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The Department of Housing and Urban Development
and
The Office of Economic Opportunity

CONFERENCE ON HOUSING FOR THE POOR

May 23-24, 1966
Washington Hilton Hotel
Washington, D.C.

Agenda for
CONFERENCE ON HOUSING FOR THE POOR

Department of Housing and Urban Development
and

Office of Economic Opportunity

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Washington, D. C.

Purpose: The purpose of this Conference is to evaluate the feasibility of providing several million additional standard housing units within the next five years, at prices the poor can afford. We are seeking from this Conference (1) a summary of what we do and do not know about how the poor are housed, in physical, economic and social terms; and (2) identification of alternative programs or combinations of programs and implementation strategies, that might make decent housing available for the several million poor households that would otherwise occupy substandard or overcrowded units by 1970.

Program

Monday, May 23, 1966

9:00 a.m.	Opening Remarks	Sargent Shriver, Director Office of Economic Opportunity Robert C. Wood, Under Secretary Dept. Housing & Urban Develop.
9:15 a.m.	Conference Procedures	Dr. Morton J. Schussheim Director, Office of Program Policy Dept. Housing & Urban Develop. Mr. Alvin L. Schorr, Deputy Chief, Research & Plans Office of Economic Opportunity
9:30 a.m.	Statement of Problems and Its Dimensions	Professor Charles Abrams Columbia University (The number of units and poor people in need of better housing; the extent to which rehabilitation and/or clearance are required; the costs involved; present locations of substandard units; composition of occupants by race, age, size and family composition; the national goal.)
11:00 a.m.	Social Issues	Professor Nathan Glazer University of California (The questions of deghettoizing the poor and particularly the nonwhite poor; the supplemental educational, counseling and back-up services required; the problems of a means test and establishing priority criteria; the attitudes of poor and non-poor to this housing; the difficulties and opportunities of relocation. Should standards be reduced, e.g. no air conditioning; room sharing; smaller room size; etc...)

1:00 p.m.

LUNCH

Monday, May 23, 1966 (Cont'd)

2:30 - 5:00 Technological and Land Use Issues Richard J. Canavan
National Association
of Homebuilders

(The type of housing required and its location; the availability of land; architectural and city planning concerns, the technological problems and opportunities of a large-scale building and rebuilding program; the abilities of existing or proposed institutions to implement the program; prospects for cost reduction.)

Tuesday, May 24, 1966

9:30 a.m. Economic Issues Professor Chester Rapkin
University of Pennsylvania

(Alternative means of financing the program; the effect on the economy of a multi-billion dollar program; the effect on the total housing industry and construction costs; acceptable standards of space and quality; the effect on the values and condition of existing housing and neighborhoods; efficiencies that might result from a reevaluation of the economics of the housing industry.)

12:00 LUNCH

2:00 - 4:00 Program Issues Dr. Louis Winnick
Public Affairs Program
The Ford Foundation

(The types of programs to meet the objective; possible expansion or redirection of existing programs and the invention of new kinds of programs; possible number of units to be developed; the phasing and possible mix of programs over a several-year period.)

List of Invited Participants
Conference on Housing for the Poor

Mr. Charles Abrams
Professor of City Planning
Columbia University

Mrs. Ruth Atkins
Community Representatives
Advisory Council
Office of Economic Opportunity

Mr. Richard J. Canavan
Staff Vice President
Builder Services Division
National Association of Homebuilders

Mr. Albert M. Cole
President, Reynolds Metals
Development Corporation

Dr. Robert Dentler
Center for Urban Education

Mr. John Eberhardt
National Bureau of Standards

Professor Bernard Frieden
Department of City and Regional Planning
Massachusetts Institute of Technology

Mr. Robert Gladstone, President
Robert Gladstone and Associates

Professor Nathan Glazer
University of California

Dr. William G. Grigsby
Institute for Environmental Studies
University of Pennsylvania

Mr. Nathaniel Keith
Consultant

Dean Burnham Kelly
College of Architecture
Cornell University

Mr. Saul Klamon
Director of Research
National Association of
Mutual Savings Banks

Mr. Arthur Levin
Potomac Institute

Honorable Sherman Maisel
Board of Governors of the
Federal Reserve System

Honorable Arthur Okun, Member
Council of Economic Advisers

Professor Chester Rapkin
Institute for Environmental Studies
University of Pennsylvania

Mr. Nathaniel H. Rogg
Executive Vice President
National Association of Homebuilders

