

Only Washington Can Solve the Nation's Housing Crisis

The federal government once promised to provide homes for every American. What happened?

By Lizabeth Cohen

Dr. Cohen is the author of the forthcoming "Saving America's Cities: Ed Logue and the Struggle to Renew Urban America in the Suburban Age."

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In recent months America's affordable housing crisis, a long-simmering issue for people of low and moderate incomes, has burst onto the front page. Rents are rising much faster than income, while the median home price in some 200 cities is \$1 million. After a decade of decline, the number of homeless Americans is ticking back up.

The private market is clearly failing. Although many city and state governments are motivated to take action, they have limited tools at their disposal, and few of them equal to the task. The Department of Housing and Urban Development, at least under its current leadership, is hardly stepping up.

Indeed the very idea of a federal commitment to affordable housing seems unrealistic today. And yet not long ago, America made just such a promise: the Housing Act of 1949, which, in the optimism of the immediate postwar moment, vowed to provide "a decent home and a suitable living condition for every American family." We need that same bold national vision today.

At its root, the crisis is a supply problem. Between 2011 and 2017, the country lost four million low-rent apartments. This has driven up demand for what remains, with the predictable result that a third of all households spend more than 30 percent of income for shelter. In many prospering cities, large numbers pay more than 50 percent.

Evictions are epidemic. Waiting lists for subsidized apartments and housing vouchers intended to help low-income Americans "move to opportunity" grow ever longer, so long that some cities have stopped taking new names. A recent study by the Joint Center for Housing Studies at Harvard anticipates that rent restrictions could expire on about 1.2 million units by 2029.

Most Americans would agree that a stable residence is a prerequisite for steady employment, their children's education and a thriving democratic society. A permanent address is required to vote, and consumers' discretionary income — what they don't spend on things like housing — fuels a healthy national economy.

And yet aside from a few Democratic presidential hopefuls, the political conversation around housing has been muted, and the political will to act at the federal level has been almost nonexistent.

That's in sharp contrast to the mid 20th century. From the 1930s into the 1970s, the federal government intervened in private real estate markets on behalf of the general good, without fear of undermining the capitalist economy.

Under President Franklin Roosevelt's New Deal, the federal government built the first urban public housing. Although never aimed at the very poor, these projects provided much needed affordable homes for working people. During World War II, rent control was an accepted part of the price regulations needed on a home front vulnerable to inflation and shortages.

After the war, when the nation faced an enormous shortage of homes, Congress approved programs aimed at subsidizing the cost of housing for low- and moderate-income Americans. These programs never went as far as many "housers" — those committed to a European-style social housing agenda — would have liked, and were always constrained in scale by a vigilant real estate industry. But they still expanded the housing options available to those with limited incomes.

Labeled "urban redevelopment" in the Housing Act of 1949 and "urban renewal" in its successor, the Housing Act of 1954, these programs have been derided by many historians. Too much demolition took place, particularly in the early years, and city planners too often sought to replicate their suburban counterparts' car-oriented schemes.

But there were also mortgage subsidies for nonprofit organizations and private developers constructing subsidized housing, rent subsidies to tenants, and funding to create housing for the elderly. Much attention has been paid to how the federal government created the postwar suburbanized metropolis, with its expansive highways and mortgage supports that favored suburban communities while redlining urban ones. But federal programs also helped cities stay viable from 1950 to 1975. Mistakes were made, but lessons were learned. And over time, redevelopers increasingly engaged local communities in planning.

What has particularly been forgotten are the progressive steps that federal subsidies made possible. For example, in 1968 New York State created the Urban Development Corporation, with a mandate to build thousands of units of subsidized housing and reinvigorate declining industrial cities. Under the direction of the veteran urban redeveloper Edward J. Logue, this authority relied on funding from state

appropriations and private bond sales, but the real engine was robust federal backing, both in funds and political support.

During its seven-year run, it built 33,000 units of housing, developed three new towns — including the intentionally mixed-income, mixed-race and mixed-age Roosevelt Island in New York City — and fostered a spirit of architectural and technological innovation to find ways of delivering housing more efficiently, more aesthetically, and more affordably. Marcus Garvey Park Village in Brooklyn's Brownsville neighborhood was a successful prototype of low-rise, high-density subsidized housing.

The Urban Development Corporation ran into trouble when it took a progressive step too far, using its statewide authority to tackle inequities between city and suburbs. In 1972, it began a project to build 100 affordable housing units in nine towns in wealthy Westchester County, provoking a fierce suburban backlash. That, combined with a 1973 moratorium by President Richard Nixon on all congressionally approved spending on housing and cities, spelled doom for the corporation — and a steady decline in federal responsibility for housing and cities.

Since the 1980s, the United States has primarily depended on private, market-oriented solutions to its housing and urban problems — strategies like using corporate tax credits to construct low-income housing, Section 8 vouchers and fees squeezed out of developers of luxury projects. But they aren't enough to meet today's crisis.

Moreover, too often cities find themselves racing each other to the bottom to woo corporate investors like Amazon, with giveaways that sacrifice future tax revenues and add burdens to city services.

The housing crisis and climate change raise different challenges, but solving both of them requires greater commitment to re-empowering the federal government to act in the public interest. Only Washington has the resources and the scope to tackle these dire threats to the nation's and the planet's future.

In 1975, Ed Logue, the visionary head of the Urban Development Corporation, said, "We cannot allow basic public policy" to be made "in corporate board rooms." And yet, for half a century, that's exactly what we have done, to our great misfortune.

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