

PUBLIC HOUSING TRENDS

IN

NEW YORK CITY

by

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THE GREENWICH SAVINGS BANK
1356 BROADWAY, NEW YORK, N.Y.

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**Submitted in partial fulfilment of the
requirements of The Graduate School of
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PREFACE

Public housing has been the subject of considerable controversy in recent years. New York City has been in the spotlight of this controversy, due to the magnitude of its public housing program under the New York City Housing Authority.

Notwithstanding, bankers, generally, know relatively little about the dynamic economic, social and political forces which generated the Authority into being and eventually resulted in its becoming the nation's largest landlord.

This lack of knowledge can be partly attributed to the fact that there is nowhere available, at present, any comprehensive information under one cover portraying the whole broad panorama of the New York City Housing Authority. With the exception of one commendable thesis, submitted in June, 1951, covering the operational phases of 35 of the Authority's housing projects, most of the material on this subject is largely restricted to annual reports and statistical figures.

The purpose of this thesis is twofold. The first is to assemble, in one easily understandable treatise, all pertinent information relating to the New York City Housing Authority, from the very first roots of initial

Federal intervention in the field of housing, during World War I, to the present time. No attempt will be made to examine, in any detail, the operational phases of the Authority's projects, since that was amply covered in the thesis previously referred to. Further reference to that work will be made herein, later.

It is my hope, therefore, that the first part of this thesis, the factual portion, will serve as a basic information guide for bankers who desire to implement their knowledge on this subject in order that they might render a more valuable service to the community. Moreover, since the work of the New York City Housing Authority is emulated by housing authorities throughout the nation, it is hoped that this material will be generally useful to bankers everywhere.

The second purpose of this thesis is to undertake a critical analysis of the Authority's work, predicated upon this writer's considered opinion, after a careful evaluation of all facts presented. In this phase of the thesis I will endeavor to show how, after World War II, the Authority strayed far afield of its original functions of clearing slums and providing decent housing for low-income families exclusively. A number of other deficiencies in the Authority's program will also be pointed out. The credit and debit sides of public housing in New York City will be evaluated and, in arriving at conclusions, a series of suggestions and corrective measures will be explored and offered on the premise that the Authority could function more effectively.

No attempt will be made in this thesis to evaluate the forces which produced and nurtured slums and sub-standard housing in New York City. That

subject has been appropriately and adequately covered in comprehensive publications to which suitable reference has been made in the Bibliography of this thesis.

In concluding this Preface, I wish to make certain acknowledgements. In the first place, the basic idea for this thesis was developed during my freshman year at the Graduate School of Banking at Rutgers University in June, 1950. During one of the lectures delivered by Dr. Ernest M. Fisher, which touched on public housing, it occurred to me that a thesis covering a specific phase of this broad subject offered interesting possibilities. Subsequent investigation revealed that, at that time, there was no thesis on record at the School covering any phase of public housing. Therefore, I felt confident that my topic might be of timely interest to bankers.

In writing this thesis in partial fulfillment of the requirements of the Graduate School, I therefore wish to express my appreciation to Dr. Fisher not only from the standpoint of the basic thesis idea, but also for his constructive criticisms and sound advice as I developed the thesis outline. Moreover, I am deeply grateful to the entire Staff and Faculty for all their help and assistance in providing the tools which can make it possible for me to be of greater service to Banking, and to my Bank for giving me the opportunity to attend the school.

The principal sources of information for this thesis were the New York City Housing Authority, which was extremely cooperative in furnishing reports and other supplementary material, and the Rutgers Library, which made available to me, particularly in this past year, all of its literature and other information pertaining to the entire field of Housing.

In view of the controversial nature of my subject, I feel that I should go on record as relieving all those with whom I consulted, and from whom I secured information, from any responsibility for my interpretations and conclusions.

Whatever the future holds in store, I feel that the Graduate School of Banking will always rank as one of the finest experiences in my life. I can now comprehend the profound philosophy of "VIVERE EST COGITARE."

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CONTENTS

Chapter	Page
I. EARLY HISTORY OF THE N.Y.CITY HOUSING AUTHORITY-ROLE OF GOVERNMENT	1
Housing Shortage Following World War I	2
Early Attempts By Private Enterprise In Low Rent Field . . .	3
President Hoover's Housing Conference.	4
The Reconstruction Finance Corporation	5
The Public Works Administration.	6
The United States Emergency Housing Corporation.	7
The New York City Housing Authority Is Created	7
The Authority's Comprehensive Survey And Recommendations . .	9
"First Houses" - The Authority's Initial Project	10
"Williamsburg" and "Harlem River Houses"	11
II. THE AUTHORITY'S PROGRESS FROM 1937 THROUGH WORLD WAR II,	
UNDER GOVERNMENTAL AID	14
The United States Housing Authority.	14
Financing Under The U. S. Housing Act Of 1937.	15
Federal And Local Subsidies Under The 1937 Act	16
Example Of A Project's Financing And Subsidizing	17
Rents And Construction Cost Limitations.	17
Other Provisions Of The U. S. Housing Act Of 1937.	18
The Authority's Program Under The Act.	18
Limitation Of Federal Aid.	20
New York State Aid For Public Housing.	20
New York City Occupancy Tax Law.	21
Construction Curtailment During World War II	22
Summary Of USHA Record - Comparison With FWA	22
The Federal Public Housing Authority	24
The Wagner-Ellender-Taft Housing Bill.	25
Emergence Of "The Housing Act Of 1949"	25

	Page
III. THE HOUSING ACT OF 1949 - ITS EFFECT ON THE N. Y. CITY HOUSING AUTHORITY.	26
National Housing Policy Established.	26
Amendments To The U. S. Housing Act Of 1937.	27
Subsidies.	28
Temporary Financing.	29
Permanent Financing.	29
Construction Cost Limitations.	30
Tenant Eligibility, Rents And Local Tax Exemption.	31
Example Showing How Rents And Subsidies Are Determined	32
Title I Of The Housing Act Of 1949	34
The Authority's Progress Under the Act	34
IV. ORGANIZATION AND OPERATION OF THE N. Y. CITY HOUSING AUTHORITY	35
Control Of The Authority	35
Status Of The Authority's Projects	36
Types Of Projects.	37
Site Selection, Planning And Construction.	37
Various Programs Under Three Levels Of Government.	38
Subsidy Operation Under Authority's Program.	38
The Federally-Aided Program.	39
Permanent Financing.	39
Subsidies.	40
Taxes.	41
The State-Aided Program.	41
Permanent Financing.	41
Subsidies.	41
Taxes.	41
The City-Aided Program	42
Permanent Financing and Subsidies.	42
Financing The "No-Cash-Subsidy" Program.	44
General Reserve Fund	44
Debt Service Fund.	44
Rentals In "No-Cash-Subsidy" Projects.	45
Rents In All Permanent Projects.	45
Tenant Eligibility	46
Surcharges	46
Vacancies And Collections.	47
Release Of Project From Debt-Limitation.	47
Taxation Of City-Aided Projects.	47
Temporary Loans.	48
Management And Operating	48
Nursery Schools And Community Centers.	49
V. THE CHANGING PATTERN	50
Authority's Primary Functions In The Pre-War Period.	50
Post-War Shift In Authority's Primary Purpose.	50
Authority's Original Post-War Plan	51
Co-Operation With Private Enterprise	52
Reservoir Of Post-War Projects	52
Post-War Housing Shortage In City.	53
Temporary Veterans' Emergency Housing Program.	53

	Page
Permanent Public Housing Projects Undertaken	53
The "Straus Plan"	54
Financing Under The Proposed "Straus Plan"	54
Proposal For A Special Tax	55
Plan For Partial Tax Exemption	56
Proposed Rents Under "Straus Plan"	56
Constitutionality And Financial Feasibility Of Plan.	56
Site Selection, Cost And Density	56
O'Dwyer-Sponsored "No-Cash-Subsidy" Plan Finally Started	57
Record Of "No-Cash-Subsidy" Projects Built	57
Purpose Of O'Dwyer-Sponsored Plan.	58
Status Of State And Federal Programs At That Time.	58
Record Of State-Aided Construction	59
Review Of Enabling State Legislation	59
Unexpected Popularity Of Temporary Projects.	60
Analysis Of Families Who Moved From Temporary Projects	61
The Density Trend In New York City	61
Authority's Original Policy Regarding Density.	62
Deviation From Original Policy	63
No Shortage Of Vacant Land	63
The Trend Towards Greater Densities And Taller Buildings	63
An Outstanding Low-Density Project	64
The Trend Towards Costlier Project Sites	64
Lack Of A Uniform Policy	65
The School Problem	66
 VI. CONCLUSIONS AND RECOMMENDATIONS.	 67
Authority Goes Far Afield Of Original Intent	67
Temporary Housing Was Practical Answer	68
Alternate Plans Available To Authority	69
Tax Burden Shifted To Private Owners	70
Low-Income Families Barred From O'Dwyer Program.	70
Rental Competition With Private Properties	71
Authority's Advantages Over Private Owners	72
Danger Of Too Much Public Housing.	73
Authority's Policy Of Securing Best Sites.	73
Segregation Of Public Tenants By Income Groups	74
Other Uses For Slum Areas.	74
Effects Of Overcrowding The Land	75
Super-Slums Of Future Being Created.	76
Density Determined By Land Cost.	76
No Shortage Of Land For Low-Density Housing.	76
Population Dispersal Necessary In Atomic Age	77
Authority's Independence Should Be Restored.	77
Authority Controlled By Mayor.	78
Collapse Of Authority's Autonomy	79
History Repeats: Authority's Powers Again Seized	79
Continuing Dangers Of Political Usurpation	80
Opportunities For Unscrupulous Exploitation.	80
Difficulty Of Halting Momentum Of Program.	81
Authority's Policy Stifles Individual Enterprise	81

	Page
Private Real Estate Firms Should Manage Public Housing. . .	82
Criticisms And Comments On Design And Architecture.	82
Public Housing Now National Policy.	83
Explore More Useful And Effective Methods	84
Charity Should Begin At Home.	84
The Sound Approach.	85
The Danger Sign Of Socialism.	85
Vigilance, The Price Of Liberty	85

Appendix

A	Basic Rents Per Apartment Per Month In Permanent Public Housing Projects.	87
B	Maximum Income Limits For Admission To Permanent Public Housing Projects (Pre-War)	88
C	Maximum Income Limits For Admission To Permanent Public Housing Projects (Post-War)	89
D	Details On 78 Of Authority's Permanent Public Housing Projects (Pre-War and Post-War)	90
BIBLIOGRAPHY.		104

CHAPTER I

EARLY HISTORY OF THE N. Y. CITY HOUSING AUTHORITY - ROLE OF GOVERNMENT

The first definite link in the chain of events which led to the formation of the New York City Housing Authority was forged in the flames of World War I.

That period marked the entrance of the Federal government into the field of large scale housing operations for the first time in the history of the United States. In May, 1918, a little over a year after this nation entered the conflict, Congress authorized the construction of housing for war workers employed in arsenals and in Navy yards, to relieve the serious housing shortages.

In order to provide this urgently needed housing as expeditiously as possible, the government established two agencies. One was the Emergency Fleet Corporation, which operated with Federal loans through a separate housing corporation for each project. It built approximately 9000 housing units in 27 towns at a total cost of \$69,300,000 on land provided by ship building companies.¹

¹Wood, Edith Elmer, Recent Trends in American Housing (The Macmillan Company, New York, 1931), p. 79.

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The other agency was the United States Housing Corporation, under which the projects were constructed directly by the Federal government. It built approximately 6000 dwelling units, plus accommodations for about 7200 single men, at a total cost estimated at \$52,373,000.²

Thus the Federal government had established a precedent in housing policy in this nation. Notwithstanding the shortcomings of these initial efforts, there was little criticism of the government's actions during the emergency. Consequently, there were planted strong roots for a policy of permanent Federal aid for a national housing program. In the peacetime years ahead this policy slowly blossomed.

Housing Shortage Following World War I

Shortly after World War I, New York City was confronted with a serious housing shortage. Rents skyrocketed and accommodations of practically any type were at a premium. The New York State Legislature was compelled to take action. Emergency rent laws were enacted and a bill was passed in 1920 granting tax exemption, until 1931, on all new dwellings begun between January 1, 1921 and April 1, 1924. This exemption was not granted in consideration of lower rents and there were no requirements imposed beyond those which applied to all new dwellings.

"The result of this tax exemption law was a tremendous building boom. From the time it went into effect, until it expired, the City lost more than \$190,000,000 in taxes. The builders and operators had a field day. Not one single dwelling unit was built for persons forced to live in the slums."³

² Housing for Defense (The Twentieth Century Fund, Appendix VI, New York, 1940), pp. 156-157.

³ Post, Langdon W., The Challenge of Housing (Farrar & Rinehart, Inc., New York, 1938), pp. 121-122.

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This resulted in agitation to provide decent housing for slum dwellers. In 1926, the State of New York took a major step forward to improve deplorable slum conditions by recognizing public responsibility for indecent housing. It enacted the New York State Legislative Act of 1926. Chapter 823, Laws of 1926, described itself as:

"An Act to promote the public health and safety by providing for the elimination of unsanitary and dangerous housing conditions, to relieve congested areas, and the construction and supervision of dwellings and for the letting of apartments at reasonable rentals."

Early Attempts by Private Enterprise In Low Rent Field

This Act created a State Board of Housing designed to assist limited-dividend housing companies under statutory rental limitations. It offered exemption from all State taxes and fees, as well as from local taxation, of buildings and improvements for a period up to 20 years, provided the projects met the requirements of the Housing Board.

A limited dividend company was obliged to furnish one-third of the capital necessary for a project and to restrict itself to dividends of six per cent. Rents could not exceed \$12.50 per room per month in Manhattan, \$11.00 elsewhere in New York City, and \$9.00 in other areas. The primary purpose of the Act, therefore, was to encourage private enterprise to build decent housing for those slum dwellers who could afford to pay higher rentals.

New York City was the only community in the State which took the steps necessary to qualify under the provisions of this new State Act. Only 11 projects, providing 6925 dwelling units, were built in New York City with the assistance of the State Board of Housing. Typical examples

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included "Sunnyside Gardens" in Long Island City and the two projects of the Amalgamated Clothing Workers Union, one in the Bronx and one on Manhattan's Lower East Side. These projects rented for the maximum allowed under the Act. Another Lower East Side project, known as "Lavanburg Houses," attempted to reach the lower income group of slum dwellers, with apartments renting at \$7.00 per room per month. However, it required philanthropic assistance to achieve this.

During the administration of President Herbert Hoover, the Federal Government became intensely interested in the problem of decent housing for families of low income. Subsequently, during the administration of Franklin D. Roosevelt, this interest developed into a positive program of action.

President Hoover's Housing Conference

In 1929, President Hoover took the initial steps which eventually led to his Conference on Home Building and Home Ownership in December 1931. This Conference recognized, among other housing problems, the scarcity of good housing, which forced low-income groups to live in slum environments. The urgent need for corrective measures was given due regard by the Conference. However, the solutions offered were based principally on the utilization of private enterprise and private capital to alleviate the situation through limited-dividend housing corporations.

Since the Conference was born during the depths of the depression, its material results were not very significant at that time. However, it succeeded in focusing national attention on the whole issue of housing.⁴

⁴President's Conference On Home Building And Home Ownership (The National Capitol Press, Washington, D. C., 1938), 12 Volumes.

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The Reconstruction Finance Corporation

Under the provisions of President Hoover's Emergency Relief and Construction Act of 1932, the Reconstruction Finance Corporation was empowered to make loans to corporations organized for the primary purpose of providing housing for low-income families or for the rehabilitation of slum areas. Only New York State, by virtue of its 1926 legislation, was able to meet the terms of this Emergency Relief and Construction Act. Numerous applications were filed with the Reconstruction Finance Corporation but only one development was approved and actually constructed. The project was "Knickerbocker Village," which was built by the Fred F. French Company with a 10-year Reconstruction Finance Corporation loan in the amount of \$8,000,000 at a 5 per cent interest rate.

Three of New York's worst slum blocks on the Lower East Side were cleared. The land cost \$2,000,000, or about \$13.00 per square foot, and the total cost of the project, which was completed in 1933, was \$2,500,000. Containing 1573 apartments in 12-story structures, the rentals averaged \$12.50 per room per month. This was far in excess of what most of the former occupants of the site could afford, with the result that 82 per cent of those families were forced back into tenements in other slum areas. "Knickerbocker Village" occupied 46 per cent of the site and had a population density of 765 persons per acre.⁵

Just as World War I had precipitated the Federal government into large-scale housing for the first time, so too did the economic depression of the 1930's bring it back into the picture again. In 1933, with the

Skor, Mabel L., Urban Blight And Slums (Harvard Press, Cambridge, 1938), pp. 318-319.

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advent of the Roosevelt administration, the Federal government made its first significant peacetime entrance into the field of low-rent housing.

The Public Works Administration

The National Industrial Recovery Act of 1933 provided, among other emergency measures, for the "construction, reconstruction, alteration or repair, under public regulation or control, of low-rent housing and slum clearance projects." The Public Works Administration, which was in the Department of the Interior, created a Housing Division to effectuate this portion of the Act.

At first the Housing Division attempted to function on a basis of loans to limited-dividend corporations, since there were no local public housing authorities at that time. These loans were to be made for 85 per cent of the cost of a project, at a 4 per cent interest rate and for terms up to 35 years.

