

ITEMS OF INTEREST RELATED TO HUD RAISED AT HEARINGS OF
RIBICOFF SUBCOMMITTEE ON EXECUTIVE REORGANIZATION

December 2, 1966

JAMES M. HESTER, President, New York University

Mr. Hester evaluated the contributions which New York University and similarly situated educational institutions are making to the improvement of urban conditions. The shortage of available financial resources created by a lack of support from public sources was seen as the major obstacle to the broadening of the university role in urban affairs.

1. The Improvement of Research on Urban Problems

President Hester stated that the effectiveness of university research into urban problems was limited by the need to proceed on a project-by-project basis. The availability of funds adequate to finance long-term programs would lead to an increased university research contribution.

2. The Need for Greater University Participation in the Administration of Federal Government Programs Affecting the City

Senator Ribicoff stressed that the solution of urban problems depends upon the recruitment of qualified persons to carry out programs which Congress has authorized. Unless the University can increase its supply of such personnel, the objectives of recently enacted laws will not be realized.

President Hester replied that N.Y.U. was fulfilling its responsibility to the city within the framework of existing financial resources.

GEORGE STERNLIEB, Professor, Rutgers University Urban Studies Center

Mr. Sternlieb maintained that federal programs aimed at alleviating substandard housing conditions have not achieved their objectives because federal housing policy has not taken into account the realities of the urban ghetto situation. The primary emphasis in urban rehabilitation should be on the response of the persons living in slum conditions to the measures designed to help them.

1. Public Ignorance of FHA programs

Mr. Sternlieb declared that the small ghetto landlord usually does not know that FHA assistance is available. The awareness of FHA programs is limited to large property owners.

2. The Impact of FHA standards on Urban Rehabilitation

Mr. Sternlieb emphasized that the adoption of more sensible financing arrangements in the field of low income housing was imperative. A property owner in the ghetto who sought to bring his parcel up to FHA standards would commit "economic suicide". The FHA standards were described as completely divorced from the housing market and the capacity of the neighborhood to sustain such housing.

3. The Need for an Increased Emphasis on the Promotion of Home Ownership

Note [Mr. Sternlieb maintained that the experience with the public housing program indicated that better physical facilities will not produce by themselves a corresponding improvement in living conditions. The Ghetto resident will not support urban rehabilitation unless it promises to lead to some type of home ownership.

4. The Desirability of Greater Administration Awareness of Urban Problems

Senator Ribicoff criticized the failure of executive departments generally to concern themselves with the conditions that their programs are designed to affect. He declared that the testimony of Mr. Sternlieb would enlighten Secretary Weaver and his associates in the Cabinet.

LEE S. STERLING, Executive Director, American Property Rights Association, New York City

Mr. Sterling testified that the abolition of rent controls and the compulsory re-education of welfare recipients would be a large step toward the solution of New York City's housing problem. He demanded that New York City receive no demonstration cities money until rent control and welfare abuses were abolished.