

GOVERNMENT AND HOUSING
IN METROPOLITAN AREAS

AMERICAN COUNCIL TO IMPROVE OUR NEIGHBORHOODS

*American Council To Improve
Our Neighborhoods*

SERIES IN HOUSING AND
COMMUNITY DEVELOPMENT
BANFIELD AND GRODZINS:
Government and Housing in Metropolitan Areas
WINNICK:
Rental Housing: Opportunities for Private Investment
Other books are in preparation

GOVERNMENT AND HOUSING IN METROPOLITAN AREAS

Edward C. Banfield

Associate Professor,
Department of Political Science, University of Chicago

Morton Grodzins

Professor and Chairman,
Department of Political Science, University of Chicago

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GUY T. O. HOLLYDAY
Chairman of the Board, The Title Guarantee Company; past Commissioner, Federal Housing Administration

* Served on ACTION Research Committee during initial period of investigations for this series.
† Deceased.

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Government and Housing in Metropolitan Areas

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This volume is one in the ACTION Series in Housing and Community Development made possible by a grant from the Ford Foundation to the American Council To Improve Our Neighborhoods. Some of the contributors to the Series are members of ACTION's staff; others are at universities or in private practice. The findings they present here are the product of their own selective process. The conclusions they reach have had the benefit of advice and comment from a wide variety of persons, including members of ACTION's *ad hoc* committees for the Series. Neither individually nor collectively, however, has ACTION's Board of Directors attempted to limit the authors in the facts they present, the conclusions they reach, or the recommendations they propose to solve or mitigate a particular problem. Whether prepared by staff or consultants, the volumes in the Series are uniquely the product of their authors. To say here that the authors' findings and views do not necessarily reflect the knowledge and attitude of ACTION or of any or all of the ACTION Board of Directors is also to underline the Board's intention that the Series should provide fresh points of view to some of the most complex and controversial problems of housing and urban development in America.

ACTION hopes that both the expert and the student will find the volumes useful additions to the literature on housing and community development. The principal purpose of the Series, however, is to inform and stimulate the growing body of influential businessmen, professionals, and citizen leaders

whose opinions on many facets of urban life are having a profound effect upon the kinds of policy and actions required for the provision of adequate housing.

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Foreword

The ACTION Series in Housing and Community Development is the published part of a two-pronged effort of the American Council To Improve Our Neighborhoods (ACTION) to help bring about a higher level of living in this country's urban areas. It has been made possible by a grant from the Ford Foundation. These volumes analyze many of the facts about the present condition of American communities, particularly with respect to housing, and offer new conclusions about the problems and potentialities implied by the facts. The other part of this ACTION effort is made up of many activities through which ACTION and other groups are aiding communities and their citizens to meet present local problems and to realize future potentialities for sound urban growth. These activities put to the test the proposals of the authors and the members of the *ad hoc* committees for improving the nation's urban life.

Specifically, ACTION aims through this Series and its related program efforts to create a climate within which the choices available to the American people for improved urban living can be expanded in terms of a larger supply of housing, of better quality and at lesser cost. At the least, this means the realization of the following objectives:

1. The elimination of slums that cannot be economically rehabilitated.
2. The improvement of properties that can be economically rehabilitated.
3. The preservation of currently sound housing and neighborhoods by slowing down their rates of obsolescence.
4. The provision of new housing on both cleared and va-

cant land in sufficient quantity and in satisfactory quality to meet current requirements and the requirements of the huge urban growth foreseen in the years ahead.

5. The accomplishment of the foregoing objectives in conjunction with a high level of coordinated community services and in such a manner that all income, racial, and other groups in the population will be served.

6. The effective planning and distribution of urban functions in order to correct the costly imbalances which now exist among them both within the central city and between it and its surrounding metropolitan area.

These objectives cannot be accomplished without intensive effort to organize pertinent knowledge systematically and to clarify the aims of urban policy. Obviously, this Series cannot furnish all the information necessary to solve all the problems. But the authors of the volumes do provide a basis for policy. They do so by analyzing the current problems and indicating possible future changes. The summary volume, the over-all view, takes the major findings of each of these specific studies and presents them along with the suggestions which the ACTION *ad hoc* committees believe to be most promising for solving a number of critical current problems.

The framework of the Series is based on the primacy of the consumer in the housing market and in housing policy. Because the largest number of Americans live in urban communities, the studies deal only with cities and urban housing.

Most of the wealth of America is in its cities. And most of the wealth of cities is in residential structures and their related utilities and facilities. The value of dwellings alone stands at over \$300 billion, a figure twice as large as the assets of the country's 500 biggest manufacturing companies. Not only is housing the largest single item in our national wealth, but that part of it which is newly constructed amounts on the average to more than a fifth of all our capital expenditures each year. New housing uses one-third of the lumber produced in

the country, two-thirds of the bricks, at least half of most plumbing items, and three-fourths of all gypsum products. Yet new housing in any given year is only 3 per cent of all housing. These statistics prove that housing is among the most important commodities in our economy, but they do not prove that our supply of housing meets the requirements of all consumers nor that it is produced as efficiently as possible.

For housing, as for other commodities, the market place tends to govern the quantity, quality, cost, and distribution of the product. America is properly famous for what it produces. It is equally admired for the methods of production and distribution which its industries have developed. Particularly in the past 25 years, accomplishments in housing have been considerable, but either they are not considerable enough or the dissatisfied observers of, and participants in, the housing market argue their case more eloquently than people do about other commodities and services.

The very nature of housing makes almost inevitable that both the product of the housing industry and the mechanism of the housing market should come under criticism. Unlike most other economic commodities, housing is also a social commodity. As such, it is overlaid with all kinds of attributes that blur the lines between supply and demand, need and preference. In our system of values as well as in our vernacular, the house is the home. So long as it stands as the symbol of the family, satisfaction with it will take as many forms as the traditional sentiments which people attach to it.

But putting aside its social values, housing is still very different from other economic commodities. Its scale of cost, for one thing, is not matched by any other commodity. For most householders, monthly housing outlays represent their largest current expenditure after food and—if they buy a house—their largest single expenditure in a lifetime. Another of its distinguishing attributes is immobility. A pair of shoes or an automobile can be shipped from one part of the country to another

