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People, Dwellings & Neighborhoods

plan by the Tri-State Regional  
Planning Commission

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# PEOPLE, DWELLINGS & NEIGHBORHOODS

Tri-State Regional Planning Commission

CONNECTICUT • NEW JERSEY • NEW YORK



MARCH 1978

*DVF*

The Tri-State Regional Planning Commission is an interstate agency that defines and seeks solutions to immediate and long-range problems in the development of land, housing, transportation and other public facilities in the New York metropolitan region covering 21 counties in New York and New Jersey and six planning regions in southwest Connecticut.

Established by legislative action of the states of Connecticut, New Jersey and New York in 1971, the Commission succeeds the Tri-State Transportation Commission formed by the legislatures of these states in 1965.

Recognized by the federal government as the official planning agency for the Tri-State Region, the Commission also supports subregional and local planning. It provides assistance in solving problems that transcend local jurisdiction. It also encourages coordination among all agencies charged with an interest in planning or providing transportation and other federally aided facilities within the Tri-State Region.

The three states and the federal government finance the work of the Commission. Federal funds come from aviation, highway and mass-transportation planning and testing grants provided by the Department of Transportation, and also from planning grants provided by the Department of Housing and Urban Development. Commissioners representing the three states are appointed by the governors in accordance with the laws of their respective states. Federal representatives are appointed by the appropriate officer holding such authority within the Executive Branch.

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Thomas Appleby, Regional Administrator, U.S. Department of Housing and Urban Development

Hiram J. Walker, Regional Director, Urban Mass Transportation Administration, U.S. Department of Transportation

*Executive Director:* J. Douglas Carroll, Jr.

*Deputy Executive Director:* Richard S. DeTurk

### TRI-STATE REGIONAL PLANNING COMMISSION

One World Trade Center

Telephone (212) 938-3300

New York, N. Y. 10048

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CONNECTICUT

NEW JERSEY

NEW YORK

# TRI-STATE REGIONAL PLANNING COMMISSION

ONE WORLD TRADE CENTER, 82 FLOOR  
NEW YORK, NEW YORK 10048  
TELEPHONE (212) 938-3300

Hon. Ella T. Grasso  
Governor  
Connecticut

Hon. Brendan T. Byrne  
Governor  
New Jersey

Hon. Hugh L. Carey  
Governor  
New York

Your Excellencies:

The Tri-State Commissioners are pleased to submit the housing element of our comprehensive plan for the Region, People, Dwellings and Neighborhoods.

This document defines the main housing problems of the Tri-State Region; sets goals that are difficult but desirable to reach; and proposes a sharing of responsibility for attaining the goals. All levels of government will have to work together and with the private sector if this plan is to become reality.

Prior to the adoption of this plan, the Commission sought advice over many months from all parts of the Region that it serves. Numerous drafts of this document were subject to both formal and informal reviews by governmental officials and civic leaders. Many improvements were made in the plan as a result of suggestions and criticisms.

This work will not stop. We have just launched an even more ambitious effort to seek agreement on the plan with the planning agencies of six regions of Connecticut, nine counties of New Jersey, seven suburban counties of New York and New York City. We hope this new round of dialogue will achieve a consensus among ourselves and others to provide good housing at the right places and prices for the people of this Region.

Our resolution adopting this plan is on the next page. This is an advisory document, yet we are convinced as to the justice and soundness of these proposals and hope they will be implemented within the Region.

Sincerely,

Lynn Alan Brooks  
Chairman

**Resolution 571**  
**Adoption of Housing Element Entitled**  
**People, Dwellings & Neighborhoods,**  
**Dated January 1978**

WHEREAS, the Tri-State Regional Planning Commission issued a report called *Dwellings and Neighborhoods* as its housing element of regional planning in September 1974 in response to requirements of the U.S. Department of Housing and Urban Development; and

WHEREAS, the Housing Act of 1974 established additional requirements to be met by 1977; and

WHEREAS, the Commission determined that its housing plan should be more action-oriented than the earlier report, and that Tri-State's level of housing work should be raised; and

WHEREAS, the Commission has been developing appropriate revisions to the earlier report under the guidance of its Standing Committee on Housing, Community Development and Social Services; and

