

# The Housing Crisis

By Ada Louise Huxtable

At some point, when New York has either ceased its daily trip to the edge of the precipice or it has become routine procedure, some of the issues involved are going to be recognized for their larger implications. The important fact is that New York's problems are national in scope, alarmingly resistant to solution and increasing in severity. When the preoccupation with original municipal sin and appropriate suffering has faded, a much bigger reckoning will have to be faced.

Housing is a prime example. New York City is losing housing at the rate of 12,000 units a year, and the fiscal emergency has forced all city housing plans to a total halt. Even without this desperate cut-off, the Mitchell-Lama program has already come to a dead end, faced with the prospect of massive mortgage default. Abandonment and tax delinquency at record rates reflect rising costs and multiple problems of which rent control is only a single factor. The certain prospect now is not only of no new construction, but of the irrevocable loss of both marginal and sound stock. The magnitude of the housing disaster, in terms not only of shelter but of the destruction of neighborhoods, can hardly be grasped.

But the problem does not stop there. At the state level, housing programs are also being canceled. The Housing Finance Agency, long held up as a model of fiscal prudence and safe policies, is in serious trouble. With the closing of the money markets, it can no longer find financing. And New York State is not alone; bond sales are being affected everywhere, on every level. The failure of the Urban Development Corporation—rescued only to the point of completing work in progress but at the penalty of no new undertakings—killed New York's most progressive program, meant to provide the kind of housing that the conventional agencies would not touch. Without funds, both approaches have become academic.

The main thrust of the Federal effort has been to sweep the realities under the rug. The objective of the 1974 Community Development Act was to get the Government out of the business of building housing, and the rent-subsidy program, while it has much to recommend it in principle, was really meant as a way of passing the problem of production back to the private sector. This effort, too, has become almost academic, because the involvement the Government was trying to

escape—entrapment in inflationary construction and the mismanagement of programs and other long-term ills—is proving to be even less attractive to private investors. Cities everywhere are finding that financing for rehabilitation, one of the prime objectives of the 1974 act, is as unobtainable as that for new housing starts.

Rental subsidies aimed at a housing shortage begin to appear absurd. And as costs continue to rise, the subsidies required over a 20- to 40-year mortgage period become unreal. In New York and other cities, how and where to use limited subsidy funds to anchor slipping neighborhoods or support stranded construction is an exercise in frustration and futility. Even if all the problems were clarified and the climate changed tomorrow, present policy could hardly make a dent in the accelerating need and accumulating shortage that is hitting the poor the hardest and increasing hardship for the middle class.

These dilemmas—the lack of both public and private housing production, the inadequacy and unworkability of Federal programs, the disappearing bond markets and investor capital, the rising costs of construction, the continuing and even increasing reluctance of the public to authorize spending for housing—are not peculiar to New York. The Moreland Commission investigating the U.D.C. crisis has worked through complex economic and political layers to confront the hard, basic question that is ultimately going to have to be answered: what the Government's social role in housing can and should be, and how it can be met in these extraordinarily difficult times.

No one is asking that question in Washington. The just-released recommendations of the President's Labor-Management Advisory Committee on how to spur the housing industry are a compendium of nothing new. According to The Wall Street Journal, the White House refused to make public the committee's "very strong" statement of criticism of Government housing policies. When the Great Society died, so did the objective of 26 million new and rehabilitated homes that were to be achieved by 1978, and so did policy, in the real sense of vision and goals. In its true, national dimensions, housing is one of the most severe and tragic emergencies that this country faces. Disaster just strikes faster and more dramatically in New York.

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