A Statement of Appropriate Private and Public Responses to Urban Housing Needs

David Listokin
I. Urban Housing: Public Needs and Problems

It has been nearly four decades since Congress announced in the Housing Act of 1949 the goal of "a decent home and a suitable living environment for every American family." For some in urban America, this goal has been reached — and surpassed. In recent years, there has
been burgeoning residential new construction, rehabilitation, and adaptive reuse in cities ranging from Boston to San Diego. The housing production, often luxurious in amenity, is linked to the vigorous economies of these communities.

Yet for many city residents the goal of adequate shelter remains a dream. Measures of housing quality—crude as they are—suggest all is not well. According to the American Housing Survey (AHS), from 1974 to 1981 the number of “inadequate structures” in metropolitan areas increased by ten percent; the number of “inadequate neighborhoods” rose by one-fourth. For certain affected groups, such as minorities, the situation was worse. As of 1981, black households were twice as likely as their white counterparts to live in structurally inadequate buildings or inadequate neighborhoods.

Affordability, especially by lower income renters, is a critical concern. According to the AHS, from 1974 to 1981 the number of renter households paying a “high” share (more than thirty-five percent) of their income for housing rose from 5.8 to 9.1 million. More than six million very low-income renter households, those earning less than five-thousand dollars annually, were forced to pay a “high” share of their income for shelter in 1981.

More recent data suggest a lingering housing gap. A 1987 report by the Department of Housing and Urban Development (HUD) estimates that twenty-four million households in the United States, about thirty percent of the total, have housing problems related to physical quality and/or cost. Such housing inadequacy is most pronounced with respect to renters, the poor, minorities, female-headed households, and the elderly.

To be sure, much has been done. It is estimated that since 1950 more than five million subsidized units have been built or rehabilitated, embodying an aggregate federal investment in 1986 of more than 110 billion dollars. Yet subsidized production has recently plummeted in volume; the budget authority for HUD-assisted housing programs has

2. Id. at 28.
3. UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, HOUSING AND DEMOGRAPHIC ANALYSIS DIVISION, OFFICE OF ECONOMIC AFFAIRS, ATTAINING HOUSING GOALS (1986) (cited in MORTAGE BANKERS ASSOCIATION OF AMERICA, REPORT ON NATIONAL HOUSING POLICY iv-9 (Oct. 5, 1987)).
4. Salins, America's Permanent Housing Problem, in HOUSING AMERICA'S POOR 1 (P. Salins ed. 1987).
fallen by almost three-quarters since 1981. Additionally, the future viability of a half-century of government-assisted housing as an affordable shelter resource is threatened because of deferred maintenance and financial arrangements. Much remains to be done to realize the promise of “a decent home and a suitable living environment.”

In our view, shelter problems result from the interaction of three sets of potent forces: societal structural forces, local housing dynamics, and adverse events or personal circumstances.

Societal structural forces provide the broad context for the urban housing crisis and define a large population which has special shelter needs. Economic restructuring has led to a deterioration in the economic status of many households, leading to a dramatic rise in official poverty. These economic changes, along with reductions in unemployment benefits, public service jobs, training programs, and other “safety net” programs, have put many people in vastly reduced economic circumstances. There has also been retreat from the nation’s historic civil rights commitments to minorities and women, with implications for their access to housing opportunities.

Structural trends are played out in specific cities, each with its own, often strikingly divergent, local housing dynamics. In some midwestern and northeastern cities such as Detroit, St. Louis, and Cincinnati, which have lost population due to interregional job shifts and household size decline, problems of housing disinvestment, abandonment, and deteriorating physical shelter stock loom large. In cities like New York and Boston, expanding demand for downtown housing linked to high-wage employment growth has resulted in gentrification. While there are variations in the specific manifestations of the urban housing problem, nearly all major American cities face common issues of housing affordability, racial segregation, economic decline relative to suburban and exurban economic growth, deterioration of still viable existing subsidized housing, and little production of new subsidized housing.