WHEREAS, the Housing Committee has considered several drafts of the housing plan, which were reviewed with its Technical Advisory Group, and has developed a summary of the housing goals, which was discussed at meetings of local officials and citizens; and

WHEREAS, a later draft of the housing report entitled *People, Dwellings & Neighborhoods* was circulated for review and comment through the A-95 clearinghouse system, and the report was revised based on comments received from this process; and

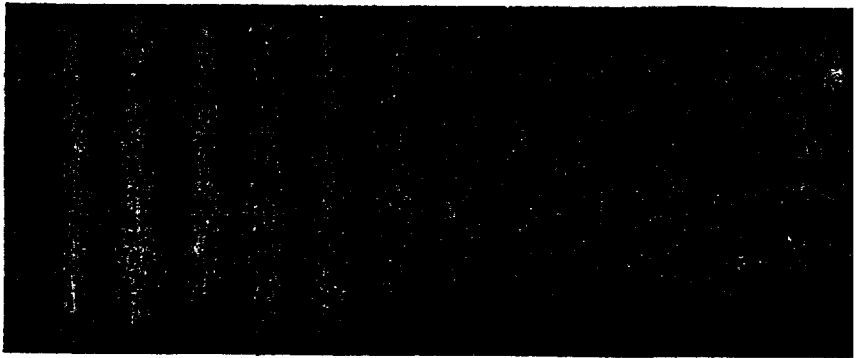
WHEREAS, at the Commission meeting of January 12, 1978, it was voted to modify the report, *People, Dwellings & Neighborhoods*, by eliminating all reference to the proposal that Tri-State act as *amicus curiae*;

NOW, THEREFORE, BE IT RESOLVED that the housing plan and policies embodied in the document entitled *People, Dwellings & Neighborhoods*, dated January 1978, are hereby adopted, and the Chairman is authorized to transmit a copy of the report to the U.S. Department of Housing and Urban Development; and

BE IT FURTHER RESOLVED that each of the subregions (counties in New Jersey and New York, New York City, and the planning regions in Connecticut) be requested to develop further details of their proposed housing allocation plans with their municipalities for consideration as part of the regional housing plan (with the understanding that Tri-State will be available for assistance), and that in the event the appropriate subregional official does not agree to prepare a housing allocation plan, Tri-State will be prepared to do so; and

BE IT FURTHER RESOLVED that the Commission will forthwith seek or carry out implementation of policies of this housing report that are not dependent on a housing allocation plan; and

BE IT FURTHER RESOLVED that the Commission as part of its cross-acceptance process will conduct an annual review of this housing element and a biennial revision with public officials and citizens among various levels of government. This resolution shall take effect this 9th day of February, 1978.



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## GLOSSARY OF TERMS FREQUENTLY USED IN THIS REPORT

### *A-95 Project Notification and Review System*

A review system established by the federal office of management and budget that enables interested government agencies at all levels to review and comment on applications for federal funding (also referred to as PNRS or "A-95").

### *Coinsurance*

A federal program that partially guarantees bonds offered for sale by state housing finance agencies in support of state housing programs.

### *Community Development Block Grant Program*

A program included in the 1974 and 1977 housing and community development acts, Title 1, consolidating several former categorical programs, including urban renewal, model cities, neighborhood facilities, open-space land, historic preservation, urban beautification, water and sewer facilities, public facilities loans and rehabilitation loans. This program has, as its primary objectives, "To develop viable urban communities, including decent housing and a suitable living environment, and to expand economic opportunities, principally for persons of low and moderate income."

### *Cross-Acceptance*

A process wherein Tri-State and each subregional agency actively pursue coordination and consistency of the housing policies and strategies contained in their respective housing elements. The objective and end product of the process is a formal statement about the consistency between the plans and mutual acceptance of same.

### *Exclusionary Zoning*

Those housing or zoning laws, policies and practices that unnecessarily result in the creation of increased costs or effectively prohibit lower-income, and in some cases middle-income, households from residing in certain areas.

### *Fair Housing*

Legal and administrative measures to provide equal opportunity for housing in a community, regardless of race, color, creed, national origin or sex.

### *Fair Share*

A plan that allocates, by community, the numbers of low-income and moderate-income households that should receive housing assistance so that they will realize expanded housing opportunities.