The net results were very disappointing. Over 500 applications were filed for funds, but only 7 met the requirements of the Housing Division. A major obstacle was that when a limited-dividend corporation started to assemble a site, the operation was blocked by excessively high land prices. Also, the Housing Division did not have the power of eminent domain, necessary to condemn land. Finally, due to difficulties in obtaining substantial sponsorship, and the fact that rentals attained were generally far from the reach of low-income groups, the Housing Division abandoned this phase of the program.⁶

⁶Coleman, Miles L., American Housing (The Twentieth Century Fund, New York, 1944), p. 276.

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The United States Emergency Housing Corporation

It then undertook a plan of direct financing of government-owned housing through the United States Emergency Housing Corporation, which was created in October, 1933. This corporation was vested with the power of eminent domain so that it could actually acquire land and retain title.

In regard to the financing, 45 per cent of the cost of a project was considered an outright Federal grant and the remaining 55 per cent was a loan for not more than 60 years at a 3 per cent interest rate. Unfavorable lower court decisions, relating to the power of the Federal government to condemn land for purposes of housing, offered a serious obstacle. In order to offset this, the Housing Division of the Public Works Administration encouraged the formation of local housing authorities so as to provide a solution to the problem of land acquisition.

The New York City Housing Authority Is Created

Early in January, 1934, the Public Works Administration notified Mayor Fiorello La Guardia that it had earmarked \$25,000,000 for a loan to a duly constituted New York City Housing Authority, subject to the submission of low-cost housing projects meeting the approval of the Public Works Administration.

Mayor La Guardia promptly sponsored a bill in the New York State Legislature which provided for the creation of housing authorities by cities. This bill was enacted on January 31, 1934, as Chapter 4 of the Laws of 1934 and was known as the Municipal Housing Authorities Law. Section 61 of that Chapter declared the findings of the Legislature as follows:

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"It is hereby declared that in certain areas of cities of the State there exist unsanitary or sub-standard housing conditions owing to over-crowding and concentration of population, improper planning, excessive land coverage, lack of proper light, air and space, unsanitary design and arrangement, or lack of proper sanitary facilities; that there is not an adequate supply of decent, safe, and sanitary dwelling accommodations for persons of low income; that these conditions cause an increase and spread of disease and crime and constitute a menace to the health, safety, morals, welfare, and comfort of the citizens of the State, and impair economic values; that these conditions cannot be remedied by the ordinary operation of private enterprise; that the clearance, replanning and reconstruction of the areas in which unsanitary or substandard housing conditions exist and the providing of decent, safe, and sanitary dwelling accommodations in said areas and elsewhere for persons of low income are public uses and purposes for which public money may be spent and private property acquired; and the necessity in the public interest for the provisions hereinafter enacted is hereby declared as a matter of legislative determination."

Thus, the State Legislature had enacted the first law which had as its aim not only regulation, but also extensive slum clearance and rehousing, in addition to the establishment of local housing authorities. Moreover, for the first time in the history of New York State, the Legislature had declared that housing was a proper function of government. Thereafter, whenever this law was challenged in the courts, it has been consistently upheld.

Within a week after the bill became law, the Municipal Assembly of the City of New York established the New York City Housing Authority.⁷ Mayor La Guardia immediately appointed Tenement House Commissioner Langdon W. Post as Chairman of the Authority.

⁷ Hereafter, when the word "Authority" is used, it refers to the New York City Housing Authority; likewise "City" refers to New York City, unless otherwise noted.

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The Authority's Comprehensive Survey And Recommendations

Mr. Post formed a Long-Range Planning Committee to undertake a survey for the purpose of ascertaining the location and extent of substandard housing in the City and to outline an immediate as well as a long-range program of clearance and construction by the Authority.

Data was compiled over a period of 8 months by 6000 employees of the Civil Works Administration and the survey was completed in April, 1935. The report declared that there were 17 square miles of slums and blighted areas in the City. The Committee proposed that 10 square miles of this area must ultimately be vacated and rebuilt, since it was unfit for human habitation and economically unprofitable.

The Committee recommended an expenditure of \$150,000,000 each year for 10 years so that, upon completion of this slum clearance and rehousing program, 7500 acres would have been cleared and rebuilt and 1,320,000 slum dwellers rehoused at rentals of from \$4.50 to \$7.50 per room per month, including heat and water. It was pointed out that perhaps the greatest difficulty facing the Authority would be the excessive cost of land in existing slum areas.

With respect to the recommendations made by the Long-Range Planning Committee:

"The program was not accepted by the Administration in Washington but nevertheless it remains the basis for any plan for slum elimination and rehousing in New York City."⁸

Meanwhile, conferences between the Public Works Administration and the New York City Housing Authority, looking toward the actual construction

⁸ Toward The End To Be Achieved (The New York City Housing Authority, New York, 1937), pp. 9-10.

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of new buildings, had been proceeding so slowly that the Authority sought other solutions. It studied, with private owners, plans for acquiring their holdings in exchange for bonds of the Authority, and the building of low-rent housing with labor and materials to be furnished by the Works Progress Administration.

"First Houses" - The Authority's Initial Project

In December, 1934, the Authority bought two Lower East Side tenement properties at the southwest corner of East Third Street and Avenue A from Vincent Astor, giving him a purchase money mortgage for the entire cost. It then acquired by condemnation six additional tenement properties, comprising the balance of the site, with funds borrowed from Bernard Baruch, also secured by a mortgage. These mortgages were for a period of 60 years with an interest rate of $3\frac{1}{2}$ per cent.

The Authority, with the aid of several relief agencies including the Works Progress Administration and the Civil Works Administration, constructed and remodeled the 8 tenements into 123 apartments having a total of 372 rooms renting at \$6.05 per room per month. Appropriately naming the project "First Houses," the Authority took over the operation of the completed development on July 1, 1936. It cost a total of \$1,384,643. There were over 3000 applicants for the 123 apartments.⁹

The Authority has since been able to repay the entire debt on "First Houses" from project revenues and from subsidies paid by the City out of the Occupancy Tax which was enacted in 1938 and is described in a subsequent chapter.

⁹First Houses (The New York City Housing Authority, New York, 1935), p. 29.

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Williamsburg And Harlem River Houses

Also during 1934, the Authority, still hoping to obtain the \$25,000,000 previously earmarked for it by the Public Works Administration, started to secure options on a project site in Williamsburg, ^{Kings} ~~Queens~~ County, comprising over 400 separate parcels. This location, which was known as one of the most squalid slum areas in the City, covered 12 square blocks between Bushwick Avenue and Leonard Street, Mauger Street and Meserole Street.

While this was in progress the Public Works Administration suddenly abandoned its plan to build low-cost housing through local housing authorities. Instead, it decided that the Federal Government should be in complete control and that the Public Works Administration should build all projects directly. Thus the entire program became centralized in and directed from Washington, D. C.

By June, 1935, despite the many problems confronted in dealing with hundreds of owners, completion of the purchase of the Williamsburg site was accomplished. It was then conveyed to the Public Works Administration. "Williamsburg Houses" was thus built directly by the Federal government under the revised policy of centralized control. Completed in April, 1938, at a total cost of approximately \$13,000,000 to the government, it consists of 20 four-story buildings occupying 10 blocks of the 12 block site. Of the remaining two blocks, one is occupied by a playground and the other by a junior high school. The old tenements of the Williamsburg site covered about 90 per cent of the land. The new buildings cover only 33 per cent, yet 1630 families live in the new project as against 1400 families formerly living on the site.

While the Williamsburg project was materializing, the Authority was

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working on another project, bounded by 151st Street, 153rd Street, Macombs Place and the Harlem River. This did not present a problem of land assembly, since the entire site was owned by John D. Rockefeller, Jr. "Harlem River Houses," accommodating 577 families, was completed in October, 1937, at a total cost of approximately \$4,230,000 to the government.

Thus the Federal government, through the Public Works Administration, furnished all of the funds, totaling over \$17,000,000, for these two projects. Forty-five per cent of this cost was ultimately to be a grant or gift. The remaining 55 per cent was in the form of a loan at a 3 per cent interest rate. Since the completion of these two projects, they have been operated by the New York City Housing Authority under a contract with the Federal government, which still retains ownership.

"These projects were undertaken primarily to create employment and stimulate the building industry rather than to wipe out the social evil of the slums."¹⁰

The primary purpose of the Public Works Administration's program was to relieve, as rapidly as possible, the acute unemployment situation then prevailing. The providing of good housing therefore became of secondary importance. The net result was that the plan failed to achieve unity of purpose. On the one hand there was the exigency of quickly increasing employment. This demanded swift action. On the other hand there was the need for time so that comprehensive planning of a long-range nature could be undertaken, in order to insure success for this new form of Federal aid.

¹⁰ Must We Have Slums? (The New York City Housing Authority, New York, 1937), p. 11.

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"There is no doubt that all of these programs attained their objectives of furnishing employment, and although some excellent housing was built, the projects, in general, reflected the emphasis of the program. They were too expensive. They were superimposed upon communities rather than being made integral parts of them. They were too often built without regard to the places of employment of the tenants."¹¹

Between February, 1934, and November, 1937, only 49 projects, having a total of 21,880 dwelling units, were completed throughout the nation at a total cost of \$129,500,000, or an average of about \$6000 per dwelling unit including land, site improvements and cost of demolition. Approximately one-half of the projects were on slum sites and about one-half were built for Negro occupancy.

"Except for the use of expensive land, resulting from concentration in slum areas, the high costs of Public Works Administration houses were due chiefly to what may be called a mania for durability."¹²

Finally, the centralized administration in Washington, D. C., was admittedly cumbersome and costly. A change in policy was deemed essential.

¹¹ Public Housing, Yesterday, Today, Tomorrow (From an address given by Herbert Emmerich, Commissioner, Federal Public Housing Authority, May 20, 1943 before the Eleventh Annual Meeting of the National Association of Housing Officials, New York, N. Y. Reprinted in pamphlet form by the Association, June, 1943, as Publication No. 179), p. 11.

¹² Colean, op. cit., p. 227.

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CHAPTER II

THE AUTHORITY'S PROGRESS FROM 1937 THROUGH WORLD WAR II, UNDER GOVERNMENTAL AID

The Public Works Administration's program, despite its deficiencies, accomplished several important things. In the first place it was the motivating force which resulted in the establishment of the New York City Housing Authority in addition to 45 other housing authorities in 29 States which passed the necessary enabling legislation. Secondly, it developed enough support for the principle of public housing to result in the passage of the United States Housing Act of 1937, which had such a significant influence on the New York City Housing Authority. Some of the more important features of this Act will be described herewith.

The United States Housing Authority

The United States Housing Act of 1937 stemmed from the experiences of the Public Works Administration's housing program and subsequent Congressional hearings. Originally referred to as the Wagner-Steagles Bill, it was enacted into law in 1937. This Act provided for Federal participation in public housing along lines previously unknown in this nation,

although certain fundamental principles of the Public Works Administration's program were preserved.

The United States Housing Act of 1937 called for the permanent establishment of the United States Housing Authority, empowered to advance funds to local public housing authorities for slum clearance and rehousing. It was also authorized to make direct grants and annual subsidies to be supplemented by smaller local grants or subsidies. Reduced to simple terms, this Federal subsidy is the amount required to make up the gap between the rents which low-income families can afford to pay and the actual expenses incurred, including operating costs and debt services.

The United States Housing Authority was established as a corporate body in the Department of the Interior. Although the policy-making and directive forces were centralized in Washington, D. C., the planning, construction and administration of all new projects was decentralized in the local housing authorities.¹³

Financing Under The U. S. Housing Act Of 1937

Under this Act, the Federal government could lend up to 90 per cent of the total cost of a project for a period not to exceed 60 years. The local housing authority had to raise the remainder from non-federal sources so that at least 10 per cent of the permanent financing had to be in what is known as series A bonds, which were sold to the public.

The bonds held by the government are known as series B bonds and carried a mandatory interest rate which was the "going Federal rate"

¹³ Colean, Miles L., American Housing (The Twentieth Century Fund, New York, 1944), p. 278.

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(defined as the rate borne by the most recent issue of Treasury bonds due in 10 years or more)¹⁴ plus one-half of one per cent. Assuming the "going Federal rate" to be $2\frac{1}{2}$ per cent at that time, this resulted in a total coupon rate of 3 per cent. The series A bonds, sold to the public at competitive bidding, commanded lower interest rates than the series B or government bonds.

Federal And Local Subsidies Under The 1937 Act

The annual Federal subsidy constituted the primary security, being pledged to the payment of the debt service on the series A and B bonds. "The faith of the United States is solemnly pledged to the payment of all annual contributions."¹⁵

The annual Federal contribution could not exceed a maximum rate representing the "going Federal rate," or $2\frac{1}{2}$ per cent as previously explained, plus 1 per cent, a total of $3\frac{1}{2}$ per cent. Thus the maximum dollar amount of the annual Federal contribution could not exceed that percentage ($3\frac{1}{2}$) of the project cost. The annual debt service on the series A and B bonds usually approximated, but never exceeded, the annual subsidy.

The Act also provided that the local government must join in the subsidy.¹⁶ The local contribution, which could be in the form of a grant of land or partial tax exemption, had to be at least 20 per cent

¹⁴ Devine, C. J. & Co. Inc., Local Housing Authority Bonds and Notes (1949), p. 9.

¹⁵ Idem.

¹⁶ Dun & Bradstreet, Inc., Municipal Credit Survey, N. Y. City Housing Authority (July 2, 1948), p. 13.

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of the total Federal subsidy.

Example Of A Project's Financing And Subsidizing

For example, in the case of a public housing project costing a total \$1,000,000, a loan of 90 per cent could be provided by the government in series B bonds and the remaining 10 per cent by privately sold local housing authority A bonds. The maximum subsidy from the U. S. Housing Authority would be \$35,000 annually ($3\frac{1}{2}$ per cent of the \$1,000,000 total cost, the $3\frac{1}{2}$ per cent being the $2\frac{1}{2}$ per cent going long-term federal rate plus 1 per cent as previously shown). The local contribution, fixed by law at 20 per cent of the Federal subsidy, would amount to \$7,000 annually and would usually be applied in the form of tax exemption.

Rents And Construction Cost Limitations

In order to insure that this housing would be used exclusively by those families who otherwise would not have been able to secure adequate shelter, this Act further provided that the housing be rented only to those who were occupying substandard quarters, at the time of making application, and whose income did not exceed five times the scheduled rent, or, in cases of families having three or more minor dependents, six times the rent.

As protection against extravagant construction costs, this Act provided that, in cities of over 500,000 population, the construction cost per room could not exceed \$1,250 or \$5,000 per family unit, while in smaller cities the maximal were \$1,000 and \$4,000 respectively. Another requirement was that as many unfit housing units, on the site or

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elsewhere, had to be demolished or restored as were built in the new housing project.

Other Provisions Of The U. S. Housing Act Of 1937

Under the U. S. Housing Act of 1937, Congress initially authorized \$500,000,000 for loans to local housing authorities, over a period of three years. In 1938, Congress raised the total to \$800,000,000 and removed the time limitation. Also, at the outset, the United States Housing Authority was authorized to make grants or subsidies up to \$20,000,000 a year. In 1938 Congress increased this authorization to \$28,000,000.

The United States Housing Act of 1937 decentralized the nation's public housing program by making local housing authorities responsible for the planning, building, owning and managing of the projects. The Act also took public housing out of the emergency group of governmental activities. Under the Act, the Federal government could not buy land, contract for construction, or own or manage the projects, except that in case of default the United States Housing Authority could take over a project and operate it. However, in 1940, amendments to the Act granted the United States Housing Authority power to build, own, and operate housing for defense purposes.¹⁷

The Authority's Program Under The Act

The United States Housing Act of 1937, adopted in the latter part

¹⁷ Wood, Edith Elmer, and Ogg, Elizabeth, The Homes The Public Builds (Public Affairs Committee, Inc., Pamphlet No. 41, 1940), p. 11.

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of that year, made Federal aid available to municipalities in 1938. Accordingly, the public housing program of the New York City Housing Authority went into high gear.

In the four year period between 1938 and the time this nation had entered World War II, the Authority completed the construction of seven Federally-assisted projects comprising 10,409 apartments, providing housing for about 35,000 people, at a total cost of \$47,389,000. These projects were: Red Hook, Queensbridge, Vladeck, South Jamaica, East River, Kingsborough and Clason Point. They were financed by the sale of 90 per cent series B bonds to the Public Housing Administration at interest rates of 3 per cent and 3.25 per cent. The balance of 10 per cent were series A bonds sold privately.¹⁸

In 1940, these bonds were refinanced at more favorable interest rates. Bonds representing more than 85 per cent of the total cost of the projects were sold by the N. Y. City Housing Authority privately and the remaining 15 per cent were taken by the United States Housing Authority thus practically reversing the original statutory plan of 90 per cent government loan and 10 per cent private loan. Interest rates on the private refunding averaged 2.128 per cent as against 3 per cent and 3.25 per cent, which would have been payable to the government. Also the term was shortened from 60 to 45 years.¹⁹

The above 7 projects were built at an average cost of less than \$1,000 per construction room. One development, East River Houses, was built in 1941 at a cost of \$802 per construction room. Details of these

¹⁸ Tenth Annual Report, N. Y. City Housing Authority (1944), p. 15.