Structural trends and deteriorating local housing conditions have left an increasing proportion of urban residents facing everyday adverse events or personal circumstances with inadequate support networks. Adverse events include loss of a job, eviction, displacement, loss or reduction of welfare benefits, domestic violence, or discharge from an institution. The “greying” of America has also brought to the fore the

special problems of the frail, low-income elderly. These so-called "special needs" populations find housing with difficulty or are forced into the ranks of the homeless.

II. PUBLIC POLICY PREMISES AND PROGRAMMATIC RESPONSES

Premises

The time has come to address these problems fairly and forcefully. Today's response should not merely repeat those of yesteryear, but policy makers can benefit from past efforts. A number of themes and premises underlie the blueprint for action indicated in this statement. These include:

* While the private sector will continue to be the primary provider, owner, and manager of housing, a government role is essential.
* The primary federal housing role is to lead and educate to ensure shelter for the most disadvantaged, and to protect civil rights. These activities supplement the federal government's larger role as an agent improving socioeconomic conditions and opportunities.
* Calls for federal spending must be tempered by the need to reduce governmental deficits by billions of dollars. Cost-saving strategies such as rehabilitation of the existing housing stock should therefore be encouraged.
* A plan of action must recognize the diversity of specific local problems and the diversity of housing actors in both the public and private sectors.
* The federal housing role must integrate and capitalize on the energy and initiatives of state and local governments, the business sector, and nonprofit and neighborhood groups.
* The growth of the "special needs" population and their worsening housing plight command special, directed intervention.

With these premises in mind, we propose the following policy directions and programmatic activities to achieve the specified policies.

A. Confront the Societal Structural Forces

The future of urban housing is ultimately governed by the economic


well-being of cities and their inhabitants. Recent research documents the worsening plight of many urban areas. One reflection of urban distress is the adverse condition of cities in relation to surrounding suburbs in terms of unemployment, poverty, educational attainment, and other socioeconomic measures. Richard P. Nathan and Paul R. Dommel developed a "central city hardship index" for the nation's fifty largest cities.\(^8\) Between 1970 and 1980, the average city-suburb hardship, as measured by this index, rose by forty percent, with the greatest increase in hardship occurring in cities that were the worst off to begin with relative to their suburbs.

Cities are becoming the depositories, by default, of the least advantaged, with these members often living in desperate pockets of poverty. The number of poor persons living in the nation's fifty largest cities rose by twelve percent between 1969 and 1979. The population of poor in areas where half or more of the residents were poor increased by seventy-five percent.\(^9\) An underclass is developing. Research by Isabel Sawhill and Erol Ricketts documents that underclass areas are found disproportionately in urban regions in the Northeast, which are largely populated by minorities with severe education and employment problems.\(^10\)

In this environment, urban housing problems reflect broader social and economic inequities. Their resolution through education, job training, income transfers and the like will not be documented here, but nonetheless remain a prerequisite to an effective urban housing strategy. Specific housing policies are outlined below.

**B. Return Urban Housing Policy to the National Agenda**

The federal government traditionally played a leadership role in housing. In the 1930s, it documented and acted upon the inadequacies of the nation's housing finance system. In the 1950s, it declared a post-war commitment to housing opportunity and downtown renewal. In the 1960s and 1970s, federal study commissions highlighted the worsening plight of cities and increasing racial polarization. It is time to emphasize once again the issue of urban housing.

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The Department of Housing and Urban Development must assume a leadership and educational role. HUD should prepare an annual report indicating housing goals, progress, and future plans. This recommendation is made, not to add to paperwork, but to institutionalize an annual review of housing by HUD that will serve as an important vehicle for public dissemination. What is envisioned here is an annual housing "state of the nation."