### *Housing Assistance Plan (HAP)*

A plan developed by each applicant for community development block grants under the requirements of the U.S. Department of Housing and Urban Development. This plan identifies needs, annual and three-year goals and proposed locations for lower-income households.

### *Housing Element (HE)*

A plan developed by each applicant for comprehensive planning assistance under the requirements of the U.S. Department of Housing and Urban Development. The housing element identifies needs, goals and implementation recommendations, including an allocation of resources for all income groups.

### *Housing Opportunity Plan (HOP)*

A plan developed by applicants for a special housing bonus from the U.S. Department of Housing and Urban Development. It is prepared by regional planning agencies in cooperation with subregions and localities. The plan has as an objective the deconcentration of lower-income households. Signed agreements with local chief-elected officials are required of participating jurisdictions.



## I. INTRODUCTION AND BACKGROUND

### THE CONTEXT OF OUR PLANNING

In September 1974, the Tri-State Regional Planning Commission adopted *Dwellings and Neighborhoods* as the housing element of the Tri-State Region's comprehensive plan.

Since that time the housing proposals have been reviewed by the counties, cities, subregional agencies and states; and in October 1976, Tri-State formed a housing, community development and social services committee of its commissioners or their designees. The committee studied the comments, suggestions and critiques from government agencies and other interested groups in the Region. A new summary of housing proposals was presented to local officials and citizen groups in a series of 30 meetings throughout the Region. The committee developed a revised draft of the housing element and circulated it.

This current version of the housing element substantially revises and updates *Dwellings and Neighborhoods*. It reflects the latest population targets set forth in *Regional Development Guide 1977-2000*, the Commission's land-use plan adopted in June 1977, which seeks to revitalize the Region's older cities, preserve critical lands more stringently and resist random development of the spread-city type. Tri-State is committed to an annual

review and biennial revision of this plan, which will further detail the needs, goals and implementation recommendations.

This report is aimed at housing, which is a very broad field. It includes structures, locations and qualitative aspects. Put another way, it is the shelter in which most citizens spend most of their lives and large parts of their incomes. Tri-State does not have the legal powers to implement a plan, but does have the authority and responsibility, working with subregions and other localities, to influence policy in the Region.

Tri-State is charged with looking ahead and making plans that will make things better in the future and eliminate or ameliorate some of today's problems. In the broadest sense there are three major problems that this report addresses. There are the problems of the housing stock; there are the problems of the families in acquiring satisfactory dwellings; and there are unique problems of social prejudice that carry over from the past.

### THE PHILOSOPHY OF OUR PLANNING

Regional planning in the Tri-State area by its nature and as a policy of the Tri-State Planning Commission attempts an orderly process of analyzing regionwide problems,

recommending general policies and providing broad guides for plan implementation by governments at all levels within the Region. Tri-State recognizes the hazards in this process of appearing to hand down from lofty levels policy advice that is not sensitive to the problems of the states, the counties, the planning regions and the municipalities affected by such policies.

Tri-State's housing plan, which follows, does recognize that the differing levels of government perceive the same problems in different ways. Larger urban municipalities may view housing as a principal source of construction employment and federal dollars, a continuing flow of which is important to local economies. A suburban municipality may view housing recommendations in the context of local tax problems and unique local land-use problems. A county or regional planning agency may view housing in the context of municipal prerogatives and the limited role that states have assigned to these "middle levels" of local government. State agencies may view regional plans as impinging on the state's constitutional responsibilities. All of these views are valid, and any realistic solution to housing problems must recognize that each step must accommodate all or most of these to prove acceptable in a democratic system of government.

Tri-State recognizes these constraints but sets forth its plans from the viewpoint of the Region's needs as a whole — the only outlook a regional agency, by its very nature, can have. Thus, while we recognize all of the issues and concerns of neighborhoods, of localities, of counties and of states, and while we recognize that specific decisions on the Region's prob-

lems will be made at each responsible level of government, we ask only that other levels recognize the value and validity of a regional viewpoint as well.

In the spirit of offering another perspective from which the housing need may be defined and of offering some solutions to the housing problem, Tri-State sets forth its housing plan in the report that follows.

