

Grim Housing Outlook

There are appalling facts and figures in the report of the Mayor's Policy Committee on Housing Development and Rehabilitation in New York City, but they only confirm what most New Yorkers already sense or know.

The city is losing 10,000 housing units a year, with the loss concentrated in low- and middle-income dwellings. Rising costs have put conventionally financed housing out of reach of 80 per cent of the city's inhabitants. Moderate-income programs have soared stratospherically to luxury levels. Even luxury housing cannot be built without tax-exemption subsidies. And the Federal moratorium has brought everything to a virtual standstill. It all adds up to a grim housing picture.

The reality the city has to face is that although Federal money will start up again under the 1974 housing legislation, there will be less of it than before, and inflation will reduce it even more. What there is, to be given in block grants, will be some time in coming. When it does, the figure will be cut back from a previous level of \$150-million to \$100 million yearly, a sum that will have to apply to all programs, some of which are already on borrowed time and borrowed money.

Other Federal funds would come as rent subsidies; but rent subsidies, welcome as they are, do not build housing. They also assume a level of market sophistication among low-income groups that pilot projects have shown is often lacking, leading to exploitation where housing is in short supply.

The New York Policy Committee's proposals, such as change to smaller-scale, low-rise neighborhood units and substantial rehabilitation of older housing stock—as announced yesterday by Mayor Beame — are the kind of reforms that make most sense today. With inflationary new building costs, rehabilitation is now the cheaper process and often the better product, with the added advantage of neighborhood conservation. It is also the most encouraging procedure in terms of needs and numbers and the possibility of enlisting private efforts. The practicability of advance land acquisition, as suggested by the committee, is more questionable now because of the scarcity of city funds.

Whether the committee's major proposals can be carried out depends on two crucial unknowns: Federal appropriations and regulations. The block grant funds have not yet been committed by Congress; until that is done the city can only make hopeful assumptions. And unless HUD regulations still in preparation can be made to work here—New York's high costs make the city a special "hardship" case and what is allowed or disallowed will be critical—this will continue to be a disaster area.

It is going to take money, not magic, to deal with the disappearing housing act in New York City. At least the proposals have promise.