HUD can do much more. Good data are essential to document housing conditions and variations over time and by location.11 HUD, as a major housing participant, should make available periodic reports of its own activities. Publication of the HUD Statistical Yearbook, which ceased in 1979, should resume. HUD should also resume preparation of the National Housing Production Report, which was last distributed in 1982.

HUD must also play a forceful role in protesting proposed cutbacks in the housing questions to be enumerated in the 1990 Census, a reduction in the housing questionnaire sample size, as well as elimination of two surveys traditionally conducted in conjunction with the census, the Survey of Residential Finance and the Survey of the Components of Inventory Change. These changes have been proposed by OMB to the Census Bureau; it is incumbent upon HUD to campaign vigorously against these cutbacks.

The housing record is not limited to housing statistics. HUD networking efforts and publications should disseminate documentation of experience from the field of the wide variety of housing initiatives nationally. HUD should support technical demonstrations in areas ranging from new construction materials to lead-based paint removal and should make the results known to practitioners and the general public.

A HUD research agenda is needed to continue to focus attention on housing. It also makes practical sense. For instance, housing policy continues to emphasize the preservation of the existing stock, yet not much is known about the technical side of rehabilitation, such as optimal materials and retrofitting techniques. HUD should conduct long-term longitudinal analysis of housing strategies to determine what strategies work best. Research findings must then be disseminated to both practitioners and the media.

A HUD research and demonstration agenda cannot survive on a shoestring budget. Funding for these activities has plummeted from $60 million in the 1970s to $17 million today. Most of the latter ($12 million or 70%) finances the American Housing Survey (AHS), thus leaving only $5 million annually for national research and demonstration efforts for housing — a woefully inadequate and shortsighted commitment by the federal government.

C. Provide A Safety Net of Housing Financial Assistance

Current economic and political realities hinder massive governmental financial assistance for housing. Nevertheless, the federal government cannot avoid responsibility to provide a shelter safety net for the most disadvantaged.

1. Invigorated Federal Housing Assistance

In the late 1970s, the federal government subsidized 600,000 units yearly. In recent years, its level of support has dropped to about only one-tenth that level. A significantly greater commitment is imperative to address the shelter needs of the most disadvantaged. These disadvantaged can be targeted in terms of income (i.e., below fifty percent of the area median), physical housing inadequacy, or a combination of factors.

To assist those in need, subsidy mechanisms such as vouchers, certificates, and production programs are already in place and have proven effective. In metropolitan areas with adequate vacancies in the lower income housing market, demand-side subsidies in the form of vouchers and section 8 certificates would be the most appropriate. In contrast, in areas such as New York City, with a minuscule vacancy rate, supply-side subsidies for housing production should be made available.

Invigoration of federal housing assistance must go beyond HUD subsidies. At the present time, welfare is actually the largest "housing" program in terms of dollars spent. In many parts of the country, however, welfare payments are insufficient to enable low-income families to rent adequate housing; the total welfare support in fifteen states for all necessities is less than the amount needed for housing alone in these states.12 A renewed federal housing commitment must include review of the support level for shelter assistance provided by the Department of Health and Human Services.

2. Federal Partnership with State and Local Housing Providers

An invigorated federal housing commitment must stress partnership with state and local governments and the private and nonprofit sectors. These groups have proven themselves innovative and successful housing providers. Since 1980, more than 100 housing programs have been instituted by states using state funds.\textsuperscript{13} Foundations such as the Local Initiatives Support Corporation and the Enterprise Foundation have provided assistance. Banks that range in size from Chemical Bank to local institutions such as the South Shore Bank have contributed financing. Thousands of neighborhood and nonprofit groups have participated in rehabilitation and other housing activities. From Boston to Chicago to Dallas, scores of housing "partnerships" bring together these government, business, and nonprofit organizations. The federal government should capitalize on this outpouring of initiative and energy and structure its housing assistance to foster partnership.