#### THE GOALS OF OUR PLANNING

The Commission is seeking to provide a better housing stock in the future. While America and this Region are well housed by comparative standards with the rest of the world, there is much to do to improve the quality of our houses. New quality units must be built in locations that are reasonably close to jobs and services in conformance with land-use plans. In addition, our present houses and apartments must be well maintained, preserved and rehabilitated.

The Commission also seeks relief for families caught in substandard dwellings because of low incomes. Such households find that too much of their income is needed for rent, which leads to a below-standard lifestyle. These problems are basically income problems. It is doubtful that they can be solved only by improving housing quality. Indeed, housing solutions alone are an inefficient means to effect income transfers. Devices such as rent controls, mortgage write-downs, rent subsidies and public housing are all aimed at redressing income imbalances. While income imbalance should perhaps be addressed directly, national programs do not often do so. To the extent that housing prices can be reduced through legitimate govern-

mental action such as land banking, zoning, building code modification and the like, this can provide some relief to the housing-cost and family-income problems, but the bulk of this problem lies in the domain of income redistribution, not housing programs.

Finally and particularly in the field of housing, social prejudice is an issue that causes great concern. Certain classes of citizens, because of their color, mainly, but also because of their religion or language, have not had equal access to the Region's housing. Tri-State believes that economic and social diversity is essential to the Region's viability and competitive strength. In order to achieve this diversity, all people in the Region must have the freedom to choose where they wish to live, without regard to race, creed or national origin.

#### **THE FUTURE OF OUR PLANNING**

In the report that follows, a housing planning process is described in some detail. Tri-State believes that, while its regional definitions of needs and goals are important beginning points, they are far from the desired end of a "give and take" among Tri-

State, state planning and housing agencies, county and subregional agencies, communities and citizens. With the publication of this report, that process must now continue, for much more work is required before housing conditions in the Region are improved. To accomplish this work, Tri-State is committed to reaching out to all corners of the Region. It will seek guidance and insight from officials and from citizens, from experts and from the man on the street, from state governments and local governments. To reach as many communities as possible, Tri-State will follow up on its prior hearings and meetings with more such opportunities for input into its plans from those more closely attuned to local needs and local concerns. In that process, Tri-State recognizes that its views and its plans will change. We hope only that the work presented in the report that follows will broaden and influence the views of those at all other levels who sincerely seek solutions to the severe problems we have helped identify.

The next step for Tri-State is to subject its plans to the crucible of local opinion. In the process, we hope to learn more, thus enlarging upon the information presented in the following pages.

## II. HOUSING NEEDS OF THE REGION

Collectively, people spend more time at home than anywhere else — more than at work, more than at school, more than in transit, more than at play. Personal satisfaction with daily life depends, to a considerable extent, on the quality of homes and neighborhoods.

To some people, housing means finding an attractive home in a nice neighborhood at a price they can afford. To others, it is a matter of defending what they have against deterioration. Still others see it as a struggle to overcome rats and crumbling stairways. To still others, housing in adequate amounts and appropriate locations is a device that fosters equal rights and opportunities. In all these instances, there is a need to relate shelter and other services, including transportation and economic opportunity. The Tri-State Regional Planning Commission recognizes all these views as important to the well-being of the Region, but it believes that special attention should be devoted to obtaining a balanced regional sharing of lower-income housing as well as resources.

### MORE HOUSING IS NEEDED

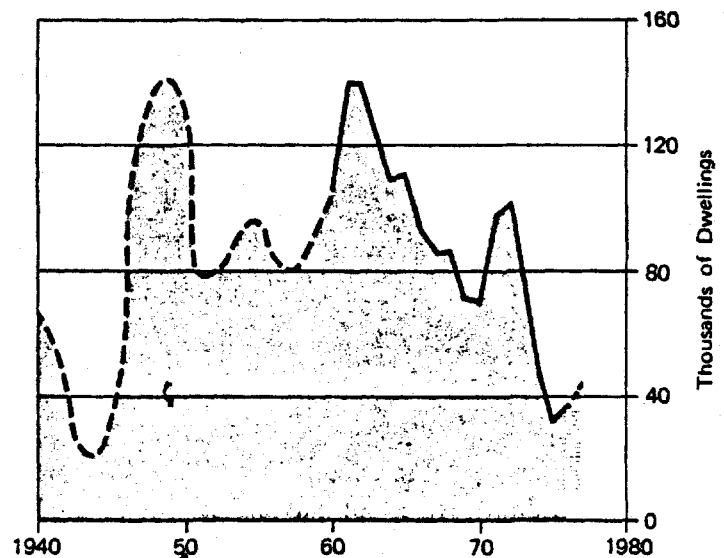
A sufficient number of houses and apartments means enough dwellings to shelter all

the Region's people, with enough vacancies to provide market competition and facilitate mobility.

