in this

report\* will contribute the part of total construction that housing should be expected to furnish, in proper balance with other construction, and thus will help achieve the goal of full employment.

The effectiveness of any postwar housing construction as a means of providing employment will depend in large measure on its being "ready to go" at the end of the war. This requires advance land acquisition wherever possible and, at the least, advance preparation of plans and specifications. Unless these are ready, all the good intentions in the world will be useless. Both private enterprise and local housing authorities should now be about the business of such advance preparation.

Except for the most obvious developments, however, there is grave danger that mistakes will be made where housing has to go forward without a comprehensive program, based on comprehensive community plans. This does not mean that nothing should be done until the end of a long and elaborate process in the preparation of necessary basic plans. While a community which has been doing no planning can not make up overnight for its deficiency, it is possible to do a short-cut type of planning which will serve as a general and useful guide. A plan thus produced should set forth the broad elements of a land use and population density pattern, related to major thoroughfare and transportation facilities and other major physical features, and expressed, so far as housing is concerned, in a pattern of neighborhoods and in standards of neighborhood design. At least this much is essential in order to do a competent job of determining areas for major housing developments, either public or private.

Congress is considering legislation which would make funds available for states and localities for the advance preparation of plans, including underlying community plans, and also legislation which would provide federal loans and subsidies for the acquisition of land for urban redevelopment. There is considerable uncertainty as to the form that this latter legislation should take. The rebuilding of cities is a new undertaking. Effective machinery has not been fully worked out, nor is there experience to indicate which methods are most practical, what the cost will be, or what the financial results are likely to be.

There is no assurance as to what action Congress will take or when it will act. Meantime—and because they should do so anyway—local communities should proceed on their own initiative. Their responsibili-

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\*Pages 6-7.

ties include the use of their own resources in preparing comprehensive city plans and housing programs. More than this, they include the devising of means for carrying out these programs, particularly the provision of the necessary funds. Such means might include state investment in low-rent housing, after the pattern of the New York State Housing Law; urban redevelopment legislation under which suitable local agencies might exercise their powers of eminent domain to assemble sites for both public and private rebuilding; and local subsidy that could be applied to housing developments built with funds borrowed by housing authorities through federal mortgage insurance channels, or from insurance companies, or from other financial institutions in which money is now piling up awaiting a sound investment.

### GUIDING POSTWAR HOUSING EXPANSION

A great volume of private housing construction may be expected after the war. As the housebuilding industry repairs the breaches in its organization resulting from war-caused disruptions and makes ready to serve the most profitable segment of what should be an eager market, the production of private housing may be expected to roll along the path of least resistance with increasing momentum and with danger of typical "boom" conditions. If measures both of guidance and of control are not taken, housing production may be characterized by all the distortions and imbalance that it displayed between the two world wars, especially during the Twenties. Even if machinery is available for the acquisition of land for urban redevelopment, it will be so much easier in most localities to use already vacant land for housing developments that there may be expected a resumption of the peripheral urban expansion which, when uncontrolled, has proved so costly in the past. Such uncontrolled expansion may tend, as it has in the past, to engender platting of land far beyond the need.

No urban community in the nation now possesses sufficient power of control to prevent these detrimental occurrences. No present measures of control of credit or of investment capital can prevent them.

Whatever methods of regulation may be devised, the basis for their application must be a comprehensive housing program based on effective community plans. Controls developed without regard for such a program may have temporary utility as emergency measures, but they must proceed by guesswork and they are inherently arbitrary.

Through the period of transition to normal peacetime conditions, the operations of housing production should be given guidance as to the needs of the market so that they can be geared to serving the needs of all families. Local communities should establish regulations for land use and development, including measures to prevent undue extension of urbanization, whether by zoning or by the adoption of the policy of refusing to extend water service and of requiring subdivision promoters to meet the cost of all utility extensions and to install other improvements at their own expense—or by both zoning and such other measures.

There will still exist the problem arising out of credit for home building from sources not geared into FHA or FHLBA operations. An increase in such financing, likely in a boom period, might nullify the effects of efforts to encourage production in relation to need, since under the present system FHA and FHLBA financial procedures would be the only ones that would be likely to offer effective guidance.