One way is through greater flexibility in the use of funds. The current system incorporates numerous categorical programs, such as section 202, rental rehabilitation grants, and section 312 assistance. Categorical subsidies sometimes exclude nontraditional participants in housing provisions and limit creativity. Consideration should be given to consolidating HUD's categorical housing assistance into flexible housing block grants. This would parallel the action taken in 1974 of consolidating many individual community development aids into community development block grants (CDBGs).

HUD could foster partnerships with a low-income housing grant program to produce affordable housing for those who cannot afford market-rate purchase or rental. This program, which would support joint ventures between local government, not-for-profit, community-based development corporations, and private developers, would be a one-time, front-end grant to reduce the indebtedness of the homeowner or developer. Long-term federal commitments would thus be avoided, but housing would be built or rehabilitated. In the case of ownership, the grant would reduce the mortgage to a level that a low-income family could afford. In case of rental, federal grants could reduce the rent charged. Either new construction, rehabilitation, or both could be supported. Qualifying projects should have a partnership that includes a

\textsuperscript{13} See A. Stegman & J. Holden, Non-Federal Housing Programs (Urban Land Institute, 1987); M. Nenno, New Money and New Methods (National Association of Housing and Redevelopment Officials, 1986 and 1988).
unit or local government, a not-for-profit development corporation, and at least one private sector partner.

Technical assistance is also needed. There is much that neighborhood and nonprofit groups can contribute to housing, but they need incubation support. Federal dollars spent in this way are a smart investment to foster a partnership response.

D. Preserve the Existing Housing Stock

In addition to looking ahead to future housing production, the federal government must do its part to preserve the existing stock. To this end, the following is recommended.

1. Foster Urban Neighborhood and Housing Conservation

Federal officials need to adopt a more realistic approach to neighborhood conservation. In the past, the federal government implemented housing rehabilitation programs with the assumption that they could reverse neighborhood housing deterioration and neighborhood social change. These efforts often failed because they did not address the racial and class changes occurring in these communities, which were the major underlying causes of physical decline.

We recommend, therefore, a multipronged federal preservation strategy. Housing rehabilitation programs with a proven record of success should be implemented, such as Neighborhood Housing Services. New strategies such as the previously described block grant subsidy should also be tried. These programs would be expected to provide physical improvements, but should not have significant social spillover effects. For the latter, societal-level programs addressing the underlying causes of ghetto growth must be effected in tandem. These range from ghetto dispersal to improved welfare programs.¹⁴

HUD and other federal agencies should also adopt an urban impact statement examining the effect of federally financed activities on the attractiveness of suburban fringe communities relative to the central cities. Activities which “pull” middle-income families to fringe areas would be discouraged.

2. Preserve the Existing Subsidized Stock

The existing pool of subsidized housing must be protected as a con-

tinued low- and moderate-income shelter resource. We recommend the following with respect to public housing.

* Provide realistic and predictable subsidies. Public housing is often caught short by a noble program goal of providing affordable housing for the poor which has not been matched by sufficient operating and capital expenditure subsidies. Also frustrating to local housing authorities (LHAs) have been erratic year-to-year funding and a subsidy formula which penalizes the most efficient LHAs by reducing their federal assistance.

The Housing and Community Development Act of 1987 is the most recent reform introduced to address these deficiencies. We applaud such innovations and emphasize the need for an ongoing effort to provide a realistic and predictable subsidy for public housing.

* Deregulation. LHAs are subject to detailed and sometimes contradictory regulation by HUD. These regulations should be replaced by a simpler performance standard system giving LHAs greater flexibility in the management and production of public housing. LHAs should be treated as “flexible housing providers” — entrepreneurs on behalf of the poor and poorly housed.

* Avoid “quick-fix” solutions. There are current proposals to sell public housing units to tenants. Proponents point to the sale of Council housing in England as a model for the United States. The comparison is invalid, as the English program is not dominated by lower income occupancy as is American public housing. The appropriateness of the sale of American public housing should be determined on a case-by-case basis.