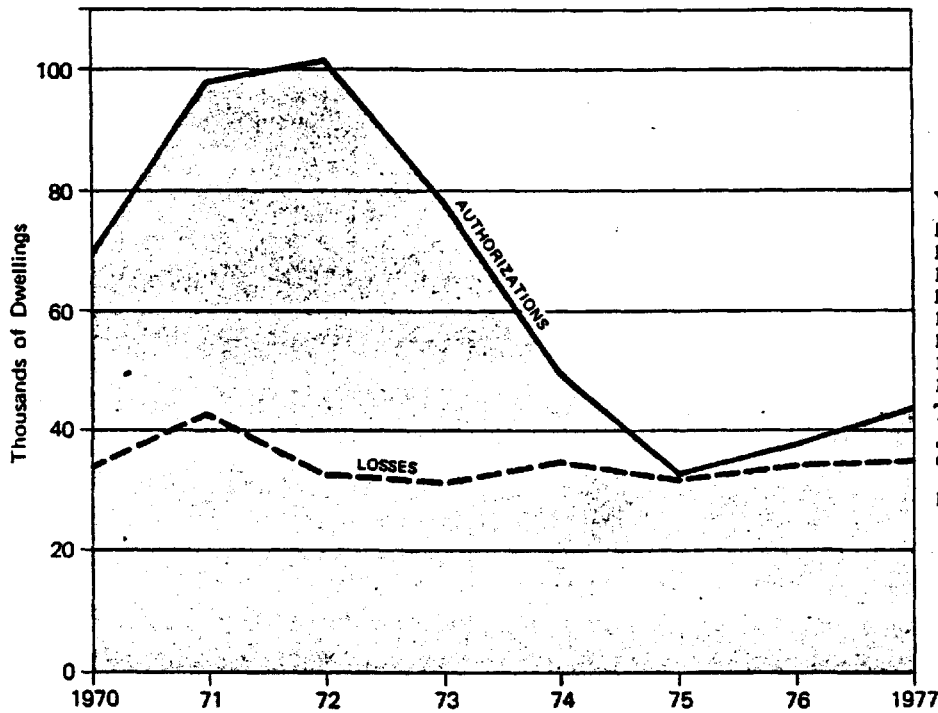
Authorizations to build new housing units underwent a steady decline during the 1960s, dropping from 140,000 units in 1961 to 75,000 in 1969. After a considerable housing upswing in the early 1970s, in which authorizations peaked at slightly over 100,000

*Exhibit 1*

**DWELLINGS CONSTRUCTED ANNUALLY**



**Exhibit 2**  
**NET HOUSING CHANGE**



| Year              | Authorizations | Losses         | Net Housing Change |
|-------------------|----------------|----------------|--------------------|
| 1970              | 70,600         | 33,700         | + 36,900           |
| 1971              | 98,600         | 43,500         | + 55,100           |
| 1972              | 101,300        | 33,300         | + 68,000           |
| 1973              | 78,600         | 31,100         | + 47,500           |
| 1974              | 48,900         | 34,500         | + 14,400           |
| 1975              | 32,700         | 32,000         | + 700              |
| 1976              | 37,800         | 34,100         | + 3,700            |
| 1977 est.         | 43,900         | 35,000         | + 8,900            |
| <b>Total est.</b> | <b>512,400</b> | <b>269,200</b> | <b>+235,200</b>    |

Sources: U.S. Dept. of Commerce, Construction Reports 040 and 045, 1970-1976, and estimates on other losses.

in '72, there was a decline to 32,700 units in 1975, the lowest number in 30 years. With an estimated housing loss of 32,000 units in that year, the Region came close to experiencing a net loss in housing units for the first time. In 1976 and 1977 there was some sign of improvement because of increases in authorizations, but the regional increase in dwellings is still low.