¹⁹ Idem.

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projects, and other Authority projects referred to in this thesis are compiled in the Appendix.

Limitation Of Federal Aid

Since a provision in the United States Housing Act of 1937 limited the amount of loans to be made to any one State to 10 per cent of the total, it was evident that New York City would never be able to have a public housing program even approaching the size originally envisioned, unless funds from other than Federal sources could be obtained. As a result, an amendment to the New York State Constitution was formulated in the 1938 Constitutional Convention and was approved at the November election in that year.

New York State Aid For Public Housing

Under this amendment the State was authorized to borrow funds and to make loans and subsidies to local housing authorities for public low-rent housing projects and also for the clearance, replanning and reconstruction of substandard areas. Included in its provisions was an authorization to each municipality to incur a special indebtedness of two per cent of the assessed valuation of its taxable property, for housing and slum clearance purposes, over and above the general debt incurring power of the municipality.

The housing amendment required legislative implementation. Consequently, in 1939, the State Housing Law was repealed and the Public Housing Law of 1939 was enacted. This new statute included the former provisions relating to limited dividend corporations and municipal housing author-

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ities in addition to the new provisions. The State Board of Housing was abolished and the position of State Commissioner of Housing was created, effective as of July 1, 1939.

The housing amendment authorized the State to borrow \$300,000,000 to be used for loans and to agree to pay a total of not more than \$5,000,000 a year for subsidies. In 1945, 1946 and again in 1949, referendum raised the original amounts so that the totals were increased to \$735,000,000 for loans and \$25,000,000 for subsidies.²⁰

New York City Occupancy Tax Law

Meanwhile, during 1938, Mayor La Guardia initiated a program of City aid for public housing through passage of the Occupancy Tax Law, enacted in June of that year. This was a special tax on all rented business premises in the City occupied for gainful purposes. The tax receipts were made available for subsidies for public housing projects to supplement the Federally-aided program. This "occupancy tax" ranged from \$1.00 to \$6.00 annually, depending upon the annual rental of the occupied premises. The maximum figure of \$6.00 per annum applied to rentals of \$5001 per year and over.

As a result of the Occupancy Tax Law and the Public Housing Law of 1939, the Authority constructed Vladeck City Houses, the first completely City-aided housing project in the nation. The total cost of this 240 family project, which amounted to \$1,269,490, was financed by the Authority's bonds which were sold to private bankers. The bonds were secured by a City guarantee of principal and interest payments and supported by

²⁰ Citizens' Housing & Planning Council of New York, Inc., Directory and Review (1950), p. 14.

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City cash subsidy funds obtained from the Occupancy tax. This project was completed in October, 1940.

Construction Curtailment During World War II

During the period in which our nation was engaged in World War II, only two projects were completed by the Authority. The first was Edwin Markham Houses. It was started under the United States Housing Act of 1937, but was converted into a defense housing project during the war, under Public Act No. 671. Containing 360 apartments, it was completed June, 1943. It was the Authority's first project to be built on Staten Island, in the Borough of Richmond.

The only other project completed by the Authority during World War II was the 3501 family Fort Greene Houses in Brooklyn. It was finished in February, 1944, under the provisions of the State's Public Housing Law of 1939. The State's loan amounted to \$19,788,065, covering the entire cost of the project, which was also used for defense housing. Thus, the N. Y. City Housing Authority, with the cooperation of the City, developed the first State-aided public housing project in the nation. In the period following World War II, the State-aided program was accelerated. No Authority projects were started while we were at war.

Summary Of USHA Record - Comparison With FWA

Up to February, 1942, the United States Housing Authority had advanced or contracted for \$770,000,000 of public housing throughout the nation, out of the \$800,000,000 authorized. These advances covered approximately 185,000 dwellings in 747 projects situated in 548 localities. Approx-

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imately 60,000 of the units were diverted to the use of defense workers during World War II.

The average development cost was \$4,604 per dwelling unit including the land and the cost of slum clearance. Excluding the cost of the slums demolished, the average cost per dwelling unit, including land, was \$4,234, or \$3,924 without the land. These costs were considerably lower than the average costs of the Public Works Administration dwelling units which were, respectively, \$5,927 overall, \$5,418 excluding clearance but including land, and \$4,975 without land.²¹

In other words the United States Housing Authority's projects were constructed at considerably lower costs than the projects of the Public Works Administration. The United States Housing Authority also maintained a general policy of extending its operations to locations where land costs were lower. As a result, the average dwelling rent in United States Housing Authority projects was \$17.69 per month, including all utilities, as compared with \$24.98 in the Public Works Administration program. The median income of families rehoused under the United States Housing Authority program was about \$820 per year so that the dwelling units were rented, as intended, to a very low income group.

The United States Housing Authority succeeded in making significant inroads on the elimination of slums and in providing former slum dwellers with decent housing. "It has been widely accepted and supported as a permanent government activity, doing a necessary constructive work."²²

²¹ Colean, op. cit., p. 280

²² Gray, George Herbert, Housing and Citizenship (Reinhold Publishing Co., New York, 1946), p. 235.

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In February, 1942, the functions of the United States Housing Authority were transferred to the Federal Public Housing Authority in the National Housing Agency under the Federal government's reorganization plan in the early stages of this nation's entrance into World War II.

The Federal Public Housing Authority

The Federal Public Housing Authority comprised the functions of the Defense Homes Corporation, miscellaneous war housing activities of the Federal Works Agency, off-reservation housing of the War and Navy Departments, and the non-farm and war housing of the Farm Security Administration, in addition to the United States Housing Authority. The Federal Public Housing Authority was therefore essentially a wartime "super-agency."

During 1943, while World War II was raging, special Committees were established by both houses of Congress for the purpose of considering economic problems which were expected to arise when hostilities ceased. The Senate's Special Committee on Post-War Economic Policy and Planning established a sub-committee on Housing and Urban Redevelopment. The findings of this sub-committee became the basis for the development of significant legislation later on. The principal features of this development are found in the testimony of John B. Blandford, Jr., then National Housing Administrator, before this sub-committee in June 1944 and in January, 1945.²³

Among other things, the proposals called for Federal assistance for the assembly of land in urban slum areas, and the resumption of Federal loans and subsidies for public housing.

²³ 78th Congress, 2nd Session, Part 4, pp. 1015-1063 and Part 6, pp. 1191-1321.

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The Wagner-Ellender-Taft Housing Bill

Subsequently a bill, S 1592, proposing a comprehensive Federal housing policy, was introduced in the Senate in the Fall of 1945, during the 79th Congress. In spite of the bi-partisan sponsorship of Senators Wagner, Ellender and Taft (it was referred to as the W-E-T Bill), bitter controversy was raised. Thus, while the bill passed the Senate early in 1946, it met with delays in the House and was not enacted into law.

One of the principal features of the bill was a provision for an expansion of the public housing program originally instituted under the United States Housing Act of 1937. This new provision called for the financing of 500,000 dwelling units over a five-year period.

Emergence Of "The Housing Act Of 1949"

After several unsuccessful attempts to enact appropriate legislation in 1947 and 1948 embodying public housing and slum clearance provisions, the Congressional battle was renewed soon after the opening of the 81st Congress in 1949. By the middle of the year, "The Housing Act of 1949," as it was called, finally won over the opposition. It was passed by Congress in July, 1949, and enacted into law.²⁴

²⁴Public Law 171, 81st Congress

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CHAPTER III

THE HOUSING ACT OF 1949 - ITS EFFECT ON THE N. Y. CITY HOUSING AUTHORITY

The Housing Act of 1949 exerts such an important influence on the public housing program of the New York City Housing Authority that it was felt essential to outline its salient features in this chapter. Also, the principal differences between the United States Housing Act of 1937 and the Housing Act of 1949 will be shown.

Portions of the material used in this chapter were obtained from "A Handbook Of Information On The Provisions Of The Housing Act Of 1949," published by The Housing and Home Finance Agency in Washington, D. C., in 1949, and are presented herewith in condensed form while retaining the essential information.

National Housing Policy Established

The Housing Act of 1949 establishes, for the first time in the history of this country, national housing objectives and the policies to be followed in achieving them. Section 2 of the Act states that:

"the general welfare and security of the Nation and the health and living standards of its people require housing production and related community development

sufficient to remedy the serious housing shortage, the elimination of substandard and other inadequate housing through the clearance of slums and blighted areas, and the realization, as soon as feasible, of the goal of a decent home and a suitable living environment for every American family, thus contributing to the development and redevelopment of communities and to the advancement of the growth, wealth and security of the Nation."

While declaring that private enterprise should serve as large a part of the total need as possible, the Act²⁵ sets forth the governmental responsibility for positive action for the redevelopment of cities, slum clearance, and low-rent housing in non-farm areas.

Thus, for the first time, Congress, representing the voice of the people of this nation, has expressed as national policy the propositions that the general welfare and security of the United States requires a remedy for the housing shortage, elimination of inadequate housing, and realization of a decent home and suitable living environment for every American family.

The Housing Act of 1949 authorized a large expansion in the low-rent and slum clearance program which first had its inception when Congress passed the United States Housing Act of 1937. The new statute called for the powers, functions, and duties of the former United States Housing Authority to be administered by the Public Housing Administration, an agency of the Federal Government.

Amendments To The U. S. Housing Act Of 1937

Title III of the Housing Act of 1949, covering low-rent public housing, amends the United States Housing Act of 1937 by authorizing Federal

²⁵

In this Chapter, when the word "Act" is used by itself, it refers to the Housing Act of 1949, unless otherwise specified.

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loans and contributions for local programs so as to provide a maximum of 810,000 low-rental public housing units over a 6-year period, more than four times the total number of low-rent units built under the 1937 Act.

Under this expanded program the Public Housing Administration can authorize local authorities to construct 135,000 units a year, but the President is empowered to accelerate the program to 200,000 units a year, or retard it to 50,000 if he so determines, upon advice from his Council of Economic Advisers that such action is in the public interest, subject to the total authorization of 810,000 units.

Subsidies

Annual Federal subsidies are authorized not to exceed \$308,000,000 per year for a period of 40 years, a total contribution of \$12,320,000,000. The annual contribution, or subsidy, may not exceed a certain percentage of the development cost of the project. This percentage is the "going Federal rate" of interest, plus 2 per cent, a total of $4\frac{1}{2}$ per cent, since the "going Federal rate," as heretofore shown, is defined as the annual rate of interest on the most recently issued bonds of the Federal Government having a maturity of 10 years or more, but not less than $2\frac{1}{2}$ per cent. Therefore, at the present time, the maximum dollar amount of the annual Federal contribution may not exceed such total percentage ($4\frac{1}{2}$) of the project cost. Under the U. S. Housing Act of 1937, such total percentage was $3\frac{1}{2}$, as previously explained in Chapter II.

This annual contribution, or subsidy, together with the required local tax exemption, makes up the difference between the rents which low-income families can afford to pay and the annual cost of operating the

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projects, including interest and amortization.

The faith of the United States Government is solemnly pledged to the payment of this annual contribution, which can be used only to pay interest and amortization on the permanent financing bonds. The local housing authority may issue its own tax-exempt bonds secured by the pledge.

Temporary Financing

The Housing Act of 1949 further authorizes a total of \$1,500,000,000 available as a revolving fund, for loans, principally for construction advances and commitments pending the permanent financing through the sale of bonds on the private market. Interest rates on Public Housing Administration loans to local housing authorities are presently established at $2\frac{1}{2}$ per cent, defined as the "going Federal rate."

Temporary loans may also be obtained through the sale of the local authorities' temporary loan notes to private investors. Also, the Public Housing Administration obligates itself, if required, to lend a sufficient amount from the \$1,500,000,000 revolving fund to cover the principal and interest on temporary loan notes when they mature, so that these notes have excellent security. Temporary loan notes are retired as soon as a project is permanently financed.

Permanent Financing

When a project is far enough advanced so that its cost may be accurately determined, the local housing authority may secure permanent financing through the sale, to private investors, of the long-term Series A bonds, secured by the Government's pledge to pay the annual contributions

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to cover principal and interest. Any part of the permanent financing, up to a total of 90 per cent, not covered by the sale to private investors, may be financed by the Public Housing Authority Series B bonds out of the \$1,500,000,000 revolving fund. However, indications are that substantially all of the permanent bonds will be sold to private investors at very favorable interest rates.

Interest on Series A bonds and temporary loan notes is exempt from Federal taxation.

Construction Cost Limitations

Under the new Act the cost of construction is limited to \$1,750 per room, and an increase in this cost limitation of not more than \$750 per room additional, totaling \$2,500 per room, is authorized in localities where it would not otherwise be feasible to construct such housing. The original United States Housing Act of 1937 had fixed a limit of \$1,250 per room, or \$4,000 per family unit, in cities of over 500,000 population and \$1,000 and \$4,000 respectively in smaller cities.

Also, the former requirement relating to the elimination of one substandard housing unit for every new one built, is modified in the Housing Act of 1949. The local authority must agree to eliminate, within five years after completion of a project, substandard units substantially equal in number to those in a new project. However, if more than one family is living in such substandard unit, its elimination is construed as the elimination of units equal to the number of families accommodated. An acute shortage of low-rental housing in an area is considered sufficient reason for deferring this required elimination beyond the five-year period.

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Tenant Eligibility, Rents And Local Tax Exemption

Only low-income families, who are unable to afford adequate private housing, are eligible for public housing under the Act. With the exception of veterans of both World Wars I and II, these families must come from slum housing, be displaced by a public housing or slum clearance project, or actually be without housing through no fault of their own. Initial occupancy preference is given primarily to displaced families, and secondly, to other low-income families. Veterans are accorded first preference in each of these groups.

To further insure that this low-rent housing will be occupied only by low-income families, the Act sets forth the following additional provisions:

1. The top admission rent must be at least 20 per cent under the rents at which private enterprise makes available a substantial supply of housing, new or old.
2. The net income of families at admission may not exceed five times the rent, including utilities. However, the Act recognizes larger families by exempting, from income, \$100 per year for each minor dependent.
3. Maximum income limitations for admission to a project, as well as continued occupancy in it, must be set by the local housing authority subject to the approval of the Public Housing Administration. Moreover, the local authority must furnish the Administration with a report showing that the income of families admitted are within the prescribed limits. The local authority must also periodically examine all tenant families' incomes for the purpose of adjusting rents if required, or evicting families whose incomes have exceeded the maximum established for continued occupancy.

The local housing authority makes a study of local needs in order to determine the maximum income limits for admission. Incomes of families compelled to live in slums, minimum incomes of those steadily employed,

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and income levels allowed by relief agencies are factors which are considered. Usually the maximum income limits for continued occupancy are set at from 20 to 25 per cent above the admission limits so as to allow a family some increase in earnings without requiring eviction.

Also, in order to insure low rents, the locality is required to make a contribution in the form of exemption from all real and personal property taxes. However, the law permits local authorities to make payments, in lieu of taxes, up to 10 per cent of the shelter rents charged in the project, less the cost of utilities.

Example Showing How Rents And Subsidies Are Determined

Families living in low-rent public housing are required to pay all the rent that they can, within reason, in proportion to their incomes. Under the Act, each family must pay not less than 20 per cent of its net income for rent, including utilities, subject to the \$100 exemption for each minor dependent as previously explained.

The level of rents required to serve low-income families, the cost of operating and paying for the project, and the amount of Federal and local government contributions are the three principal factors which determine the rents to be charged.

It is estimated that the shelter rents required to serve low-income families will average about \$23 per dwelling unit per month, and that utilities will cost \$7 per month, a total of \$30 per month. The Federal contribution, therefore, is the difference between this total and the operating cost, including utilities, payments in lieu of taxes and debt service.

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An illustration of how the estimate of the average Federal contribution or subsidy is arrived at, follows:

Operating cost (includes repairs, maintenance and replacements)	\$13.50
Heat and all other utilities	7.00
Payments in lieu of taxes (10 per cent of \$23 shelter rent)	2.30
Debt Service (amortization in 29 years, 1 7/8 per cent interest)	<u>31.69</u>
Total Monthly Cost	\$54.49

Shelter Rent	\$23.00
Utilities	<u>7.00</u>
Monthly Income	<u>30.00</u>

Estimated average Federal subsidy per month \$24.49

As previously explained, the maximum dollar amount of the Federal subsidy may not exceed $4\frac{1}{2}$ per cent of the project cost (the "going Federal rate" of $2\frac{1}{2}$ per cent, plus 2 per cent). On a project costing \$8,450 per dwelling unit, which for the nation as a whole, is the maximum possible average cost if the full contribution and construction authorizations are used, the maximum Federal contribution would therefore be $4\frac{1}{2}$ per cent of \$8,450 which amounts to \$380.25 per year or \$31.69 per dwelling unit per month. Thus the estimated average Federal subsidy of \$24.49 per month, as shown above, is only 77.3 per cent of the possible average maximum Federal subsidy of \$31.69 per month.

Therefore, while it is estimated that less than the maximum Federal subsidy will be generally required, the Federal contract with the local authority permits the maximum payment, if necessary. In this way rents may be kept within the means of low-income families even in adverse times so as to provide the maximum security for the permanent bonds.