A similar case-by-case review should be conducted for subsidized housing that faces market conversion. There are approximately one million rental units in privately owned projects. Their use is currently restricted to low-rent occupancy with federal subsidies under a contractual agreement due to expire in coming years (700,000 units in section 221(d)(3) and section 236 projects and 300,000 section 8 units). While market-rate conversions should not be totally prohibited, conversions as of right should not be permitted. Project-by-project review is in order.

3. Foster Regulatory Reform to Expand the Rehabilitation Potential

The use of the existing residential stock and the adaptive reuse of surplus nonresidential buildings for shelter purposes could be enhanced by regulatory reform in land use controls, building codes, and property law. These reforms can be achieved through HUD demonstration studies, state amendments to enabling legislation, and rehabilitation-sensitive administration of regulations at the local level.

The following examples are illustrative. Shadow-market conversions, such as the creation of accessory apartments in existing single-family homes, offer one of the most economical means to create an additional housing unit. Their application as a housing resource has been limited, however, by local zoning restrictions. These restrictions should be eliminated. Field-level experience indicates that accessory units can be successfully integrated into single-family residential neighborhoods and can serve as an invaluable housing resource for starter, elderly, and other households. Federal financial subsidies for low-cost accessory units should also be allowed.

Archaic property law also frustrates property rehabilitation. Many communities have numerous buildings experiencing disinvestment or abandonment. If these properties could be acquired in the initial stages of owner loss of interest, before deterioration occurs and before costly gut rehabilitation is required, they could be renovated at much lower cost. In many instances, however, existing property law does not allow such acquisitions. What is needed is model “fast take” in rem foreclosure procedures and receivership statutes. Additionally, the field experience in these areas should be examined, such as New York City’s in rem program and Cleveland’s receivership effort by nonprofit groups.

The reform of regulatory restraints to rehabilitation should be a high priority for HUD technical and demonstration studies, with follow-up by state and local governments.

E. Promote Easier Access and Opportunity

This is a fundamental governmental responsibility and one of the

hardest to implement in American society. There is much the federal government and others can do.\textsuperscript{18}

* **Enforce the Fair Housing Act.** Title VIII of the 1968 Housing Act remains a basic legal vehicle to rid the housing industry of discrimination. It has accomplished much, but enforcement has been uneven. Legal changes should also be considered. Organizations and governments, not just individuals, should be able to bring suit as parties. Remedies for proven discrimination should be strengthened. The federal government should also underwrite the cost of a systematic audit of fair housing compliance.

* **Support “deconcentration” and “stabilization” policies.** The federal government should encourage programs aimed at deconcentrating the poor and racial minorities. For instance, funds should be provided to local public and private fair housing groups to develop and implement integration incentives. For example, low-interest loans could be offered to households willing to make “pro-integration moves.” The federal government should also encourage states and localities to eliminate regulatory devices such as suburban large-acre zoning which result in the concentration of blacks and the poor in cities.

The federal government must additionally support and provide leadership to local governments and nonprofit groups in developing racially sensitive neighborhood stabilization. In several key situations such as Starrett City, the federal government has fought these efforts. Such opposition must be reconsidered.

* **Research.** Existing research shows that racial integration is most successful when it involves families of a similar social class. Additional research of when integration works best should be funded, and policy should reflect the research findings.

* **Public education campaign.** Those most opposed to integration are generally those with the least contact with it. Fear of the unknown fuels segregationist tendencies. Some of this fear can be alleviated by a national education program documenting local examples of successful integration and the local conditions which foster such success.