Financial institutions that constitute some of these other sources of credit should be alert to develop procedures tending to discourage a runaway market that would offer them no security for new investment and would impair their existing investments.

Properly guided and stimulated, the postwar period offers unparalleled opportunities to build better homes, better neighborhoods, and better communities. Lacking such guidance and encouragement, these crucial years may bring an avalanche of bad buildings and create more of the conditions that blight our cities. This possibility makes it imperative that diligent activity be under way forthwith toward establishing protective measures, so that they will be available as soon as needed. Otherwise it will be too late. The tides of land speculation and boom development, once under way, are impatient of any attempt to thwart their trends or speed.





## CITIZEN PARTICIPATION

Laying down plans to guide postwar housing is futile unless the people understand the need and demand intelligent action. We must learn how to assure a hearing for the voice of citizens in the formulation of policy by federal, state, and local housing agencies.

Citizens need to recognize more fully the value of good homes and of well planned neighborhoods, not to their occupants alone but to the community in general and to the taxpayer in particular. They should have a keener appreciation of the fact that housing of a satisfactory standard means not only improved social conditions but economic soundness as well. The growing conviction that every family should be properly housed must be crystallized into a national will.

Citizens must know why public interest in housing is necessary and must demand a sound national housing program, including every suitable encouragement to legitimate private enterprise, as well as positive assurance of such public housing as may be needed. They must have a clear understanding as to why it is necessary to have some form of subsidy if slum families are to be rehoused.

Federal housing agencies should keep the public informed of their activities. Local housing authorities should tell the facts about low-income housing in general and their own programs in particular.

Housing must take its logical and proper role in education. Starting in the early grades in schools, it should be a part of the study of civics, economics, sociology, and art. Wisely designed housing developments, private and public, should serve to inspire in the on-coming generations an appreciation of excellence in taste in home building and in neighborhood planning.

Educated public opinion will insist on good site layout, design, and construction. The housing of the future, and particularly large-scale projects, can be an incentive to attractive community development.

Labor has an important part to play in local, as well as in the national, programs for housing. So does the intelligent industrialist, who is bound to be interested in the availability of proper housing for his employees. So does the social worker, whose every day experience offers convincing evidence that much of the effort toward social betterment is frustrated when people live in slums.

One of the ways in which this kind of citizen interest can be implemented is through active citizens' housing organizations. Every large community should have such a citizens' group to serve as the community's conscience in housing matters.

## CONCLUSION

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No period in the nation's history has had such possibilities for doing great things in housing as does that which lies ahead. We shall have labor—seeking jobs . . . and materials—crying for a market. Investment funds will be abundantly available. More than ever before, people will have accumulated savings to put into the purchase of homes and there is now better machinery for helping them to buy those homes. Leading business executives and realtors are urging urban redevelopment. The movement for wise city planning is gathering momentum. Public opinion is overwhelmingly in favor of getting rid of the slums. From our extensive experience in large-scale planning and building we know better than ever before how to provide acceptable housing for our low-income families.

In many of Europe's great cities bombs have done the job of slum elimination, cruelly but effectively. Those demolished areas will be re-planned and rebuilt on modern lines. Must we wait for demolition by bombs in some future war, or shall we set for our country the goal of complete eradication of urban and rural slums during the next two decades? With private enterprise, government, and labor working as understanding partners and supported and encouraged by intelligent and vocal public opinion, that goal can be attained.

The postwar years can be our "golden age" in housing.

*Postwar housing bibliography available on request to NAHO.*

## NAHO COMMITTEE ON POSTWAR HOUSING

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The Association's Committee on Postwar Housing has approved this report in principle. Without necessarily subscribing to every view expressed nor to the exact method of presentation in every case, the members agree in substance with the report as prepared for transmittal to the Board of Governors.

All members of the Committee have served as individuals and not as representatives of the agencies or organizations with which they are connected.\*

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\*Particularly, recommendations as to federal policy are not to be construed as representing the opinion of any federal official as such or the attitude of any federal agency.

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