Moreover, the Federal subsidy may be paid for as long a period as 40 years, as previously explained. However, the expected low rates of interest on the permanent financing bonds sold by the local authority will permit amortization in less than 40 years. Therefore, if interest rates

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average $1\frac{7}{8}$ per cent, as set forth in the foregoing illustration, amortization could be completed in 29 years. Federal subsidies expire when amortization is completed.

Title I Of The Housing Act Of 1949

The Act makes a clear distinction between subsidized low-rent housing (Title III) and slum-clearance (Title I) on the basis that these are two distinct problems and not just one, as heretofore regarded. Briefly, Title I of the Act provides for the clearance and redevelopment of slum areas by encouraging the investment of private capital supplemented by Federal assistance.

This Title provides that any loss incurred by a City or local agency in acquiring and clearing slum sites and making such available for private redevelopment, principally for new housing, will be shared two-thirds by the Federal government and one-third by the local government. Federal loans of \$1 billion, over a 5 year period, to cover the purchase of blighted land and Federal grants of \$500 million, over a 5 year period, to help "write down" excessive land costs, are authorized by Title I of the Act.

The Authority's Progress Under Title III Of The Act

As of January 1, 1952 the Authority had 19 permanent subsidized low-rent housing projects under construction or pending construction under Title III of the Housing Act of 1949. The total cost of these projects will exceed \$300,000,000, upon completion. Details relating to this program are on pages 92 and 94 inclusive. Details on all of the Authority's projects are on pages 90 to 103 inclusive.

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CHAPTER IV

ORGANIZATION AND OPERATION OF THE N. Y. CITY HOUSING AUTHORITY

The New York City Housing Authority, established in 1934, is the only official governmental agency in New York City authorized to construct housing for low income families.

"The primary functions of the Authority are to clear slums and to provide decent, safe and sanitary homes for families of low income who cannot afford them.²⁶

Control Of The Authority

Under the provisions of the Public Housing Law, enacted by the N. Y. State Legislature in 1939, a local housing authority shall be composed of not less than 3 or more than 5 members, with overlapping terms of 5 years each. It also provided that members be appointed by the mayor of a city, with each member to serve his 5 year term until his successor is appointed.

Under the law the mayor appoints the first chairman but succeeding

²⁶ Tenth Annual Report, N. Y. City Housing Authority (1944), p. 10.

chairman are selected by the Authority from among its members. The law also provided that members shall serve without compensation, except for necessary expenses.

The N. Y. City Housing Authority was organized on this basis in 1934 and operated accordingly until 1947, at which time the Legislature passed a special Act, applying only to New York City, which provided that the Chairman of the N. Y. City Housing Authority shall not hold office for a specific term and "may be removed by the Mayor whenever, in his judgment, the public interest shall so require."²⁷ It also provided that the Chairman shall give his full time to his duties and receive such salary as is fixed by the Board of Estimate.

Upon enactment of this special Act in 1947, Mayor William O'Dwyer appointed General Thomas F. Farrell as Chairman of the Authority.

Status Of The Authority's Projects

As of January 1, 1952, the Authority had 45 permanent projects in operation, containing 51,262 apartments plus another 33 permanent projects, comprising 40,408 apartments, in various stages of construction or pending construction. This makes a total of 78 permanent projects consisting of 91,670 apartments. This will result in a total population of about 350,000, which compares with such cities as Atlanta, Ga. (331,314); San Diego, Calif. (334,387); and Rochester, N. Y. (332,488).

If the Authority's 12 Temporary Veteran's Emergency Housing Projects, having 11,091 apartments, are added to the above total of permanent projects the result is a grand total of 90 projects comprising 102,761 apart-

²⁷ Dun & Bradstreet, Inc., Municipal Credit Survey, N. Y. City Housing Authority (July 21, 1949), p. 3.

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ments. Details of these projects are set forth in the Appendix, from pages 90 to 103 inclusive.

Types Of Projects

The permanent projects range in type from 2-story buildings to tall, fireproof elevator apartment buildings of 17 stories. The temporary Veterans Emergency Housing projects are principally one-story prefabricated row-houses and converted Quonset huts. The Authority's projects are scattered throughout the 5 Boroughs of the City.

Site Selection, Planning And Construction

The initial step is to select a sufficiently large site. It must conform generally with the Master Plan of the City, be convenient to schools, churches, stores and transportation, and be served by the necessary utilities. If the selected site is approved by the Board of Estimate as well as the City Planning Commission, it must then be acquired. Following this, the architects are engaged to prepare the plans and specifications for the project. Approval must also be obtained from the particular lending agency concerned and the President of the Borough in which the project is to be built.

Meanwhile, arrangements may have to be made to close off some of the streets within the project area, or to widen others and to rearrange utilities. Competitive bids are taken, contracts awarded and finally, provided the tenants living on the site are relocated and existing buildings are demolished, actual construction of the new project can start.

Private architects are employed to plan and design the projects but they must work closely with the Authority's own staff.

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Various Programs Under Three Levels Of Government

The Authority's projects are sponsored by three levels of Government: City, State²⁸ and Federal. In addition there are several different programs operating under this trilogy. Therefore its structure, particularly from the standpoint of financing, might at first appear complicated. The terminology "partly subsidized" projects, "fully subsidized" projects, and "unsubsidized" projects, used by the Authority, and the fact that funds for its projects have been secured from a wide variety of sources, has contributed to general misunderstanding and certain confusion. However, these programs, when examined individually, are basically similar as will be pointed out.

In the first place, financial obligations are secured by some form of assistance contract from the particular sponsoring government, and the bond issues have a pledge of the earnings of one or more of the projects. Generally the Authority enters into a contract of assistance with the sponsoring government whereby the Authority agrees to construct and operate the project and the sponsoring government agrees to provide the permanent financing and to pay annual subsidies sufficient to cover the total debt service, if required. The contract specifies that rentals must cover operating expenses.

Subsidy Operation Under Authority's Program

As has been shown, subsidies were first provided by the Federal government for the purpose of furthering its nationwide program of public

²⁸ In this and subsequent Chapters, when the words "state" and "State-aided" are used, they refer to the State of New York.

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housing. Subsequently, New York State and the City of New York came into the subsidy picture, with the City being empowered to guarantee bonds issued by the Authority. In effect, these subsidies are the cash cost to the taxpayer for public housing. The low rents charged must be supplemented by an additional source of income in order to make up the difference between rents and expenses, since low-rent public housing cannot pay its way from rents alone.

To illustrate, the monthly income and expense for an average New York City Housing Authority apartment in 1950 was as follows:²⁹

<u>Income</u>		<u>Expense</u>	
Rent	\$40.10	Operating	\$24.87
Subsidy	13.57	Debt Service	22.25
Other	1.28	Taxes	4.15
		Reserves	3.68
Total	\$54.95	Total	\$54.95

The Authority's various housing programs are all integrated, operating under Federal, State and City assistance as to financing, subsidies and taxes, as follows.

The Federally-Aided Program

Permanent Financing.

Under the Housing Act of 1949, the Federal government can, if required, lend the Authority up to 90 per cent of a project's cost, as has been pointed out. The Authority must raise not less than 10 per cent of the cost by selling its own series A bonds to the public. If the entire issue of series A bonds, covering the complete financing, is not

²⁹ Seventeenth Annual Report, N. Y. City Housing Authority (1950), p. 27.

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publically subscribed, the balance is bought by the Federal government as series B bonds.

For example, if the Authority had a \$10,000,000 project and offered \$10,000,000 worth of its series A bonds for public sale, and only \$8,000,000 was thus subscribed for, then the Federal government could complete the permanent financing by purchasing \$2,000,000 worth of series B bonds.

The minimum interest rate on the Federal, or series B bonds, is set at the "going Federal rate" which is re-defined as not less than two and one-half per cent. Since the income from the bonds is tax exempt and the bonds are secured by the Federal government's pledge to pay annual contributions, sufficient to cover debt service, if required, those sold to the public as series A bonds command very low rates of interest. During 1950, the Authority issued over \$116,000,000 in series A bonds to the public at interest rates ranging from a high of 2.62 per cent to a low of 1.84 per cent. At the close of 1950 the Authority had \$552,600,000 of outstanding obligations.³⁰ Under the present Federal program, bonds must be paid off in not more than 40 years.

Subsidies

The Federal government is permitted to make an annual contribution equal to the interest rate on the bonds, but not less than two and one-half per cent in any event, plus two per cent of the project cost. The City's contribution must equal at least 20 per cent of the Federal government's contribution, but such does not have to be in cash; it can be the equivalent in tax exemption.

³⁰ N. Y. City Housing Authority, op. cit., p. 28.

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Taxes

Although all taxes are legally waived on Federally-aided projects, the Authority makes payments to the City, in lieu of taxes, equal to 10 per cent of the rents collected, less the cost of utilities.

The State-Aided Program

Permanent Financing

Under this program the State sells its own permanent bonds to private investors. It then lends the funds to the Authority at the same interest rate which the bonds carry. These bonds, which are generally sold at about the time of a project's completion, have a 50 year maturity.

Subsidies

In accordance with the subsidy and loan agreement between the State and the Authority, the State agrees to give the Authority sufficient funds each year, if required, to cover the debt service of the loan. This annual subsidy is determined by the largest annual interest charge on the State's permanent bonds, plus one per cent of the cost of the project.

The City must match the State's contribution, and such can be in the form of tax exemption. However, if this exemption amounts to less than the State's contribution, the City must make up the difference in cash.

Taxes

The Authority pays taxes, at the current rate, based on the assessed valuation of the property acquired for the project at the time the loan and subsidy contract is signed. The value of the improvement, represented by the new project, is tax exempt. Thus the tax payments may vary from year to year.

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The City-Aided Program

Permanent Financing and Subsidies

The Authority handles the financing of all City-aided projects directly. Under the present plan it sells, to the public, 50-year bonds guaranteed by the City.

Prior to World War II, the City-aided program was restricted to fully subsidized projects, the subsidy being furnished by the special Occupancy Tax on all gainful business establishments in the City, already referred to in Chapter I. During that period, the cost of a project was financed by the sale of 40-year bonds to the public with the principal and interest payments guaranteed by the City. This phase of the City-aided program is now referred to as Part I.

In the Post-World War II period, the Authority embarked on what originally was known as the City's "partly subsidized" program and is now referred to as Part II.

In order to provide housing for returning veterans who could pay more rent than that charged in fully subsidized projects, but could not afford what was being charged in new private rental housing projects, it was planned to construct projects to rent for about \$12. per room per month. However, since it was estimated that it would cost about \$15. per room per month to carry these projects, the City agreed to make up the difference by subsidy payments.

"Influencing the adoption of this program was the housing shortage in New York City. This shortage, at the end of 1948, was estimated by the Authority at 260,000 apartments."³¹

³¹ Dun & Bradstreet, op. cit., p. 13.

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When the time arrived for establishing the final rental schedule, it was decided that such would be increased sufficiently to cover expenses and not necessitate any contribution by the City. However, insofar as the security of the bonds was concerned, the City agreed to provide a subsidy if the rentals, as established, were not sufficient to pay all charges.

While Part II of this program was developing, the City, which still had considerable borrowing power but no further immediate funds for subsidies, proceeded with the Authority to initiate a "no-cash-subsidy" public housing program.

Sponsored by Mayor William O'Dwyer, and vigorously supported by him, this program, known as Part III, differed from any public housing previously built in the United States. In March of 1948 the Board of Estimate authorized a \$200,000,000 program for this housing, thus committing the full amount of New York City's housing debt limit.

The Authority decided that under this program the rents would be set at a level sufficiently high, viz: higher than in Part II of the program, so as to cover all operating costs and debt service without requiring any cash subsidy.

It was further agreed that tax exemption on the value of the improvements would be granted by the City so as to make the program possible.

"It was a time when the housing shortage was most acute, when no Federal aid was apparently forthcoming, and when a not-yet-expanded State program was inadequate to cover the pressing need. By means of this program, which set rents high enough to cover costs, the City could build the greatest amount of housing possible under its restricted debt limit for housing. At the same time, rents would be kept low enough (through the savings made possible by partial tax-exemption, the City's guarantee of Authority bonds and consequent low interest rates, and a non-profit operation) so

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that the program would serve the urgent need of those veterans' families who could afford rentals somewhere between those for subsidized public housing and those for available private housing."³²

Financing The "No-Cash-Subsidy" Program

Under the "no-cash-subsidy," or Part III program, each project is financed by a separate bond issue. Each such issue is secured by a pledge of the revenues of that particular project and is also guaranteed by the City.

General Reserve Fund

Furthermore, provision is made for certain reserve funds. Surplus revenues from all projects are pooled in a General Reserve Fund which can be drawn upon, if required, to help meet the debt service on any series of the bonds.

Debt Service Fund

In addition, a Debt Service Reserve Fund, equal to a year's debt service, is provided for each issue from the proceeds of the sale of the bond issue. Should it become necessary to draw on this reserve, the Authority is required to replenish it from any monies legally available for this purpose, in particular the General Reserve Fund. Also, the City is under obligation to make good its guarantee should the Authority be unable to replenish the reserve.

Although each project under this program is financed by a separate bond issue and its earnings are the security for that issue, the fact

³² N. Y. City Housing Authority, op. cit., p. 7.

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that all bonds are issued under a standard resolution, have the benefit of the General Reserve Fund, and are guaranteed by the City, results in their being regarded as of identical credit quality.

Rentals In "No-Cash-Subsidy" Projects

Rentals, including gas and electricity, originally averaged \$16.39 per room per month for those four projects authorized in the first portion of this program, known as City-aided, Part II. For the 16 projects authorized in the second portion of the program, known as City-aided Part III, the rents averaged \$17.49 per room per month.

Due to favorable interest rates on its bonds, the Authority was able to effect reductions in these rents in 1950, as follows: rents in Part II were reduced in January from an average of \$16.39 per room per month to \$15.45, and rents in Part III were reduced in May from an average of \$17.49 per room per month to \$16.59.

Rents In All Permanent Projects

In the Appendix will be found a concise tabulation of the basic monthly rentals, by type of apartment, for all permanent projects. This chart was prepared from information furnished by the Authority and was condensed by the writer to a one page chart for easy reference. A similarly prepared chart, covering the maximum income limits for admission to these projects, follows the first chart. It will be noted that rentals in the State-aided post-war projects are higher than in the comparable City-aided and Federally-aided projects. This is due principally to the difference in the method of paying taxes, as explained previously in this chapter under The State-Aided Program.

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Tenant Eligibility

The Authority makes a careful investigation of every applicant for an apartment regardless of what program the project is classified in. Income and present living conditions are given particular attention. Eligibility requirements are set up by law and by Authority regulation.

Generally, to be eligible, a family must include an American citizen, must have lived in New York City for at least two years immediately prior to the time of its admission, must be without housing of its own, or else living in slum housing, and must have an income not exceeding the prescribed maximum. Also, by law, veterans must be given priority in the post-war projects over all other applicants except eligible families displaced by public housing construction. The law is also explicit in that no discrimination can be made along racial or color lines.

Surcharges

As the income of a tenant increases, a surcharge is made until that tenant pays what is called a full economic rent. These surcharges are applied to reduce the amount of the cash subsidy being provided by the particular sponsoring government.

The Authority makes periodic investigations of the income of tenants. The original plan was to compel tenants to move when their income increased more than 50 per cent above the maximum allowed for the apartment occupied, in order to make housing available to others.

During the war, and immediately thereafter, the incomes of many public housing tenants showed substantial increases. However, due to the housing shortage and rent regulations, moving was difficult and it became

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more or less expedient for the Authority to allow such tenants to remain. A considerable number of tenants in some of the projects had incomes in excess of the stated maximum. These tenants were, of course, subject to the surcharges which have decreased the required subsidies.

Vacancies And Collections

Once occupied, the vacancy losses are kept at the very minimum since this housing is such a bargain that no one moves out unless it is absolutely necessary. Obviously, the rent collection experience is also very satisfactory and since these rentals are in line with what social service agencies will allow for relief, it does not appear likely that the collection problem would ever become too serious even in a depression.³³

Release Of Project From Debt-Limitation

As briefly pointed out in Chapter II, the New York State Constitution grants the City a debt incurring power, for public housing development, of two per cent, over and above the 10 per cent limitation, of the average of the current assessed valuation and those of the past four years. Chargeable against this debt limitation are the value of all cash subsidies, any direct loans for housing, and any housing bonds which the City guarantees. On the basis of one year's operating results showing that a project is self-supporting, the debt incurred for it may be excluded from the borrowing limitation.

Taxation Of City-Aided Projects

While City-aided projects are fully tax-exempt by law, the Authority

³³ Dun & Bradstreet, op. cit., p. 21.

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pays taxes based on the assessed valuation of the property at the time of acquisition, at the rate then in existence. The value of the improvements, represented by the new project, is tax exempt. Thus, the tax payments are constant from year to year. One exception to this method was First Houses. Originally tax exempt, it now pays, in lieu of taxes, 10 per cent of the annual rents collected less utility costs.

Temporary Loans

The Authority finances all of its projects, until nearly completed, with temporary loan notes, securing very favorable interest rates which vary between $3/4$ of 1 per cent and 1.25 per cent.

Management And Operating

Since management and operating were well covered in a very comprehensive thesis which was selected for the Library last year,³⁴ those phases of the Authority's work will only be highlighted here. General management policies are formulated by the central office of the Authority while the details and the daily problems are handled at the individual projects, where representatives of the Authority have the responsibility and authority to act.