Federal efforts to promote equal access and opportunity must be joined with parallel activity by state and local governments. Both have civil rights protections to be enforced; both can involve themselves in public education campaigns and research. State and local government, as the framers of land use controls, can apply these regulations affirma-
tively to expand housing opportunities. For instance, the New Jersey courts have decided that inherent in the local right to zone is the local responsibility to provide for the regional welfare in terms of a broad range of housing. This has led to some lifting of exclusionary land use controls and enhanced city-suburb arrangements to finance and provide low-cost housing. The California Constitution mandates a similar framework of regional housing responsibility in local land use controls.

F. Provide for "Special Needs" Populations

Most of the preceding policies and programs would assist the homeless and other "special needs" groups. Service-dependent, special needs groups, however, require additional responses. To provide necessary human support services in local communities, it is essential that workable, comprehensive, and integrated community-based service models are designed, tested, and promulgated. One such model, developed for the mentally disabled in California, would designate a local resource agency empowered to plan a comprehensive service program, contract with a variety of nearby community agencies for needed residential and nonresidential services, and provide intensive case-management support advocacy. For such a service system to function effectively, additional features are necessary.

* A regional computerized information and referral service, which links all service providers and supplies them with capacity and occupancy information, is fundamental. This required service could be attached to McKinney Act funds and to other programs including Community Service Block Grants (CSBGs) and Social Service Block Grant funds to states.

* An integrated and intensive case-management strategy for a range of client groups, modeled on the most successful existing programs, is also needed. Such a strategy could be built into programs such as Social Service Block grants and Alcohol, Drug Abuse, and Mental Health grants. Case managers must have access to the full range of voluntary and public human services and must be able to develop client plans which include service outside of their own agency's jurisdiction. Reciprocal funding agreements could be developed.

* Clusters of facilities — or "service hubs" — to provide a range of residential and nonresidential services and supportive environments in dispersed metropolitan settings are the basic infrastructure of a community-based service delivery system. Requirements for metropolitan and regional plans for locating service hubs on a
“fair-share” basis within metropolitan areas could be added to current service program-funding mechanisms.

Public education is another key strategy. For instance, public awareness of the homelessness crisis and its causes is a precursor to generating grassroots and national level support for homeless people. Moreover, positive public and community attitudes can reduce neighborhood opposition to the placement of facilities and services for the homeless. The Province of Ontario, Canada, has developed, implemented, and evaluated a model program. Results indicate that such campaigns positively influence community attitudes toward “special needs” populations.

III. UNIVERSITY ROLE

State universities and land grant colleges have a role and an obligation with respect to urban housing.

* Compile and make available data. Rather than just complaining that federal data are insufficient, the academic community can compile their own. At an earlier time, state universities conducted soil surveys to assist the state’s agricultural industry. Today, universities should establish state geographical surveys to monitor land use and land values. These surveys would constitute a longitudinal data base to highlight housing demand and supply changes by market subareas and would act as an early warning system that pinpoints locations of distress.

Universities may also compile data through polling. For example, both the Institute of Policy Research at the University of Cincinnati and the Center for Urban Studies at Wayne State University have developed a substantial capacity for large-scale survey research, including the Ohio Poll, the Greater Cincinnati Survey, and a variety of specific research projects, such as surveys of elderly housing needs and new homebuyer profiles.

Data compiled in-house or obtained from other sources should be made available to the public. At Rutgers University, researchers analyze the federal Public Use Sample to derive each community’s fair share of low- and moderate-income housing. These figures are incorporated into the municipal master plan. Detroit’s Wayne State University supports the Michigan Metropolitan Information Center (MIMIC), the official Michigan processing center for machine-readable data. MIMIC produces customized data sets, conducts training programs, analyzes data, and issues publications. The University of Cin-
cincinnati's Ohio Regional Data Center, another information resource for individuals and organizations, provides demographic and economic data from the decennial census and the *American Housing Survey* (AHS).

* **Provide technical assistance.** Faculty and students in such disciplines as economics, geography, planning, and architecture can provide technical assistance to government, nonprofit groups, and others. At the State University of New York at Albany, a studio class examined the impact of the student population on the local housing market. The University of Florida provides technical assistance to local efforts to house the elderly.