This situation perpetuates the decline of the Region's economic vitality, increasing the outmigration of business and postponing the renewal of its older centers.

In the late 1970s, the Tri-State Region does not have an adequate housing supply. It presently contains 6.5 million houses or apartments, some of which are not suitable for year-round occupancy. There must be a net increase of approximately 64,000 a year to reach a total in excess of 7.8 million by the year 2000 to accommodate the expected growth of the Region's households and to

achieve a minimum regionwide vacancy rate of 4 percent. These estimates are keyed to Tri-State's land-use plan, which contains a broad overview of future changes in demographic patterns.

The total 1970 housing units would have to increase by approximately 1,520,000 by the year 2000. The net projected additions reflect changes in household size (750,000 units) and population (645,600), and to a lesser extent, express the need to maintain a 4 percent vacancy rate (124,400).

The major component of the net addition to the housing need is household formation. The outlook indicates a decrease in the number of persons per household, combined with a growing population, producing a demand for housing that exceeds the growth in population. Households will continue to increase faster than population as grown children and grandparents tend to live away from their families.

**Exhibit 3\***

**TARGETS FOR PLANNED GROWTH OF POPULATION,  
EMPLOYMENT AND HOUSING UNITS FOR THE YEAR 2000**  
(thousands)

|                              | Population | Employment | Housing Units |
|------------------------------|------------|------------|---------------|
| Tri-State Region Total . . . | 20,810     | 9,110      | 7,860         |
| Connecticut Portion . . .    | 1,890      | 783        | 663           |
| New Jersey Portion . . .     | 5,980      | 2,553      | 2,167         |
| New York City . . . . .      | 7,660      | 3,868      | 3,207         |
| New York Suburbs . . . . .   | 5,280      | 1,906      | 1,823         |

**Exhibit 4\***

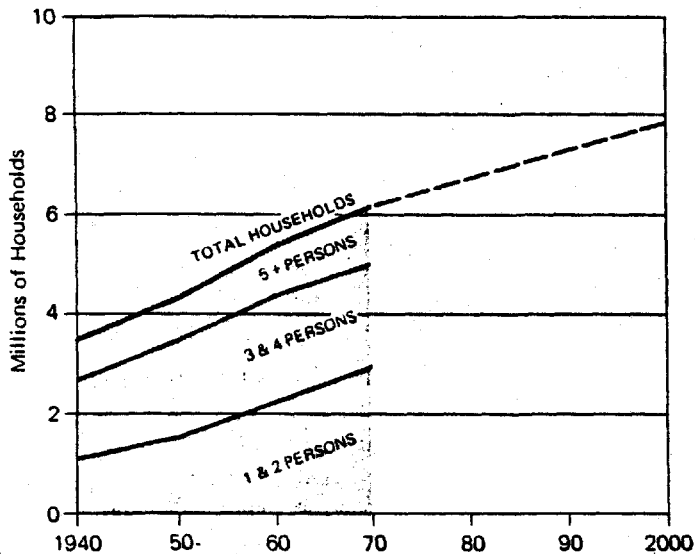
**1970-2000 NET HOUSING ADDITIONS**  
(thousands)

|                              | 1970 Total<br>Housing Units | Net Housing<br>Additions | Year 2000 Total<br>Housing Units |
|------------------------------|-----------------------------|--------------------------|----------------------------------|
| Tri-State Region Total . . . | 6,338                       | 1,522                    | 7,860                            |
| Connecticut Portion . . .    | 513                         | 150                      | 663                              |
| New Jersey Portion . . .     | 1,634                       | 553                      | 2,167                            |
| New York City . . . . .      | 2,924                       | 283                      | 3,207                            |
| New York Suburbs . . . . .   | 1,267                       | 556                      | 1,823                            |

\*The numbers in these tables are interim proposals subject to review by the subregional planning agencies and subsequent reconsideration by Tri-State if differences exceed 5 percent. The reader is referred to *Regional Development Guide 1977 - 2000* for a full presentation of these planning targets. See the appendix of this report for a breakdown of these regional sector totals to the subregional level of counties and planning regions.