Project management and operating staffs include everyone from stenographers and managers to watchmen and porter-foremen. An average project of 1,200 to 1,500 families requires 37 employees including a superintendent, assistant superintendent, stock clerk, stenographer, 17 porters plus a

³⁴ Nelson, Walter H., "An Analysis Of The Operation Of Thirty-Five Permanent Housing Projects Controlled By The N. Y. City Housing Authority For The Eleven Year Period From January 1940 To December 1950" (American Bankers Association, New York, N. Y., and New Brunswick, N. J., 1951)

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foreman, and five firemen, five handymen and five watchmen. As of January 1, 1952, The Authority had a total of approximately 5000 employees.

The Authority is required by law to operate under Civil Service and the Staff, therefore, is appointed in accordance with the rules and regulations of the Municipal Civil Service Commission. The work week is limited to five days and each employee is entitled to 36 days leave per year for vacation, paid holidays and sickness.

Planned budgeting, careful inventory control, volume purchasing, standard parts, and prompt attention to repairs reduce maintenance and replacement costs considerably.

Nursery Schools And Community Centers

Specially designed nursery schools, which provide full-day or part-time care for the children of employed mothers, are a feature of all projects. In addition, there are community centers covering all age groups from children to elderly people, where a variety of activities are conducted. These centers are usually situated in the basement space of the projects, although in some instances special buildings have been provided for this purpose.

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CHAPTER V

THE CHANGING PATTERN

An analysis of certain statements of policy made by the Authority in recent years reveals a singularly significant shift in some of its original purposes, especially during the period following World War II.

Authority's Primary Functions In The Pre-War Period

Up to the war-time period, the primary functions of the Authority had been to clear slums and to provide low-rent public housing exclusively for people of very limited means.

"The primary functions of the Authority are to clear slums and to provide decent, safe and sanitary housing for families of low income who cannot afford them."³⁵

At that time Fiorello H. LaGuardia was Mayor of New York City, having been in office since before the Authority's establishment in 1934.

Post-War Shift In Authority's Primary Purpose

However, in the post-World War II period, under the then Mayor William

³⁵ Tenth Annual Report, N. Y. City Housing Authority (1944), p. 10.

O'Dwyer's sponsorship and vigorous support, the Authority embarked on a vast program of higher-rental housing for middle-income families, described in the previous chapter under the "no-cash-subsidy" phase of the City-Aided Program.

This shift in policy, from the primary functions of clearing slums and building low-rental housing for low-income families exclusively, was authenticated in the Authority's Seventeenth Annual Report.

"The primary purpose of the public housing program is to provide clean, decent, and healthful homes for families who otherwise, through no fault of their own, could not afford them."³⁶

Any references to the clearance of slums and the housing of low-income families, as primary functions of the Authority, were omitted from this post-war statement of the Authority's primary purpose.

Authority's Original Post-War Plan

This transition developed in the following manner. In the Authority's "Post-War Program," which was set forth in its Tenth Annual Report (1944), it was recognized that the cessation of construction during World War II presented an unusual opportunity to formulate plans for the peacetime period ahead. The Authority recognized the advantages of being ready for the day when materials and labor for public housing construction would again be available.

This report declared that, during the construction lull, the selection of suitable sites for a post-war program could be made with due and careful deliberation rather than in haste and confusion when peace came. Formal approvals and authorizations by the Mayor, City Planning Commission,

³⁶ Seventeenth Annual Report, N. Y. City Housing Authority (1950), p. 6.

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Board of Estimate and other agencies, could be obtained. Architects could be appointed, plans and specifications completed. Project sites could be acquired and cleared, wherever possible, and tenants gradually and systematically relocated.

Co-Operation With Private Enterprise

It was felt that a policy of advance programing would not only assist in the subsequent planning of necessary municipal improvements and facilities for the project sites, but would also result in opening the way for private enterprise to co-ordinate its activities. Edmond Borgia Butler was Chairman of the Authority at that time.

Reservoir Of Post-War Projects

The Tenth Annual Report further stated that, in addition to the aforementioned project program envisaged, funds were available for 13 definite post-war projects, of which 11 were to be built under the State-aided program. Also, tentative proposals had been made for the extension of 3 existing Federally-aided projects, and the Authority was also prepared to file proposals for several other projects, since the Federal government had announced that it was ready to accept applications for post-war public housing projects. All of the above were to be low-rent projects for low-income families.

Thus, in 1944, the Authority had 16 projects definitely scheduled for construction after the war. This program, by itself, and not including the Authority's contemplated projects, was larger than the entire public housing program achieved in New York City by the Authority in the 10 years since 1934, which totaled 13 projects.

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Post-War Housing Shortage In City

The four-year period from 1942 to 1946 saw no new public housing construction in New York City due to wartime restrictions. However, in 1946, with hostilities ended, thousands of veterans of World War II were returning and new families were being created. The housing situation in the City was acute. In that year the Authority estimated that there existed a shortage of 150,000 apartments, the greatest housing crisis that the City had ever faced in its history.³⁷

Temporary Veterans' Emergency Housing Program

The Authority took immediate steps to relieve the critical situation insofar as the returning veterans were concerned. Temporary housing was started in January 1946, and the first units were ready in April of that year. A total of 12 Temporary Veterans' Emergency Housing Projects were built under the program, 8 with Federal assistance and 4 with State aid. Apartments were provided in converted Quonset huts and prefabricated row-houses. The Federal portion of this program accounted for 8600 apartments and the State for 2491 apartments, a total of 11,091 units.

Permanent Public Housing Projects Undertaken

Meanwhile, that portion of the Authority's permanent public housing program, which had been definitely prepared during the war period, also proceeded so that by the end of 1946, the first year after World War II, a total of 16 post-war projects, having 17,711 apartments, were either

³⁷ Fifteenth Annual Report, N. Y. City Housing Authority (1948), p. 8.

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completed or under construction.³⁸ This included 8 permanent projects comprising 6620 apartments and 8 temporary projects having 11,091 units. The majority of the permanent projects were State-aided projects. Details of these projects are compiled in the Appendix. In contrast, during the entire 10-year period from 1934 through 1944, the Authority had to its credit 13 projects comprising 16,840 apartments, which included the 2 Public Works Administration projects, Williamsburg and Harlem River Houses, built by the Federal government and operated by the Authority.³⁹

The "Straus Plan"

Meanwhile, on June 7, 1946, a number of veteran and labor organizations, of which Nathan Straus, former Administrator of the U. S. Housing Authority, was Chairman, presented to then-Mayor William O'Dwyer a program for unsubsidized, self-supporting housing projects.

Known as the "Straus Plan," it proposed that the N. Y. City Housing Authority build public housing projects, of the 3 and 4-story garden apartment type, to rent for \$40 to \$60 per apartment per month to middle-income families who were not eligible for subsidized public housing due to excessive income.

Financing Under The Proposed "Straus Plan"

The plan was to obtain the capital for construction by the sale of bonds to be issued by the Authority and secured under a new and unique

³⁸ Housing Report to Mayor William O'Dwyer, January 1946 to July 1949, N. Y. City Housing Authority (1949), p. 7.

³⁹ Project Statistics, N. Y. City Housing Authority (April 1951) pp. 2 to 4.

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plan of permanent financing. This financial plan provided that two-thirds of the permanent bond issue was to be secured by a mortgage lien on the entire project. Interest and amortization of the bonds would be met by the rentals, of which 100 per cent were to be available for debt service.

The balance of one-third of the bond issue would, under the plan, be guaranteed by the City. Since the rents were to be set at a level to cover interest and amortization of 100 per cent of the bond issue, the bonds would be self-liquidating.

Proposal For A Special Tax

The sponsors emphasized that there was no concern that the tenants would fail to pay rent, based on the collection record of the Authority's subsidized projects. Furthermore, it was felt that, in all probability, the City would never be called upon to make good its guarantee of one-third of the bond issue. Moreover, so long as the bonds were self-liquidating, the one-third guaranteed by the City would not be chargeable against the debt limitation. To insure further that the bonds would never be included in the City debt, the plan called for special taxes in the amount of \$10,000 per year for each \$1,000,000 of new housing, in other words a 1 per cent tax. This tax revenue was to be raised by the City under its power to levy excise taxes for capital or periodic subsidies.

The "Straus Plan" sponsors contended that it would not be necessary to collect this tax after the first year, so that the initial proceeds would remain in the City treasury unless required. Thus, over the 50-year life of a project, the entire burden, insofar as the taxpayers were concerned, would, in all eventuality, not exceed 1 per cent of the initial project cost.

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Plan For Partial Tax Exemption

It was also proposed that annual real estate taxes be charged at the rate of 3 per cent of the site cost, and that the new improvements thereon be exempted from taxation.

Proposed Rents Under "Straus Plan"

On the basis of a 2 per cent or $2\frac{1}{2}$ per cent interest rate on the permanent bonds, and a 45 year amortization period, a project built by the Authority under this plan would be able to offer 2-room apartments for about \$40 per month and $4\frac{1}{2}$ -room apartments for about \$60 per month, including utilities, according to the sponsors.

Constitutionality And Financial Feasibility Of Plan

The proponents of the "Straus Plan" declared that, in the opinion of leading law firms specializing in constitutional law, the plan was sound and that the special provision for a 1 per cent tax on the cost of a project would conform with the State's constitutional requirements. From the standpoint of financial feasibility it was pointed out that a number of banking syndicates had purported that the bond issue as proposed could be marketed at an interest rate of about $2\frac{1}{2}$ per cent.

Site Selection, Cost And Density

The sponsors agreed to obtain suitable sites at reasonable cost in any of the boroughs of the City outside of Manhattan. The cost of the sites would be low enough so as to permit a limitation on the density of

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from 25 to 50 families per acre. A number of actually available sites, ranging in size from 30 acres to over 100 acres, were submitted to Mayor O'Dwyer. In the case of sites available at \$2 per square foot, the rents as proposed would be possible on the basis of a density of 50 families to the acre, whereas on land costing \$1 per square foot the same rents could be achieved on the basis of a density not exceeding 25 families to the acre.

"The O'Dwyer administration neither accepted nor rejected the program as offered in June, 1946. For 18 months it simply did nothing. But civic and veteran organizations refused to let the plan die. A vigorous campaign was launched to push the City government into action. The campaign reached a climax with a radio series entitled 'A Home To Live In,' urging listeners to bombard City Hall with letters. Two weeks after the program was launched, Mayor O'Dwyer announced that the City would undertake a program of housing without cash subsidy."⁴⁰

O'Dwyer-Sponsored "No-Cash-Subsidy" Plan Finally Started

However, 20 months elapsed between the time that the "Straus Plan" was submitted in June, 1946, and the time that the Board of Estimate authorized the "no-cash-subsidy" program in March, 1948. The first project under this program, a drastically modified version of the "Straus Plan" was undertaken in June, 1948. Meanwhile, Mayor O'Dwyer removed Mr. Butler, appointing Mr. Farrell as Chairman of the Authority.

Record Of "No-Cash-Subsidy" Projects Built

Under the O'Dwyer-sponsored "no-cash-subsidy" program, 20 projects, having a total of 21,094 apartments, to accommodate an estimated population

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Straus, Nathan, Two-Thirds Of A Nation (Alfred A. Knopf, New York, 1952), p. 105.

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of 73,403, were constructed at a total development cost of \$232,807,000. Financing, and other details, were described in the previous chapter. Physical details and pertinent statistics covering the "no-cash-subsidy" program are included in the Appendix. These 20 projects were built, for the most part, on vacant land at densities which ran as high as 449 persons per acre. Rentals originally averaged \$16.39 per room per month in the first 4 projects and \$17.49 per room per month in the balance of 16 projects.

Purpose Of O'Dwyer-Sponsored Plan

The purpose of this program was to provide housing for those veterans' families who could afford rentals somewhere between those for subsidized public housing and those for available private housing, as previously explained.

"It was a time when the housing shortage was most acute, when no Federal aid was apparently forthcoming, and when a not-yet-expanded State program was inadequate to cover the pressing need."⁴¹

Status Of State And Federal Programs At That Time

In the following paragraphs, reference is made to the actual record of State-aided public housing undertaken in N. Y. City during the period covered by the above quotation. Thus, while the controversy between the proponents of the "Straus Plan" and the City government continued, and prior to the commencement of the City's "no-cash-subsidy" plan, the State-aided subsidized public housing program, previously referred to in this

⁴¹Seventeenth Annual Report, N. Y. City Housing Authority (1950), p. 7.

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chapter under "Reservoir Of Post-War Projects," was actually proceeding without interruption. The status of the program for Federal aid, during the period covered by the Authority's quoted statement in the above paragraph, was described in Chapter II, on pages 24 and 25.

Record Of State-Aided Construction

During 1946, construction was started on 5018 apartments in N. Y. City under the State-aided program and another 4682 apartments were started in 1947, a total of 9700 undertaken in these 2 years. In 1948, construction was started on an additional 5699 apartments under State assistance, so that the grand total of the State-aided starts in the 3-year period was 15,399 apartments.

This State-aided program continued without pause in 1949, with 3669 apartments started in that year and another 1737 started in 1950 so that in the 5-year period from 1946 through 1950 there was no cessation in this program, which accounted for 20,805 apartments. This compares with the total of 21,094 apartments provided in the O'Dwyer-sponsored "no-cash-subsidy" program. In addition to the above actual construction starts, architects were at work on 7 more State-aided projects as of March 31, 1951, which would result in an additional 7356 apartments.

Review Of Enabling State Legislation

The N. Y. State legislative action which made the above program possible goes back to 1939, when the Public Housing Law was enacted, as set forth in Chapter II, on page 20, under "New York State Aid For Public Housing." The law authorized the State to borrow \$300,000,000 to be used for loans and to agree to pay a total not in excess of \$5,000,000 a year

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for subsidies. The Public Housing Law further provided that the above sums could be increased only by the passage of appropriate bills by the State Legislature which must be approved by the voters at a general election.

In 1945, a referendum increased the total annual subsidy payments to \$6,250,000 and in 1946 another referendum increased them to \$9,000,000. In 1947, before Mayor O'Dwyer's "no-cash-subsidy" plan was authorized by the Board of Estimate of N. Y. City, the N. Y. State loan fund for subsidized public housing was increased by another \$135,000,000. Simultaneously, the subsidy payments were increased by another \$4,000,000 to a total of \$13,000,000 per year.

In the 1949 State elections, another \$300,000,000 in loan funds and an additional \$12,000,000 in annual subsidy payments were approved by the voters. The totals since 1939, therefore, are \$735,000,000 for loans and \$25,000,000 for annual subsidies.⁴²

Unexpected Popularity Of Temporary Projects

During 1948, the year in which the O'Dwyer-sponsored "no-cash-subsidy" program was finally undertaken after considerable delay, the Authority conducted a survey of veteran tenants living in the temporary housing projects. This survey revealed some very significant information. In the first place, "nine out of every ten veterans queried stated flatly that they liked living in the temporary projects."⁴³

In its Fifteenth Annual Report (1948), the Authority acknowledged that

⁴² Citizens' Housing & Planning Council of New York, Inc., Directory and Review (1950), p. 14.

⁴³ Fifteenth Annual Report, N. Y. City Housing Authority (1948), p. 16.

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this reaction was unexpected, particularly in view of the fact that there had been a shortage of fuel in the temporary projects during the winter of 1947-48. Moreover, although 93 per cent of the tenants in the temporary projects were aware that they could apply for apartments in the new permanent projects, less than one-third did so.

"While the survey did not indicate that veterans living in temporary units wanted to spend the rest of their lives there, it did indicate that they were not anxious to move until they found the right place; in the meantime, despite the inconvenience, they wanted to stay."⁴⁴

Notwithstanding, the Authority proceeded with the building of over 21,000 apartments in permanent projects under the "no-cash-subsidy" plan as previously explained, after curtailing the temporary program.

Analysis Of Families Who Moved From Temporary Projects

In a subsequent report, covering 1949, the Authority stated that out of a group of approximately 1500 families living in the temporary units, 25 per cent moved into private housing and 15 per cent bought their own homes. Insofar as the Authority's "no-cash-subsidy" program was concerned, there were a total of 2500 families living in these new projects by the end of 1949, of which only 15 per cent, or 375 families, came from the temporary projects. As shown in more detail in the Appendix, rents in the "no-cash-subsidy" program are as high as \$89 per apartment per month and are available to families earning as much as \$4,900 per year.

The Density Trend In New York City

The original street and block pattern of New York City was planned

⁴⁴ N. Y. City Housing Authority, op. cit., p. 16.

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for a density of from 60 to 90 people per acre of land. However, the City's population expanded rapidly during the nineteenth century, due principally to the large streams of immigrants from abroad. Just before the turn of that century, the congestion was greater than in any large European city.

"The figures showed 143.2 people per acre for Manhattan as against 125.2 in Paris; the Tenth Ward of New York, 626.2, as against a similar area in Prague, (the worst in Europe), of 458.4."⁴⁵

Authority's Original Policy Regarding Density

Shortly after the New York City Housing Authority was established in 1934, when plans were being formulated to attack the long-existent slum problem, Langdon W. Post, the first Chairman of the Authority, propounded a fundamental precept relating to the question of density.