* **Provide training and consumer education.** In housing and real estate, practitioner training has traditionally been ambiguous and consumer education almost nonexistent. Universities can address these gaps through their cooperative extension divisions, which are a part of every land grant college. Although land grant colleges traditionally focused on agricultural concerns and more recently on general consumer education, it is time for extension divisions to expand their tradition of training to urban housing.

The Cornell University Cooperative Extension in New York City pioneered the nation's first such effort. Some of its activities include consumer training for first-time homebuyers of subsidized housing and the education of building managers and superintendents in maintenance and repair procedures.

Urban universities without a tradition of cooperative extension could develop a consumer housing education focus independently or with other public or nonprofit agencies.

* **Housing development.** Housing should be more than just an academic topic or public training mission. Universities have a responsibility to their host community. This responsibility includes providing financial assistance for the construction of moderate-income housing. This can be accomplished with the assistance of city, neighborhood, and nonprofit groups. For instance, Temple University obtained financing from the Pennsylvania Housing Finance Agency to develop moderate-cost housing for students and city residents.

**Summary**

The last decade has witnessed a broad retreat from federal involvement in urban housing. It has also seen the coming of age of state and local government, private, and nonprofit participation in housing. The
The federal government must renew its shelter commitment; state and local governments and business and community groups must continue their energetic and innovative delivery of housing; and the participation of new players, such as universities, is to be encouraged.
## APPENDIX
(Selected Tables)

### NUMBER OF STRUCTURALLY INADEQUATE DWELLING UNITS OR DWELLING UNITS IN INADEQUATE NEIGHBORHOODS BY TENURE AND METROPOLITAN STATUS (IN THOUSANDS)

<table>
<thead>
<tr>
<th>Tenure and Location</th>
<th>Inadequate Structure</th>
<th>Inadequate Neighborhood</th>
</tr>
</thead>
<tbody>
<tr>
<td>Metropolitan</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Own</td>
<td>2,810</td>
<td>3,097</td>
</tr>
<tr>
<td>Rent</td>
<td>3,471</td>
<td>3,838</td>
</tr>
<tr>
<td>Total</td>
<td>6,281</td>
<td>6,935</td>
</tr>
<tr>
<td>Nonmetropolitan</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Own</td>
<td>3,295</td>
<td>2,659</td>
</tr>
<tr>
<td>Rent</td>
<td>2,052</td>
<td>1,877</td>
</tr>
<tr>
<td>Total</td>
<td>5,347</td>
<td>4,535</td>
</tr>
</tbody>
</table>

**Source:** *(APGAR, RECENT TRENDS IN HOUSING QUALITY AND AFFORDABILITY: A REASSESSMENT (Joint Center for Urban Studies of M.I.T. and Harvard University Working Paper No. W85-5, 1985))*
EXISTING HOUSING PROBLEMS IN THE UNITED STATES

<table>
<thead>
<tr>
<th>Thousand Units</th>
<th>Occupied Housing Units</th>
<th>Excessive Cost Burden</th>
<th>Crowded</th>
<th>Inadequate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>84,842</td>
<td>14,425</td>
<td>2,230</td>
<td>7,561</td>
</tr>
<tr>
<td>Total with housing problems</td>
<td>24,216</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

NOTE: The table categories are seen as mutually exclusive, although some units may have more than one characteristic as shown on the table. The inadequate units include some cost-burdened and crowded units. The crowded and cost-burdened units are all physically adequate, however.