**Exhibit 5**

**CHANGES IN HOUSEHOLD COMPOSITION**



The vacancy rate is not a major reason for additional housing. Thus, any reduction from a desirable rate of 4 percent to a minimally acceptable level of 2 percent would only have a very limited impact on need, although it would impair the fluidity of the market.

The Region's total production rate may have to be even higher if older houses wear out and need replacement due to demolition, abandonment and other causes. The actual physical loss of these dwellings may continue at the rate of 30,000 to 40,000 units per year unless a major increase in housing rehabilitation occurs. We urge increased emphasis on housing rehabilitation, which would result in a more efficient use of scarce resources, alleviating the necessity for as much new construction, which is usually more expensive.



Exhibit 6

1970 LOWER-INCOME HOUSING NEEDS \*

|                              | Substandard<br>Dwellings | Overcrowded<br>Dwellings<br>(With Incomes Less Than \$10,000) | Cost-Imbalanced<br>Dwellings | Non-<br>resident<br>Workers ** |
|------------------------------|--------------------------|---|------------------------------|--------------------------------|
| Tri-State Region Total . . . | 566,862                  | 315,739   | 1,157,340                    | 130,975                        |
| Connecticut Portion . . .    | 32,756                   | 16,941  | 61,447                       | 9,028                          |
| New Jersey Portion . . .     | 120,501                  | 61,101  | 237,949                      | 42,510                         |
| New York City . . . . .      | 366,889                  | 211,382   | 743,952                      | 50,228                         |
| New York Suburbs . . . . .   | 46,716                   | 26,315  | 113,992                      | 29,209                         |

\*A breakdown of these figures to the level of counties and Connecticut planning regions may be found in the appendix of this report.

\*\*Jobholders that could be "expected to reside" closer to their workplaces, according to estimates by the U.S. Department of Housing and Urban Development.

At the present rate of housing losses, more than 1 million units would require replacement by the year 2000. Later on we will show how reuse of these structures would be preferable to replacement.

**LOWER-INCOME HOUSING PROBLEMS**

In meeting the overall housing need, while providing for consistency with the principles of regional development, the focus should be on the special conditions of lower-income households and minority households. For this group, the issue is unacceptable housing in one or more of the following major categories (figures for 1970):

- *Substandard Dwellings* – estimated at 500,000-600,000 plumbing-deficient, dilapidated and deteriorating units, or 10 percent of the housing stock, with two-thirds of them located in New York City and most of the rest in other older centers of the Region. The relatively high level of deteriorating housing units and low level of rehabilitation may have increased the number of substandard units since 1970.
- *Overcrowded Units* – estimated at 315,700 units, or 5 percent of the housing stock, with two-thirds of these also located in New York City.
- *Rent Taking Too Much Of Income* – estimated at 1,157,000 households with incomes of less than \$10,000 paying more than 25 percent of their

income for rent, with 744,000 of these located in New York City. Most of these households paid even more than 35 percent of their incomes for rent. This cost-imbalanced condition probably increased since 1970 because of inflation and unemployment.

- *Jobs And Housing Imbalances* – as defined by the U.S. Department of Housing and Urban Development lower-income, nonresident jobholders that could be "expected to reside" closer to their workplaces amount to 131,000, with just under half located in Bergen, Nassau and Westchester counties. It is difficult to sort out the impact of slower growth on this measure. In some subregions, which have continued to grow rapidly, this condition has probably become more severe. (More precise measures of this type of housing inadequacy are needed.)

The data in the preceding categories may be updated through the process of cross-acceptance that Tri-State is initiating in 1978. To a considerable extent, the first three of the categories can be combined into two categories – those of housing stock (not enough buildings, substandard structures) and those of housing consumers (not enough income). There is, of course, considerable overlapping between them, such as lower-income families living in substandard buildings and payin