"We must never again allow the crowding of the land as we have in the past. The number of people permitted to be put into an acre of land must be drastically reduced. The uses to which the land may be put must be rigidly controlled and encroachments on the plans laid down for this area must be prevented at all costs. If such a program is inaugurated the next few years will witness the rebirth of a city which at the present moment is rapidly decaying."⁴⁶

When the Authority started to build its first projects under the U. S. Housing Act of 1937, the average population density of residential New York City was 190 people to the acre.

⁴⁵ Ford, James, Slums and Housing (Harvard University Press, Cambridge, Massachusetts, 1936), p. 187.

⁴⁶ The Failure Of Housing Regulations, N. Y. City Housing Authority (1936), p. 19.

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Deviation From Original Policy

Notwithstanding the precept set forth by Mr. Post, the population density of the slums was not only maintained, but in numerous instances intensified, in the Authority's projects which replaced them. The first 7 projects under the 1937 Act: Red Hook, Queensbridge, Vladeck, South Jamaica, East River, Kingsborough and Clason Point, had an average population density of 235 persons per acre, well above the average for the City. Only one project, "Clason Point Gardens," had a density of less than 100 persons per acre.

No Shortage Of Vacant Land

Nevertheless, more than 30 per cent of the City's area, totaling over 58,000 acres, was either vacant or occupied by unused streets at that time.

"If one-third of this vacant area had been utilized for residential purposes - about the normal proportion - nearly 2,000,000 more people could have been accommodated at a density of no more than 100 persons to the acre. Even in 1951, about 20 per cent of the area of the greater City was vacant land."⁴⁷

The Trend Towards Greater Densities And Taller Buildings

The trend in the direction of greater densities has continued steadily. One project, "Vladeck City Houses," has a density of 507 people for each acre of land. This trend has been paralleled by a trend to taller buildings. In the early part of the Authority's program, the projects ranged in height from 2 to 6 stories, as a general rule. Subsequently, the taller

⁴⁷ Straus, op. cit., p. 160.

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buildings up to 17 stories, in super-block developments, became the general rule. There has also been a concentration of the Authority's projects in certain areas of the City, more particularly on New York's Lower East Side.

An Outstanding Low-Density Project

"Clason Point Gardens," in the Bronx, one of the Authority's initial projects previously referred to, has the least density of all the projects. With a density of 95 people to the acre, it consists of 400 apartments built in 2-story groups on the garden type, around a central "village green." The project occupies 17 acres of land which was purchased for \$260,300, and average of around \$15,300 per acre, or .42 cents per square foot. This amounted to approximately \$650 per family for the land. There are only two projects of the 2-story type in the Authority's permanent program.

At the dedication of "Clason Point Gardens," upon its completion in December, 1941, Nathan Straus, who was then Administrator of the U. S. Housing Authority, said:

"I have always believed, and I still believe, that men and women were not intended to live in tall, crowded buildings and that children can best enjoy a happy and healthful childhood, if, instead of being crowded into even the best of six, eight and ten-story buildings, they were enabled to live amid the surroundings that you see as you look about you today."⁴⁸

The Trend Towards Costlier Project Sites

The prices paid by the Authority for land have ranged from a low of

⁴⁸ Clason Point Gardens (N. Y. City Housing Authority, 1941, p. 22).

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\$2178 per acre, or 5 cents per square foot, to a high of approximately \$450,000 per acre, or about \$10.63 per square foot.

The following information, obtained from the Authority's "Project Statistics," released on January 1, 1952, illustrates the two extremes:

	<u>Todd Hill, Richmond</u> <u>(Completed 6/1/50)</u>	<u>Carver, Manhattan</u> <u>(Under Construction)</u>
Number of Apartments	502	1246
Number of Rooms *	1923	5134
Number of Acres	13.3	13.4
Total Land Cost **	\$32,013	\$6,006,722
Land Cost Sq. Ft.	\$.05	\$10.63
Land Cost per Acre	\$2178	\$450,000
Land Cost per Family	\$64	\$4820
Land Cost per Room	\$16	\$1170
Total Population	1754	5436
Density (Persons per acre)	132	406
Coverage ***	13.6%	14%

* Refers to actual construction rooms.

** Land Cost, exclusive of site and other improvements.

*** Per cent of land covered by buildings.

Lack Of A Uniform Policy

Thus, within a comparatively recent period, the Authority paid \$32,013 for 13.3 acres of land in an outlying section of the City and \$6,006,722 for 13.4 acres in the heart of the City, on Park Avenue. It will be noted that while the coverage, or percentage of the land occupied by the buildings, is about the same in each case (13.6% and 14%), the high cost of the land in the Manhattan project dictated a density of 406 persons per acre as against 132 in the Richmond project.

This resulted in a land cost per family of \$64 in Richmond compared to \$4820 per family in Manhattan. If the cost of the site improvements, exclusive of actual building costs, is added to the land cost in the Manhattan project, the cost per family for land and improvements to the

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site will total \$7169, which approaches the actual average construction cost of \$7605 per apartment in the Manhattan project - resulting in a total average development cost of approximately \$14,774 per family.

This illustration does not represent an extreme isolated case of high land costs, since the average cost of land, not including site improvements, was \$99,639 per acre, or about \$1608 per family, for the 78 projects analyzed in the Authority's "Project Statistics," previously referred to.

Thus, it is evident on the basis of the facts, that there has not been a uniform policy guiding the Authority's site purchasing program. The trend has been towards higher prices per square foot, and the preference has been given, therefore, to costlier locations in the congested heart of the City rather than in its outlying open areas, where the Authority has demonstrated that comparatively inexpensive land could currently be obtained. For example, in addition to the Richmond project above cited, the Authority had projects actually under construction in the Bronx, Brooklyn and Queens, as of April, 1951, where the cost of the land was less than .50¢ per square foot. However, these cases were very much in the minority, as shown in more detail in the Appendix.

The School Problem

Notwithstanding the fact that the Authority is fully aware of the need for adequate school facilities accessible to its projects, a vast number of apartments have been built in areas where existing school accommodations are totally insufficient to meet the requirements.

Consequently, new schools must be constructed or present facilities expanded. Meanwhile a large percentage of vacant classrooms stand idle in existing schools serving areas which the Authority has passed up.

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CHAPTER VI

CONCLUSIONS AND RECOMMENDATIONS

From this point on, the thesis is based upon my considered opinions after a careful analysis of all the foregoing facts.

There are a number of fundamental deficiencies in the Authority's public housing program, in my estimation. At the outset, however, it will be conceded that, up to a certain point, the Authority's record of accomplishment was generally commendable, insofar as its primary function of clearing slums and providing housing for low-income families was concerned.

Authority Goes Far Afield Of Original Intent

However, in recent years, the Authority has digressed from that exclusive function. This has been affirmed in its own words and deeds. It has been shown in the thesis how the Authority's statement of purpose, following World War II, failed to include the clearing of slums and the housing of low-income families as its primary functions.

The launching of the O'Dwyer "no-cash-subsidy" program in 1948 marked the point where the Authority embarked on a course contrary to that which

had been originally charted and which was reaffirmed during World War II, in anticipation of the advent of peace.

The construction of 20 permanent housing projects under this program, at a total cost approximating \$230,000,000, to accommodate more than 21,000 middle-income families at basic rents of as high as \$89.00 per apartment per month, broke the traditional policy of housing low-income families to the exclusion of all other groups. Of the above-total cost, about \$190,000,000 represented the improvements, which are exempt from taxation.

Temporary Housing Was Practical Answer

The "no-cash-subsidy" program introduced public housing for higher-income families to this nation for the first time in its history, and thereby created a whole new series of problems. It was ostensibly justified by its sponsors on the grounds of the post-war housing emergency plus their contention, disproved by facts, that government-aided programs did not meet the urgent need.

Notwithstanding, about three and one-half years elapsed between the time hostilities ceased and the time that the first of the "no-cash-subsidy" projects was completed. On the other hand, temporary housing projects for returning veterans were being built rapidly commencing in January 1946, so that in a matter of months they were ready for veterans and their families. As has been pointed out in the thesis, over 11,000 of these emergency units, approximating half the number of "no-cash-subsidy" units, provided a quick and satisfactory answer to the housing shortage. The Authority's own surveys and reports confirmed the popularity of these temporary veterans homes.

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It has also been shown how the State-aided program was proceeding uninterruptedly and the huge Federal program was rapidly coming into being.

Alternate Plans Available To Authority

The Authority should never have undertaken the vast "no-cash-subsidy" program in the first place, in my opinion. In doing so it committed one of its major mistakes. Even the widely debated "Straus Plan" was superior to this O'Dwyer sponsored plan.

Conceding that the City felt obligated to provide more housing for returning veterans in the middle-income class, then the practical approach would have been to expand its temporary housing program. The addition of approximately 21,000 more of these units, which could have been quickly constructed, manifestly would have solved the immediate problem in a much more satisfactory manner than did a similar number of permanent housing projects, the first of which was not completed until December 30, 1948. Thus the emergency would have been met at its crisis instead of three and one-half years later.

It was also within the Authority's power to avail itself of New York State's Limited Dividend Housing Law of 1926, previously described. Under this law's provisions, the Authority could have sponsored privately financed cooperative housing projects of the type which the State initiated at Bell Park Gardens in the Bayside section of Queens County, N. Y.

This project, the first of its type in the State's program for middle-income families, consisted of two-story garden type apartments for 800 families. The veteran cooperators made original down payments of approximately \$240 per room. Their monthly carrying charges, including full maintenance and operation, taxes, amortization, and interest on the

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FHA insured, bank financed mortgage, amounts to an average of only about \$14.00 per room per month, which was less than the basic rents in the so-called "no-cash-subsidy" projects.

The Authority, obviously under pressure from City Hall, did not take advantage of this opportunity either, and proceeded with the O'Dwyer sponsored program instead.

Tax Burden Shifted To Private Owners

Had the Authority wisely selected any of the alternate plans available for meeting the housing needs of veterans, New York City would have been spared over a quarter of a billion dollars worth of permanent housing which enjoys the advantages of tax exemption on the improvements, a situation which can prevail until about the year 2000 A.D.

Obviously this tax load has been shifted to private ownerships, thereby increasing their burdens. Thus, while the program has been termed "no-cash-subsidy", there is actually an enormous tax subsidization, since the Authority pays taxes on the assessed valuation of the property at the time of acquisition, at the rate then in existence so that the improvements, represented by the new project, are tax exempt. Now, since the majority of the projects under the "no-cash-subsidy" program were constructed on vacant land, the extent of the tax subsidy is apparent.

Low-Income Families Barred From O'Dwyer Program

Moreover, the doors of these projects were not open to poor and needy families, since they could not afford the middle-income rents. These low-income families were just as desperate for housing in the post-war period,

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and undoubtedly had just as many returning veterans as the higher income groups for whom the permanent housing was constructed, at the expense of the less fortunate.

Further repercussions of the mistake made by the Authority is borne out by the fact that in mid-March of 1952, as these conclusions were being set down, Mayor Vincent R. Impelletteri, in opposing a proposed cutback of low-rent Federally-aided housing by Congress, declared in the press that low-income veterans, and their families, who have "lived since their return to civilian life in squalid quarters, awaiting a chance to rent a decent home, would meet again with frustration" if the Federal program were cut. Yet, while all this was going on, a policy of closing up the temporary Emergency Units was being pursued.

Rental Competition With Private Properties

The rentals in the "no-cash-subsidy" projects are in direct competition with a large segment of privately owned apartment buildings. Moreover, the Authority has the right to increase rents in these projects at will, and without notice or preliminary hearing for its tenants. This right has been upheld by the Supreme Court. The Court has ruled that since these projects are not subsidized, and since rents must balance costs, there is no provision of law which directly or indirectly suggests that a tenant's rent may not be increased by the Authority without a hearing.

The Authority can also reduce rents, so that in a period of economic stress, as the income of tenants decreased, rentals could likewise be reduced. In the Authority's subsidized projects, for example, this could

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be accomplished by using a larger amount, or all, of the cash subsidy available. Since rents are scaled to the income of each family and bear no relation to the number of rooms, the rents will be higher in good times and the full subsidy will not be required, whereas in adverse times the rents can be lowered by utilizing more, or all, of the subsidy.

Authority's Advantages Over Private Owners

The Authority's apartments are such bargains that no one moves out unless it is absolutely necessary. Consequently, there is always a long waiting list. During a depression there will be an added demand for apartments from higher-income families who have met with financial reverses. If a vacancy problem ever should arise, the Authority could obtain additional tenants, from privately owned apartment buildings, simply by increasing the required income levels for admission. Such flexibility by an agency of government is nothing short of phenomenal when one considers the governmental restrictions under which private owners are forced to operate, in addition to this potential threat of competition from public housing.

Private enterprise enjoys no such multiple advantages for dealing with prosperous periods or for meeting economic depressions. On the contrary, the earnings of private owners are further reduced as a result of being required to bear the additional load of taxation resulting from the tax exempt features of the Authority's projects. I would like to point out, however, that the tax bill for public housing which provides decent homes for low-income families, who formerly lived in slums, must, in all fairness, be considered in respect to the high cost of maintaining slums.

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The benefit from this type of public housing is the elimination of some of the conditions which make slums a drain on the community.

Danger Of Too Much Public Housing

Manifestly, if public housing can reduce physical hazards, juvenile delinquency, crime and disease, then it will make a direct contribution toward decreasing the cost of municipal services. However, unlimited public housing construction and the resultant shifting of a heavier burden on the diminishing remainder of privately held property could prove disastrous for owners and could eventually bankrupt the City.

On the front page of the March 11, 1952, issue of "Realty," Borough President Robert F. Wagner Jr., reported that, in Manhattan, 59 per cent of the area is tax exempt and that for the first time in its history, N. Y. City has more tax exempt than taxable area. Since the City's basic taxing powers, as well as the restrictions on its borrowing capacity, are related to real estate assessments, it is obvious that more and more public housing reduces the source of revenue.

Authority's Policy Of Securing Best Sites

Moreover, the Authority's policy of acquiring sites, for example along the East River, on Manhattan's Lower East Side, has precluded the possibility of private residential development here along lines which transformed Upper East Side river view sites into some of the finest apartment residential areas in the City.

The Authority "skimmed off the cream," and it is therefore improbable that private enterprise, in the foreseeable future, would construct higher

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rental housing, to any large extent, on these interior sites on the Lower East Side, since they could not command the rentals which river view projects would bring. Even if there ever should be some private apartment developments here, the City would receive far less tax revenue than might have been obtained had the procedure been reversed, with tax exempt public housing on the interior sites leaving the river view sites for development by private enterprise, which would result in higher rents and the payment of full taxes.

Segregation Of Public Tenants By Income Groups

It is a mistake to construct high concentrations of public housing, such as on the Lower East Side, which dominate the area, segregating it at one income level. Public housing should blend into, rather than brand, a neighborhood. There is also the question of transportation, adequacy of modern community facilities such as schools, and the proximity of places of employment for the inhabitants of the housing projects. In the case of the Authority's concentration of projects on the Lower East Side it appears that insufficient consideration has been given to these matters.

Other Uses For Slum Areas

Consideration should be given to the development of light manufacturing establishments, where permitted, and other types of business enterprises on slum-cleared locations so that there will be more employment opportunities within close proximity of existing and proposed public housing projects. Many slum sites will make desirable business and industrial locations. It is a mistake to replace slum areas with new housing exclusively,

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remote from places of employment. It isolates economic groups and prevents the establishment of well balanced and properly integrated neighborhoods.

Effects Of Overcrowding The Land

The Authority has carried on a policy of overcrowding the land with high-density projects. It is, in effect, multiplying the very evil which it originally sought to cure.

Notwithstanding the fact that New York City, and particularly Manhattan, is suffering from almost unbearable congestion, the Authority has maintained, and even increased, the population densities of the very slums which it demolished to make way for its new projects.

Ignoring the fundamental precept propounded by Langdon W. Post, the Authority's first Chairman, relating to the inherent danger in overcrowding the land, it has constructed high-density housing which confirms slum standards of congestion and has even pursued this policy in the less crowded areas of the City on some of its projects. Thus, congestion has been increased in areas where it has already existed, and created in areas where it never was before.

Nevertheless, the Authority has a tendency to emphasize the very low percentage of land actually covered by its buildings, in relation to the total site. This is very misleading, because the important factor is the population density, the total number of people occupying each acre of land. The majority of the Authority's projects have a density of population in excess of 250 persons to an acre of land, as shown in the Appendix. This is an inexcusable and unnecessary overcrowding of the land.

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Super-Slums Of Future Being Created

Since many of the evils of the slums are attributed to congestion of population, the Authority may find that it has created the super-slums of the future. Overconcentration of people in high-density permanent public housing projects is an irreparable mistake even though the occupants start out with clean, light, and well-equipped apartments. For although their living conditions may be decidedly improved as a result of the change from slum housing, nevertheless the former pattern of insufficient recreational areas, overcrowded schools, and generally congested conditions still prevails.

Density Determined By Land Cost

The Authority's policy of paying extremely high prices for land has invariably led to overcrowding the site. It is fallacious that the cost of the land should determine the density of population. With an abundance of inexpensive land available in the outlying areas of the City, from the time that the Authority was first established, up to the present time, there was no justification for the policy of purchasing high priced land in the City's core, then overcrowding it in order to attempt to rationalize the excessive prices paid.

