When City Revival Drives Out the Poor
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The first law of urban dynamics is change, and the first law of change is that what helps some hurts others. The much-hoped-for miracle of revival in older city neighborhoods is having an unanticipated victim: the urban poor.

The revival has been slow, but it defies the projections of most urban analysts who had written off the center city. Neighborhood revitalization depended until recently on those who believe in historic architecture and city life and were willing to invest sweat and savings to turn a neighborhood around. One house led to another, and then to rows of handsomely restored old buildings, upgraded property values, and the anchoring of middle-class residents essential to the city's survival. Because the scale was small and the risks were great, the early efforts looked more like grass-roots integration than a displacement of low-income and minority residents.

But displacement became evident with the arrival of speculators. They come almost on signal, when enough has been done by pioneering individuals to make an area attractive and salable. They acquire blocks instead of single houses, buying rapidly with funds that are suddenly available after years of neighborhood redlining. They drive up values and taxes so that poorer residents must leave. This aggravates a problem that has been responsible for the most conspicuous failure of urban renewal—there is no place for the poor to go.

With all of the advantages of economic and environmental regeneration, the reclamation of "lost" neighborhoods has turned out to be almost exclusively a middle-class activity. The trend will continue as long as the high cost and scarcity of new housing make these substantial older city dwellings a good investment. It is therefore time for Federal and local agencies to devise policies that will assist urban rehabilitation within a broader social and economic range.

This can be done only if neighborhood revitalization is seen as more than a housing issue; it must be recognized as an important tool in the struggle to revive older cities, to achieve economic as well as racial integration of neighborhoods. Fair housing enforcement is one device, but not enough; financial aid is also necessary.

Several national programs could be redirected to these ends. The Federal role in home insurance could emphasize lower interest rates, default insurance and mortgage subsidies for moderate-income owners in rehabilitation areas. The rental-subsidies program should be enlarged and extended to home ownership as well. Community development block grants should be directed more specifically to area rehabilitation.

At the local level, there should be opportunities for quick disposition of tax-delinquent or abandoned property. New York's proposed Consumer Housing Corporation Act — which has passed the Assembly and is now before the Senate — would allow cities to set up public benefit corporations to rescue abandoned or municipally owned buildings for local residents. They would provide for rehabilitation and tenant management. A review of local tax structures and subsidies is overdue to keep bootstrap communities from being penalized by rising values.

The new officials at the Department of Housing and Urban Development are talking about a change in policy so that neighborhood conservation would be part of a set of housing strategies designed to deal with the revitalization of older cities. That is a perspective, and a program, that cannot come too soon.