

Hope for Housing

Any proposal aimed at stemming the tragically accelerating figure of housing abandonment in New York is worth a hearing—particularly when it is the work of a consortium of the city's concerned bankers, lawyers, real estate men and community and civic leaders.

The New York Urban Coalition has produced a Housing Rehabilitation Task Force study that embodies a specific plan addressed to the abandonment problem. While such a proposal has no automatic guarantee of success, it is a constructive approach that offers more than statistical hand-wringing. Not least, it offers hope.

The coalition's recommendations are based on the conclusions reached earlier by the city's own Housing Task Force: that the most pressing need is for rehabilitation and neighborhood conservation. There is no lack of housing stock, the study finds, only of habitable homes. And the forces destroying them, including inflation and rent controls, continue unabated.

The proposal made by the coalition is that two public benefit corporations be set up to deal specifically with abandoned housing and properties in default. A Consumer Housing Corporation would acquire the buildings that are not too far gone, undertake repairs and rehabilitation, and train owner-management or community-management groups.

The corporation would be financed by a Housing Trust Fund using a combination of public and private money in the form of interest-free loans and mortgage insurance from the state, with private mortgage funds. Low debt service costs would be assured and greatly reduced risks could encourage the private sector.

The plan rests on the availability of state loans to initiate it, and that is a formidable stumbling block. But that first loan cost would be phased out by repayment. The cost of not providing the funds is far greater: continued massive abandonment, tax loss, existing expenses, housing hardship and the city's deterioration.

It is essential to face the fact that normal real estate investment no longer works, due to restrictions and rising costs. Until rent controls are dealt with, the situation will not improve. Maintenance and management have broken down. Public funding is no longer a practical housing panacea.

One purpose of the coalition's plan is to get the city out of the disastrous ownership and management of tax-delinquent properties, for which substantial community development funds are now allocated in a program of conspicuous failure. That alone would be a solid saving.

Without housing, the city's future is dim, no matter what accounting miracles the rescue squads create. And without some kind of innovative action there is little chance for housing.