No Shortage Of Land For Low-Density Housing

Sir Raymond Unwin, a world-renowned authority on housing, maintained that housing people at a low-density rate brought human benefits and economic gains whereas high-density housing was injurious to tenants in that it deprived them of space for pleasant living and recreation. Therefore, since there is no scarcity of land, all new housing should be of

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low-density, he contended.

In 1941 he estimated that it would require over 40 years, until the 1980's, to absorb the 61 square miles of the then privately owned vacant land in New York City, at current rates of population increase, if the land were developed to house only 12 families to the acre. He also estimated that at 50 families to the acre, it would require over 170 years, or in the 2100's, to use up all that vacant land.

Population Dispersal Necessary In Atomic Age

Dispersal of population over as wide an area as possible, rather than concentration of it, is a safer and saner policy in this Atomic Age in which we are now living. Conceivably, one of the most effective uses of atomic or hydrogen bombs by an enemy against our nation would be to destroy, without warning, congested cities like New York, on the premise that such a blow against undefended civilian targets, rather than against protected military targets, would cripple our country's will and spirit to wage war.

Measures must be taken to reduce New York City's vulnerability to such attack. Thus a policy of low-density of population would not only insure added protection but would also result in a better living environment for all of the City's inhabitants.

Authority's Independence Should Be Restored

The N. Y. City Housing Authority should free itself of political pressures, entanglements and control. Steps should be taken, without further delay, to restore the independence and freedom of action which the Authority enjoyed when it was first created. It should not be subject to

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the will of the Mayor or other City officials. Control should be kept as far away from City Hall as possible. Unless the Authority's powers are safeguarded, political usurpation can render it helpless.

In the beginning, the Mayor had the right to appoint all members of the Authority. However, the term of office of each member was so staggered that, after the initial appointment was made, the membership could not be immediately overturned nor completely revised in any one administration. Furthermore, after the original appointment, succeeding Chairmen were selected by the Authority from among its members.

Thus, the Mayor held little power over the Authority. The City's legislative body established it, appropriated expenses for its operation, provided for its exemption from taxation, and could also apply for its dissolution. The State itself was the Authority's guardian, protecting its powers and operations, and preventing any abuses.

Authority Controlled By Mayor

However, in 1937, in the third year of the Authority's operation, Mayor La Guardia usurped its powers and did not relinquish control during his entire administration. He forced Langdon W. Post, the Authority's first Chairman, to resign. Notwithstanding the fact that, by law, the members of the Authority were authorized to elect their own Chairman, Mayor La Guardia ordered the election of his own secretary as Chairman under the threat of dismissing the Authority's entire membership. Gaining virtual control of the Authority, La Guardia dominated its policies, directed its operations, and dictated its moves. The State, which took the attitude that the entire proceedings were a strictly local problem, did not institute any action or interfere in any way.

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Collapse Of Authority's Autonomy

In this manner the Authority's autonomy was destroyed and its powers seized by the head of the City government. This was in direct contradiction with the spirit and intent of the State law which had created municipal housing authorities. Worst of all, it left the door wide open for a repetition of this action in the future. Such action was not long in forthcoming.

History Repeats: Authority's Powers Again Seized

Edmond Borgia Butler, who had served as Chairman, without compensation, from 1942 through World War II, had built up a very favorable reputation for the N. Y. City Housing Authority. His proposed program for a limited amount of slum clearance and the building of decent homes for low-income families in the post-war period has already been set forth in this thesis.

However, Mr. Butler was not in the good graces of influential public officials. Obviously his program was likewise not acceptable to those in City Hall, who wanted to provide subsidized housing for just about everyone in the City. A special Act, applicable to New York City only, was introduced and passed by the State Legislature in 1947 which provided that the Chairman of the Authority might not hold office for any specific term and could be removed by the Mayor whenever, in his judgment, he felt that the public interest required such removal. Upon the enactment of this Law, Mayor O'Dwyer lost no time in causing the removal of Mr. Butler, thus clearing the way for the O'Dwyer sponsored "no-cash-subsidy" public housing program for middle-income families.

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Continuing Dangers Of Political Usurpation

If the Authority's Chairman, or any of its members, are continuously subject to control or removal by the Mayor or other City officials, and if top-policy decisions are made in the City Hall, then unwavering adherence by the Authority to the true objectives of low-cost public housing and slum clearance becomes impossible.

The inherent dangers of political exploitation are ever present in New York City's public housing program. For example, since tenants are citizens, the voters in the projects constitute a significant ratio of the total vote. There is the danger of having projects filled with tenants who will "vote right." Likewise, tenants might feel obligated to an administration which, they felt, was influential in securing apartments for them.

It is not too difficult to conceive of a vast army of subsidized voters subjected to the temptation, or threat, of trading their heritage of political freedom for a rent receipt at a reduced rate.

Opportunities For Unscrupulous Exploitation

Unscrupulous politicians might discern innumerable opportunities to exploit the public housing program. For example, a serious unemployment situation in N. Y. City's construction industry might be used as an excuse to initiate another vast "no-cash-subsidy" program, as a "make-work" measure. While temporarily creating jobs, such a program would cause a serious drain on privately owned apartment buildings.

In an economic recession tenants of private buildings would migrate to as much public housing as could be supplied since they could actually improve their living accommodations at less rental outlay. Private owners

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would face the double blow of income loss while their taxes would increase further as a result of more tax exempt public housing.

Difficulty Of Halting Momentum Of Program

Nor would unemployment or a recession be necessary to precipitate a further surge of public housing of the so-called "no-cash-subsidy" character. The O'Dwyer program took care of but a small segment of those veterans' families who were eligible for this type of housing. The Authority considers veterans of both World War I as well as World War II in the "veteran" category. The Veterans Administration has pointed out that fully one-third of the population of this nation presently consists of veterans and their families, and that by 1955 this figure will reach 40 per cent.

Since the Authority has built housing for only a fraction of the City's veteran population, and since a vast number of them would undoubtedly prefer the kind of accommodations offered by the Authority, there could arise a clamor for more of this housing. My contention is that once a program of building is started for a specific portion of the populace, it inevitably gains momentum in the direction of providing for all.

Authority's Policy Stifles Individual Enterprise

When an individual becomes a tenant in one of the Authority's projects, he may find that he loses his incentive to better his income through fear that he might be requested to vacate his apartment if his earnings increase too much. This is due to the Authority's policy on income limitations in respect to its tenants. Actually, tenants should be encouraged

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to seek advancement so that they could eventually move to housing which was not subsidized by the taxpayers. Also, the periodic check-up made by the Authority in respect to the income of its tenants, is a further encroachment upon individual liberties.

Private Real Estate Firms Should Manage Public Housing

Management of all of the Authority's public housing projects should be given to competent real estate firms in the City. This would lead to new concepts of management policy and would create a better landlord-tenant relationship, as has been demonstrated in the field of private management. Moreover, New York City's real estate firms, having long experience in this field, are equipped to do a more efficient and economical job of management.

Such items as the furnishing of free gas and electricity to Authority project tenants, a practice which only encourages waste and carelessness, would be carefully checked into by private management firms. Likewise the whole question of restricting project maintenance jobs to Civil Service employees only, a policy which has many drawbacks, could be explored.

Criticisms And Comments On Design And Architecture

The vast majority of the Authority's projects have been designed in such a monotonously regimental fashion that, from the exterior, most anyone can discern that they are public houses. They give the impression that they have been turned out of one mould, for one class of people. However, the apartment layouts, particularly in the more recent projects, are exceptionally good. Many of them are even superior to what can be

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found in some of the buildings on Park Avenue in New York. Little wonder that the demand is so great.

Outside of their bleak appearance and the population densities which they have created, there is not very much to criticize from a planning and structural standpoint. From my own viewpoint, I believe that the simpler walk-up low density structures, of from two to four stories, would be more economical to construct and maintain and would create a happier living environment. I submit further that the tall elevator buildings are not as safe for families with growing children. Moreover, proper parental supervision cannot be exercised on youngsters at play from the window of a fifteenth floor apartment.

Furthermore, the Authority should endeavor to effect a fuller use of existing facilities and public improvements, consistent with reasonable density standards.

Public Housing Now National Policy

As has been shown, The Congress of the United States, representing both major political parties and the people of this nation, has expressed, as national policy, the propositions that the general welfare and security of our country requires elimination of inadequate housing and the realization of a decent home and a suitable living environment for every American family.

Thus we are committed to a program of public housing. It therefore does not seem sufficient that we simply deplore this situation, as many of us do, nor can we merely be "ag'in it," just because we have an antipathy toward public housing. We must first ask ourselves if we can justifiably take issue with the basic intent of the program. If we accept its

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true intent we can then question and criticize the wisdom and effectiveness of the means employed to achieve the program.

Explore More Useful And Effective Methods

For, if public housing is here to stay, and it appears that such is the case insofar as the foreseeable future is concerned, then would it not be desirable to explore the methods by which it might be made more useful and effective?

Granted that this national policy has inherent powers to bring about benefits for our City, as well as the nation as a whole, efforts should be directed to harness these powers and guide them into channels where the most good can be accomplished, for the most deserving families, and at the least cost to the taxpayers.

Charity Should Begin At Home

A nation whose resources have been called upon, to the extent of billions and billions of dollars, to help peoples all over the world to improve themselves, cannot neglect its own citizens while deplorable conditions exist right here in our own back yard.

It is apparent that there are many deserving families in New York City who, because of their low income, cannot afford to pay rent sufficient to move out of their squalid quarters into a clean and decent home. Admittedly, private industry has not been able to reach this segment of the population, at today's construction costs. Therefore, if these people are to be rehoused, the differential has to be made up by some form of charity or subsidy.

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The Sound Approach

Public spirited bankers and all civic-minded citizens are undoubtedly most anxious to eventually have every last slum eliminated from the City, when it can be accomplished in a sound and practical manner. They want this done because it will not only stabilize property values but also because it will ultimately benefit all of the people.

The Danger Sign Of Socialism

There are times when it is necessary for the government to intervene in the economic life of the nation for the good of all its citizens. However, this is a far cry from making such intervention a permanent establishment, or using the idea of "emergency" as a pretext for installing a new type of socialism in housing, for example.

Increased governmental ownership, control and absorption of property can lead us straight down the one-way highway to socialism. This we must avoid.

Vigilance, The Price Of Liberty

Therefore, I suggest that a complete re-examination be made of the Authority's public housing policy and that there be effectuated a restoration of the primary functions for which it was created.

The true purpose of a public housing program, in my opinion, should be to eliminate slums and to provide low-income families with very modest, but clean and decent, housing where rentals, densities, building heights, and land and construction costs are the very lowest which it is possible to attain. Such projects to blend into neighborhoods rather than dominate them.

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Moreover, there should be a definite limitation as to the number of public housing units which can be constructed in the City in any given year. This should be a predetermined figure and should be based upon what the municipal economy can reasonably afford, taking into consideration the tax revenues to be derived from the projects as against the cost of furnishing all essential municipal services and facilities, including schools. On the matter of taxation, a more realistic formula should be developed so that the Authority's projects will contribute to a more equitable share of the tax load, lest the economy of the City be wrecked. Also, the projects should be managed by private real estate organizations. This will result in more efficient and economical management and will obviate the need for the large Central Office staff presently maintained by the Authority at vast expense to the taxpayers.

The Authority's independence and freedom of action should be returned to its original status, free of all political control.

In conclusion, I wish to point out that public housers can be of immeasurable help if they will recognize that those who suggest constructive improvements in the tools of public housing, and the methods of employing those tools, are endeavoring to help and are not attempting to destroy the program.

It is only by united purpose and action, and by a wholehearted cooperation on the part of all concerned, that the problem will ultimately be resolved.

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APPENDIX A

BASIC RENTS PER APARTMENT PER MONTH IN PERMANENT PUBLIC HOUSING PROJECTS* (Rent ranges shown are lowest and highest basic rents for apartments in specified projects)

No. of Rooms	Fully Subsidized Pre-War Projects			Fully Subsidized Post-War Projects			Projects With No-Cash-Subsidy	
	Federally- Aided	City- Aided	State- Aided	Federally- Aided	City- Aided	State- Aided	City- Aided Part II	City- Aided Part III
1 or 1½			\$14.75		\$15.50	\$25.00- 27.00	\$32.00- 37.00	
2 or 2½	21.50- 22.00		25.65	22.70	23.50- 32.00	29.00- 32.00	32.00- 37.00	40.00- 50.00
3 or 3½	23.75- 25.00	29.10	26.50		24.50	29.00- 34.00	50.00- 63.00	55.00- 67.00
4 or 4½	25.75- 27.00	31.30	27.35	26.95	26.50- 37.50	33.00- 41.00	61.00- 74.00	67.00- 85.50
5 or 5½	26.50- 28.50	32.35	27.60- 28.45	28.00	28.00- 41.50	35.50- 44.00	71.00- 79.00	82.00- 89.00
6 Rooms	27.75		28.90	29.55	29.00- 42.00	39.50- 44.50		
7 Rooms			29.75					
8 Rooms			30.65					

* Does not include "First Houses," the only project in which rents do not include gas and electricity.

The following are the basic monthly rents at "First Houses" (excluding utilities):

2 rooms----- \$13.05
3 rooms----- 15.00
4 rooms----- 21.95

APPENDIX B

MAXIMUM INCOME LIMITS FOR ADMISSION TO PERMANENT PUBLIC HOUSING PROJECTS *

Fully-Subsidized Pre-War Projects

<u>No. of Rooms</u>	<u>Federally- Aided</u>	<u>City-Aided</u>	<u>State- Aided Veterans</u>	<u>State- Aided Non-Veterans</u>
1 or 1½			\$1000	\$1000
2 or 2½	2000	1370	2100	1700
3 or 3½	2400	1511- 1764	2100	1750
4 or 4½	2400	1678- 1890	2100	1800
5 or 5½	2880	1962	2100	1870
6 Rooms	2880		2100	1900
7 Rooms			2100	1950
8 Rooms			2100	2000

* Where maximum limits for admission to the various projects in a specified program differ, the range of maximum limits has been shown.

APPENDIX C

MAXIMUM INCOME LIMITS FOR ADMISSION TO PERMANENT PUBLIC HOUSING PROJECTS *

Fully-Subsidized Post-War Projects										"No-Cash-Subsidy" Post-War Projects									
No. of Rooms	City-Aided		City-Aided		State-Aided		State-Aided		City-Aided, Part II Veterans		City-Aided, Part II Veterans		City-Aided, Part III Veterans		City-Aided, Part III Veterans		Non-Vets		
	Federally-Aided	Non-Vets	Federally-Aided	Non-Vets	Federally-Aided	Non-Vets	Federally-Aided	Non-Vets	Federally-Aided	Non-Vets	Federally-Aided	Non-Vets	Federally-Aided	Non-Vets	Federally-Aided	Non-Vets	Federally-Aided	Non-Vets	
1 or 1½		\$1200	\$1200	\$1200	\$2100-2268	\$1500-1620			\$3108	\$2220									
2 or 2½	2000	1600-2688	1600-1920	1600-1920	2520-2688	1800-1920			3108	2220			3528-4200	2520-3000					
3 or 3½	2400		1750	1750	2520-2856	1800-2040			4485	3420-3780			4900	3840-4020					
4 or 4½	2400	2280-3600	2160-2700	2160-2700	2856-3276A 3408-3936B	2040-2340A 2556-2956B			4485	4485			4900	4900					
5 or 5½	2880	2520-3750	2520-2988	2520-2988	3504-4224	2628-3168			4485	4485			4900	4900					
6 Rooms	2880	3750	3024	3024	3792-4272	2844-3204													

* Where maximum limits for admission to the various projects in a specified program differ, the range of maximum limits has been shown.

A - Families with fewer than 3 dependents.
B - Families with 3 or more dependents.