Dr. John R. Seeley
Chairman, Department of Sociology
Brandeis University

Mr. Miles Stanley
National Advisory Council
Office of Economic Opportunity

Dr. Louis Winnick
Public Affairs Program
The Ford Foundation

Housing Poor Families

The Problem. A program to house all the nation's poor in decent housing at rents they can afford contains two distinguishable elements: 1) how to improve the housing conditions of those presently living in substandard quarters; and 2) how to lessen the financial burden of those who live in standard quarters at the price of devoting an excessive burden of their income for housing. OEO has estimated that upwards of 4 million poor families and poor unrelated individuals in 1964 lived in housing that was dilapidated, lacked plumbing facilities, or was overcrowded.^{1/} The number who overpay for standard housing is harder to estimate but is large. For example, in 1960 rent-income ratios were computed for 5.7 million families with incomes under \$3,000. 4.4 million of them were paying 25 percent of their income or more for rent. An additional .5 million were paying between 20 and 25 percent of their incomes.

In theory, housing needs of poor people should decline because of anticipated declines in the proportion of families who are poor and because of continued upgrading of the total housing stock. Between 1950 and 1960, however, poor families received only 2.5 million standard units out of a net overall increase of 19 million. That is, families representing 30 percent of the total in 1950 and 20 percent in 1960 showed 13 percent of the

^{1/} The incidence of housing characteristics in 1960 was applied to 1964 data about the poor population, producing a total of 4.1 million in such units in 1964. If one proceeds alternatively from the housing stock itself and the rate at which improved housing stock reaches poor families, an estimate as high as 5 million poor families in substandard housing would be produced.

net overall increase. Moreover, in some places and for some groups, "natural forces" may exacerbate the problem in the years just ahead. Low income families presently living in substandard housing are less mobile and have more deviant characteristics than those who were able to take advantage of the filtering process during the 1950s. And such forces as zoning and subdivision controls are likely to present new impediments to the distribution downward of standard housing. That the current welfare system --- an example of the pure income approach to housing --- has not produced larger results is another argument for seeking substantial approach to the supply side of the equation.

Obviously, some improvement will occur naturally and one must assume too that cash income maintenance programs will meet increasing portions of family income deficits. Reasoning from 4 million families and individuals in substandard housing in 1964 and additional millions paying more than they can afford for standard housing, one may estimate the objective more or less at will. OEO has estimated that the objective should be pitched to the expectation that the median income of families who should be reached would be \$3,000 (for a family of four). From this base, one must determine an overall objective within the target date of five or six years.

Developing a Program. In approaching the development of a program it is necessary to judge what may be built and what may be reclaimed. Such an approach represents more than simple economy. It allows room for families that may wish not to give up their homes and provides a pattern for continued

maintenance of the housing supply. In the decade from 1950 to 1960, something less than one-fourth of the net increase in standard dwellings represented rehabilitated units. On one hand, there has been considerable reduction in the stock of housing that lacks plumbing facilities and is comparatively easily rehabilitated. On the other hand, new aids are available for rehabilitation and new effort is to be invested in it. It is, in any event, necessary to make some assumption about the proportion of standard housing that would be secured by rehabilitation and the proportion that would be built new.

Similarly, it is necessary to make judgments about the geographic distribution of additional standard housing. Although substandard housing is disproportionately distributed in rural areas, some number of the people now using it will be seeking housing in urban areas. Finally, plans for a substantial program should include consideration of staging a buildup of the construction industry. For example, a net increase of 1 million units a year might be built up to at the rate of 200,000 or 300,000 each year for several years.

The supply of housing for low-income families can be increased either through government incentives to the private sector or through direct construction by public housing authorities. Incentives to the private sector include subsidization of land costs and reduction in the cost of borrowing building capital (low interest loans or subsidized interest rates). Use of

these aids provides an attractive incentive to private builders (and rehabilitation contractors) while permitting some control over the allocation of benefits and rentals or sales prices. However, these forms of assistance are not sufficient to produce housing in the \$50 a month range. To do this, poor families must also be subsidized. A program of the magnitude being described might be fashioned entirely out of two elements --- rental or purchase assistance and interest and land subsidization. The obverse side of these assistances are conditions as to beneficiaries and uses.

Obviously, many variants of the two elements are possible and alternative programs may be fashioned as well. Related questions that would arise include the uses and place of code enforcement, the type of research that might be most productive, the special needs of rural areas, the methods of assuring desegregation, and related needs for providing public and social services.