<table>
<thead>
<tr>
<th>Share of all housing</th>
<th>Share of severely inadequate housing</th>
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<tbody>
<tr>
<td>Renters</td>
<td>35</td>
</tr>
<tr>
<td>Very Low Income</td>
<td>27</td>
</tr>
<tr>
<td>Hispanics</td>
<td>5</td>
</tr>
<tr>
<td>Blacks</td>
<td>11</td>
</tr>
<tr>
<td>Female Head Households</td>
<td>28</td>
</tr>
<tr>
<td>Elderly</td>
<td>21</td>
</tr>
</tbody>
</table>

### Appropriations for Contract and Budget Authority for HUD-Assisted Housing Programs

#### Fiscal Years 1975-1987

($ MILLIONS)

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Amount</th>
<th>Percent Change from Previous Year</th>
<th>Amount</th>
<th>Percent Change from Previous Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>1975</td>
<td>$1,225.0</td>
<td>+775.0%</td>
<td>$44,047.0</td>
<td></td>
</tr>
<tr>
<td>1976+TQc</td>
<td>662.3</td>
<td>-45.9</td>
<td>17,000.0</td>
<td>-61.4%</td>
</tr>
<tr>
<td>1977</td>
<td>1,088.1</td>
<td>+64.3</td>
<td>27,982.8</td>
<td>+64.6</td>
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<tr>
<td>1978</td>
<td>1,160.0</td>
<td>+6.6</td>
<td>31,483.6</td>
<td>+12.5</td>
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<td>1,322.3</td>
<td>+14.9</td>
<td>24,395.8</td>
<td>-22.5</td>
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<tr>
<td>1980</td>
<td>1,140.7</td>
<td>-13.7</td>
<td>26,680.1</td>
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<tr>
<td>1981</td>
<td>1,225.1</td>
<td>+7.4</td>
<td>27,050.7</td>
<td>+13.9</td>
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<tr>
<td>1982</td>
<td>802.8</td>
<td>-34.5</td>
<td>13,274.9</td>
<td>-50.9</td>
</tr>
<tr>
<td>1983</td>
<td>519.7</td>
<td>-35.3</td>
<td>8,651.5</td>
<td>-34.8</td>
</tr>
<tr>
<td>1984</td>
<td>735.8</td>
<td>+41.6</td>
<td>10,212.9</td>
<td>+18.0</td>
</tr>
<tr>
<td>1985</td>
<td>847.5</td>
<td>+15.2</td>
<td>10,759.5</td>
<td>+5.4</td>
</tr>
<tr>
<td>1986d</td>
<td>838.8</td>
<td>-1.0</td>
<td>9,965.6</td>
<td>-7.4</td>
</tr>
<tr>
<td>with sequestration</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1986</td>
<td>N.A.</td>
<td>N.A.</td>
<td>9,537.6</td>
<td>-11.4</td>
</tr>
<tr>
<td>1987</td>
<td>601.3</td>
<td>-28.3</td>
<td>7,805.7</td>
<td>-17.3c</td>
</tr>
</tbody>
</table>

Percent Change

1981-1987: -50.9% -71.1%

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* Includes conventional public housing, section 8 leased housing, section 101 rent supplements, section 236 rental housing, and section 235 owner-occupied homes. Appropriations for public housing operating subsidies, section 202 loans for housing for the elderly and handicapped, and college housing are not included. In fact, no appropriations were made in these years for any assistance programs but public housing and section 8, except for authority for section 235 in fiscal years 1981 and 1984.

b Net of rescissions in the same fiscal year.

c TQ signifies Transition Quarter.

d Prior to application of sequestration under the Gramm-Rudman-Hollings Act or proposals in the FY 1987 budget.

c Decrease from level after sequestration.

NOTE: Percentages calculated from unrounded numbers.

CUMULATIVE PERCENT CHANGE

LEGEND

- NATIONAL DEFENSE
- COMMERCE AND HOUSING
- COMMUNITY AND REGIONAL DEVELOPMENT
- EDUCATION AND SOCIAL SERVICES
- HEALTH
- MEDICARE
- INCOME SECURITY
- VETERANS BENEFITS

SOURCE: OFFICE OF MANAGEMENT AND BUDGET, OUTLAY DATA: 1987b