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0007-HUD-000003487

APPENDIX D

Federal Permanent Operating Projects

Name of Project	Williamsburg	Harlem River	Red Hook	Queensbridge	Vladeck (Federal)	South Jamaica
Location (Borough)	Brooklyn	Manhattan	Brooklyn	Queens	Manhattan	Queens
No. of Apartments	1630	577	2545	3149	1531	448
Number of Rooms	5720	1952	9378	11,387	5500	1568
Approx. Population	5744	1964	8989	10,409	4838	1508
Number of Floors	4	4 & 5	6	6	6	3 & 4
Number of Acres	23.3	8.6	32.9	49.5	13	9.1
% Covered by Bldgs.	32.1	27.7	22.7	18.1	30.2	20.7
Population Density	246	228	273	210	372	165
Land Cost (000 omit)	\$3745	1119	1650	1969	2006	329
Land Cost (sq.ft.)	\$4.25	3.66	1.45	1.02	4.05	1.11
Tot. Cost (000 omit)	\$13,064	4228	11,938	13,211	7613	3081
Tot. Cost (per room)	2284	2166	1273	1160	1384	1327
Date of Completion	4/10/38	10/1/37	11/20/39	3/15/40	11/25/40	4/1/40

(Land Costs And Total Costs On All Tables Are Rounded To Nearest Dollar)

Source: N. Y. City Housing Authority

(All figures from here to page 103, inclusive, are as of Jan. 1, 1952)

Federal Permanent Operating Projects
(Continued)

Name of Project	East River	Manhattan	Kings-borough	Clason Point	Jacob Riis (Federal)	Edwin Markham	Total: Federal Permanent Operating (11 Projects)
Location (Borough)	Manhattan	Brooklyn	Bronx	Manhattan	Richmond		
No. of Apartments	1170	1166	400	1190	360		14,166
Number of Rooms	4316	4163	1684	5008	1456		52,132
Approx. Population	3986	3732	1623	4530	1459		48,782
Number of Floors	6,10&11	6	2	6,1&14	2		
Number of Acres	11.8	16.	17.	11.7	12.4		205.3
% Covered by Bldgs.	21.9	18.6	20.8	20.2	25.8		22.8
Population Density	338	233	95	387	118		238
Land Cost (000 omit)	\$1247	1255	260	1954	421		15,955
Land Cost (sq. ft.)	\$3.27	2.24	.42	4.12	.76		2.09
Tot. Cost (000 omit)	\$5305	5175	2067	13,506	2370		80,558
Tot. Cost (per room)	\$1229	1243	1227	2697	1629		1545
Date of Completion	5/20/41	10/31/41	12/20/41	1/17/49	6/30/43		

(Land Costs And Total Costs Are Rounded To Nearest Dollar)

Federal Permanent Projects Under, Or Pending, Construction

(Projects on this page, as well as on pages 93 and 94, are all under Housing Act of 1949, for which Rental Schedules and Maximum Income Limits are not established as yet)

	St.	Nicholas	Brooklyn	Manhattan	Brooklyn	Manhattan	Brooklyn	Manhattan	Bronx	Manhattan	Throgg's Neck	Jefferson
Name of Project												
Location (Borough)												
No. of Apartments	1526	1595	2194	1451	1515	1185	1495					
Number of Rooms	6348	6674	9150	6077	6296	4844	6242					
Approx. Population	6098	6968	9524	6350	6532	4948	6094					
Number of Floors	14	3 & 7	7 & 13	3 & 14	14	3 & 7	7, 13 & 14					
Number of Acres	15.7	65.	27.9	22.3	21.	41.7	18.8					
% Covered by Bldgs.	15.4	12.7	11.8	17.9	13.7	12.7	18.3					
Population Density	388	107	341	284	311	119	325					
Land Cost (000 omit)	\$5379	784	7770	5423	4065	693	4470					
Land Cost (sq. ft.)	\$8,94	.32	7.29	6.55	5.07	.44	6.26					
Tot. Cost (000 omit)	\$21,372	18,500	31,410	19,389	20,389	16,122	20,492					
Tot. Cost (per room)	\$3367	2772	3433	3191	3238	3328	3283					
Date of Completion	Under Const.	Under Const.*	Being Planned	Being Cleared	Being Cleared	Being Cleared	Being Cleared					

* Partially Occupied

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Federal Permanent Projects Under, Or Pending, Construction
(Continued)

Name of Project	Brevoort	South Jamaica II	Edenwald	Mariner's Harbor	LaGuardia	Bronxdele	Cooper Park
Location (Borough)	Brooklyn	Queens	Bronx	Richmond	Manhattan	Bronx	Brooklyn
No. of Apartments	896	600	2039	607	1111	1497	700
Number of Rooms	3750	2519	8673	2553	4638	6257	2933
Approx. Population	3916	2638	7938	2678	4193	6474	3066
Number of Floors	7	3 & 7	3 & 14	3 & 6	16	7	7
Number of Acres	17.1	16.	48.9	20.8	11.1	34.66	12.14
% Covered by Bldgs.	16.3	16.8	16.	13.8	13.1	12.87	16.4
Population Density	229	141	162	129	378	187	253
Land Cost (000 omit)	\$2124	1323	1069	113	4333	916	644
Land Cost (sq. ft.)	\$3.39	2.36	.44	.12	9.12	.79	1.37
Tot. Cost (000 omit)	\$10,941	7547	24,205	7439	16,420	17,138	8110
Tot. Cost (per room)	\$2918	2996	2791	2914	3540	2739	2765
Date of Completion	Being Cleared	Being Cleared	Under Const.	Being Planned	Being Planned	Under Const.	Under Const.

Federal Permanent Projects Under, Or Pending, Construction
(Continued)

Name of Project	Tri-Borough	Manhattan	Gravesend	High-bridge	Hammel	Red Hook II	Total: Federal	
							Under Construc- tion Or Pending Construction	Grand Total: Federal
Location (Borough)							(19 Projects)	(30 Projects)
				Bronx	Queens	Brooklyn		
No. of Apartments	2158	634	700	709	350	22,962	37,128	
Number of Rooms	9024	2634	2902	2940	1460	95,914	148,046	
Approx. Population	9416	2416	2610	2634	1320	95,813	144,595	
Number of Floors	7 & 16	7	13	7	6 & 14			
Number of Acres	29.1	12.4	12.7	14.	5.7	447.	652.3	
% Covered by Bldgs.	11.9	17.2	8.2	17.8	13.6	14.2	16.9	
Population Density	324	159	206	188	235	214	222	
Land Cost (000 omit)	\$7704	700	360	1555	334	49,759	65,714	
Land Cost (sq. ft.)	\$6.93	1.51	.98	2.69	1.66	2.35	2.62	
Tot. Cost (000 omit)	\$31,168	7582	8465	9760	4433	300,882	381,440	
Tot. Cost (per room)	\$3454	2879	2917	3320	3036	3137	2576	
Date of Completion	Being Planned	Under Const.	Being Planned	Being Planned	Being Planned			

94

0007-HUD-000003492

0007-HUD-000003492

0007-HUD-000003492

State Permanent Operating Projects

Name of Project	Port Greene	Lillian Wald	Browns- ville	Amsterdam	Lester W. Patterson	Abraham Lincoln	Marcy
Location (Borough)	Brooklyn	Manhattan	Brooklyn	Manhattan	Bronx	Manhattan	Brooklyn
No. of Apartments	3501	1861	1338	1084	1791	1286	1717
Number of Rooms	13,133	7695	5610	4586	7624	5432	7417
Approx. Population	12,445	7168	5329	4218	6985	5151	6980
Number of Floors	6,11&13	10 to 14	3 & 6	6 & 13	6 & 13	6 & 14	6
Number of Acres	41.3	16.5	19.2	10.2	17.2	12.7	28.5
% Covered by Bldgs.	20.1	18.6	22.6	22.5	22.4	19.3	19.4
Population Density	301	434	278	414	407	406	245
Land Cost (000 omit)	\$5489	3793	2379	2512	3480	2580	2937
Land Cost (sq. ft.)	\$3.58	6.37	3.28	7.36	5.73	5.40	2.88
Tot. Cost (000 omit)	\$19,792	22,160	12,563	12,120	20,620	14,215	18,872
Tot. Cost (per room)	\$1507	2880	2239	2643	2705	2617	2544
Date of Completion	2/24/44	10/14/49	4/16/48	12/17/48	12/31/50	12/29/48	1/19/49

95

0007-HUD-000003493

0007-HUD-000003493

0007-HUD-000003493

State Permanent Operating Projects
(Continued)

Name of Project	Govanus	J. W. Johnson	Astoria	Bronx River	Albany	Brooklyn	Total: State Permanent Operating (12 Projects)
Location (Borough)	Brooklyn	Manhattan	Queens	Bronx	Brooklyn		
No. of Apartments	1139	1310	1104	1246	829	18,206	
Number of Rooms	4869	5484	5052	5345	3384	75,634	
Approx. Population	4469	5088	4896	4869	3128	70,726	
Number of Floors	4 to 14	6,10,14	6 & 7	14	14		
Number of Acres	12.6	11.9	32.3	13.9	8.9	225.2	
% Covered by Bldgs.	19.3	18.9	12.3	13.9	15.1	18.5	
Population Density	355	428	152	350	331	314	
Land Cost (000 omit)	\$1326	3167	2016	685	400	30,764	
Land Cost (sq. ft.)	\$2.65	6.97	1.70	1.36	1.12	3.71	
Tot. Cost (000 omit)	\$11,695	14,315	13,978	12,685	8852	181,867	
Tot. Cost (per room)	\$2402	2610	2765	2373	2616	2405	
Date of Completion	6/24/49	12/27/48	11/9/51	2/28/51	10/14/50		

8

0007-HUD-000003494

0007-HUD-000003494

0007-HUD-000003494

State Permanent Projects Under, Or Pending, Construction

Name of Project	Melrose	Gov. Smith	Farragut	Stephen Foster	James A. Bland	Redfern	Carver
Location (Borough)	Bronx	Manhattan	Brooklyn	Manhattan	Queens	Queens	Manhattan
No. of Apartments	1023	1935	1390	1337	400	456	1246
Number of Rooms	4353	7927	5840	5717	1655	1896	5134
Approx. Population	4046	7246	5309	5195	1730	1952	5436
Number of Floors	14	15.16&17	13&14	13&14	10	3 & 6	6 & 15
Number of Acres	12.4	21.4	16.6	13.8	6.2	20.4	13.4
% Covered by Bldgs.	12.7	13.5	13.9	16.5	16.	10.3	14.
Population Density	326	338	320	378	279	96	406
Land Cost (000 omit)	\$2799	6080	2705	4430	1246	697	6007
Land Cost (sq ft.)	\$5.42	8.57	3.82	8.17	5.11	.79	10.63
Tot. Cost (000 omit)	\$12,300	29,438	15,275	21,620	6,055	6,930	18,410
Tot. Cost (per room)	\$2826	3714	2616	3782	3659	3655	3586
Date of Completion	Under Const. *	Under Const. *	Under Const. *	Under Const.	Under Const.	Under Const.	Being Planned

* Partially Occupied

State Permanent Projects Under, Or Pending, Construction
(Continued)

Name of Project	Forest	Sound View	Cypress Hills	Howard	Summer	Total: State	
						Under Construc- tion Or Pending	Grand Total: State Construction (24 Projects)
Location (Borough)	Bronx	Bronx	Brooklyn	Brooklyn	Brooklyn		
No. of Apartments	1320	1250	1437	799	1100	13,693	31,899
Number of Rooms	5490	5238	5869	3302	4609	57,030	132,664
Approx. Population	5673	4875	6147	3434	4290	55,333	126,059
Number of Floors	9 & 14	3, 6 & 7	7	7 & 13	6 & 7		
Number of Acres	19.8	24.8	29.	15.4	21.8	215	440.2
% Covered by Bldgs.	12.4	20	13.9	13.1	15	14.3	16.5
Population Density	287	197	212	223	197	257	286
Land Cost (000 omit)	\$4186	455	877	1939	3254	34,675	65,439
Land Cost (sq. ft.)	\$5.02	.65	.95	4.02	4.18	4.40	4.95
Tot. Cost (000 omit)	\$17,945	14,720	16,430	11,110	16,625	187,108	368,975
Tot. Cost (per room)	\$3269	2810	2808	3425	3607	3281	2781
Date of Completion	Being Cleared	Being Planned	Being Planned	Being Planned	Being Planned		

28

0007-HUD-000003496

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0007-HUD-000003496

City (Part I) Permanent Operating Projects

Name of Project	First Houses	Vladeck (City)	J. L. Elliot	Jacob Riis (City)	Total City (Part I)	
					Permanent	Operating (4 Projects)
Location (Borough)	Manhattan	Manhattan	Manhattan	Manhattan		
No. of Apartments	123	240	608	578	1549	
Number of Rooms	372	960	2485	2416	6233	
Approx. Population	414	964	2338	2198	5914	
Number of Floors	4 & 5	6	11 & 12	6, 13 & 14		
Number of Acres	1.4	1.9	4.7	5.9	13.9	
% Covered by Bldgs.	41.4	33.9	22.	17.	23.4	
Population Density	296	507	497	373	425	
Land Cost (000 omit)	\$220	338	1103	1144	2805	
Land Cost (sq. ft.)	\$3.72	3.90	6.62	5.63	5.44	
Tot. Cost (000 omit)	\$1385	1269	5086	6340	14,080	
Tot. Cost (per room)	\$3722	1322	2046	2624	2259	
Date of Completion	5/31/36	10/25/40	7/15/47	1/31/49		

City (Part II) Permanent Operating Projects
(First Phase Of "No-Cash-Subsidy" Program)

Name of Project	Location (Borough)	East-Chester	Sheepshead Bay	Brooklyn	South Beach	Woodside	Colonial Park	Total: City (Part II)
								Permanent Operating (5 Projects)
No. of Apartments	874	1056	422	1357	984	4693		
Number of Rooms	3810	4392	1728	5640	4031	19,601		
Approx. Population	3445	3984	1552	5091	3807	17,879		
Number of Floors	7 & 8	6	6	6	14			
Number of Acres	15.	23.8	16.3	22.3	10.9	88.3		
% Covered by Bldgs.	17.7	15.4	9.6	19.1	15.1	15.6		
Population Density	230	167	95	228	342	202		
Land Cost (000 omit)	\$307	550	59	1708	700	3324		
Land Cost (sq. ft.)	\$.56	.60	.09	1.92	1.47	.95		
Tot. Cost (000 omit)	\$9505	12,590	5374	13,776	10,684	51,929		
Tot. Cost (per room)	\$2495	2867	3110	2443	2650	2649		
Date of Completion	6/1/50	8/8/50	3/20/50	12/30/49	9/30/51			

0007-HUD-000003498

0007-HUD-000003498

0007-HUD-000003498

City (Part III) Permanent Operating Projects
(Second Phase Of "No-Cash-Subsidy" Program)

Name of Project	Pelham Parkway	Gun Hill	Dyckman	Nostrand	Glen- wood	Todd Hill	Sedgwick
Location (Borough)	Bronx	Bronx	Manhattan	Brooklyn	Brooklyn	Richmond	Bronx
No. of Apartments	1266	733	1167	1178	1188	502	786
Number of Rooms	4818	2762	4468	4398	4620	1923	2934
Approx. Population	4386	2514	4082	4018	4274	1754	2541
Number of Floors	6	13 & 14	14	6	6	6	14 & 15
Number of Acres	23.7	7.9	14.1	23.8	22.4	13.2	7.1
% Covered by Bldgs.	17.9	15.8	13.1	17.1	18.9	13.6	18.7
Population Density	185	318	290	169	191	132	347
Land Cost (000 omit)	\$1242	497	1688	448	237	32	617
Land Cost (sq. ft.)	\$1.40	1.52	2.83	.50	.32	.05	1.92
Tot. Cost (000 omit)	\$15.435	8735	14,313	13,878	12,941	6520	8428
Tot. Cost (per room)	\$3204	3163	3203	3156	2801	3391	2873
Date of Completion	6/30/50	11/30/50	4/27/51	12/14/50	7/14/50	6/1/50	3/13/51

City (Part III) Permanent Operating Projects
(Continued)
(Second Phase Of "No-Cash-Subsidy" Program)

Name of Project	Boulevard	Parkside	Arverne	Gen.Chas. Ravens-		Lexing-	Manhattan	Total: City (Part III) Permanent Operating (13 Projects)
				W.Berry	wood	ton		
Location (Borough)	Brooklyn	Bronx	Queens	Richmond	Queens			
No. of Apartments	1441	879	418	506	2166	448		12,648
Number of Rooms	5351	3273	1562	1876	8057	1677		47,719
Approx. Population	4710	2864	1390	1648	7178	1562		42,921
Number of Floors	6 & 14	6 to 15	6	6	6 & 7	14		
Number of Acres	25.9	11.1	8.1	16.9	38.3	3.5		216.3
% Covered by Bldgs.	15.1	19.9	18.7	10.5	20.8	23.3		17.1
Population Density	182	258	172	98	187	449		198
Land Cost (000 omit)	\$358	555	68	100	1121	300		7263
Land Cost (sq. ft.)	.36	1.39	.19	.12	.79	1.90		.84
Tot. Cost (000 omit)	\$13,653	9668	5137	5985	21,380	4827		140,900
Tot. Cost (per room)	\$2551	2954	3289	3190	2654	2878		2953
Date of Completion	3/22/51	6/12/51	2/28/51	10/30/50	7/31/51	3/16/51		

102

0007-HUD-000003500

0007-HUD-000003500

0007-HUD-000003500

City (Part III) Permanent Projects Under Construction
(Second Phase Of "No-Cash-Subsidy" Program)

and

Grand Total Of All Projects

Name of Project	Marble Hill Manhattan & Bronx Queens	Pomonok 2071	3753	Total: City (Pt. III)		Grand Total:
				Under Construction (2 Projects)	City (Pt. I, II, III) (24 Projects)	78 Permanent Projects
Location (Borough)						
No. of Apartments	1682	2071	3753	22,643		91,670
Number of Rooms	6279	7812	14,091	87,644		368,354
Approx. Population	5522	7081	12,603	79,317		349,971
Number of Floors	14 & 15	3, 7 & 8				
Number of Acres	16.8	51.9	68.7	387.2		1479.7
% Covered by Bldgs.	15.2	16.3	16.	16.8		16.7
Population Density	328	196	183	205		237
Land Cost (000 omit)	\$2104	784	2888	16,280		147,433
Land Cost (sq. ft.)	\$2.87	.35	.96	1.02		2.57
Tot. Cost (000 omit)	\$17,557	22,421	39,978	246,887		997,302
Tot. Cost (per room)	\$2796	2870	2837	2817		2707
Date of Completion	Under Const.	Under Const.	* Const.			

* Partially Occupied

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Part 1: Confined to books and publications read by the Author, bearing directly upon the subject matter contained in the thesis, and representing some of the sources from which the Author derived his information.

Part 2: Selected additional books and publications generally related to the subject.

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