**Exhibit 7**

**LOWER-INCOME HOUSEHOLDS REQUIRING HOUSING ASSISTANCE \*  
ALL HOUSEHOLDS IN 1970**

|                              | Nonelderly               |                                     |                                     | Total     |
|------------------------------|--------------------------|-------------------------------------|-------------------------------------|-----------|
|                              | Elderly<br>(1-2 persons) | Small Family<br>(4 or less persons) | Large Family<br>(5 or more persons) |           |
| Tri-State Region Total . . . | 454,051                  | 595,682                             | 134,652                             | 1,184,385 |
| Connecticut Portion . . .    | 21,777                   | 33,505                              | 7,705                               | 62,987    |
| New Jersey Portion . . .     | 93,239                   | 124,758                             | 28,739                              | 246,734   |
| New York City . . . . .      | 292,399                  | 376,818                             | 84,189                              | 753,406   |
| New York Suburbs . . . .     | 46,636                   | 60,603                              | 14,019                              | 121,258   |

**MINORITY HOUSEHOLDS IN 1970**

|                              | Nonelderly               |                                     |                                     | Total   |
|------------------------------|--------------------------|-------------------------------------|-------------------------------------|---------|
|                              | Elderly<br>(1-2 persons) | Small Family<br>(4 or less persons) | Large Family<br>(5 or more persons) |         |
| Tri-State Region Total . . . | 58,070                   | 244,632                             | 92,661                              | 395,363 |
| Connecticut Portion . . .    | 1,650                    | 9,074                               | 4,208                               | 14,932  |
| New Jersey Portion . . .     | 9,140                    | 40,868                              | 18,063                              | 68,071  |
| New York City . . . . .      | 44,252                   | 181,959                             | 65,199                              | 291,410 |
| New York Suburbs . . . .     | 3,028                    | 12,731                              | 5,191                               | 20,950  |

\*These data identify similar conditions as those shown in Exhibit 6, but they are classified by household type except for those nonresident workers "expected to reside." A breakdown of these figures on the basis of household tenure may be found in the appendix of this report.

more than 25 percent of income for rent. But it is useful to consider them separately because the machinery needed to treat the problems is divided that way.

The remaining category must also be recognized. This deals with the match of housing stock to housing consumers. At least 2 percent of the Region's families could be expected to relocate closer to their place of work if a suitably priced dwelling were available. Addressing this problem would require additional construction and income support. An additional number might choose to relocate for reasons other than closeness to work. Racial or ethnic prejudice may be limiting their free choice. Many elderly persons paying more than 25 percent of their incomes for rent might prefer to relocate to smaller, less expensive apartments than obtain income support for their present dwellings.

The problems that exist now are either building or people-specific: shortage of

standard housing stock, consumer problems of income and rent, matching consumers and stock.

**LOWER-INCOME HOUSEHOLD ASPECTS**

There is concern that many household types have been finding themselves disadvantaged in the housing market. A landmark court decision dealing with housing in Mt. Laurel, N.J., describes this group as including, in addition to those with very low incomes, "the young and elderly couples, single-persons and large, growing families not in the poverty class, but who still cannot afford the only kinds of housing realistically permitted in most places — relatively high-priced, single-family, detached dwellings on sizeable lots and, in some municipalities, expensive apartments."

Those households — the elderly, small, large and minority — who have been unable to secure adequate housing in the Tri-State Region are summed in Exhibit 7. This exhibit

illustrates the housing problems that are people-specific in the Tri-State Region, and these underlay most of the Region's housing problems that we discussed in the previous section.

Most of these households are renters (98 percent) and consist of four or less persons. The share of elderly households requiring housing assistance (38 percent) exceeds their proportion of the Region's households (19 percent). Large families, five or more persons, account for only 11 percent of the total.

All minority households account for roughly one-third of the total, with approximately 85 percent nonelderly. Also, a greater proportion are large families. Whereas minority households are only 16 percent of the Region's households, they constitute 33 percent of the families with housing needs. And where about half of the white households in need are elderly, only 15 percent of the minority households fall into this category.

New York City accounts for almost two-thirds of the total lower-income households and 74 percent of all minority households in the lower-income category.

Only general conclusions can be reached concerning prospects for these households during the next few years.

- *Without assistance, they will continue to occupy unacceptable dwellings as defined by one or more of the categories described in the previous section.*
- *Without concerted public action, minority households and elderly households will continue to bear a disproportionate share of the inadequate living conditions.*
- *Economic stagnation in the Region as a whole will probably lessen the trend toward imbalance of jobs and housing for lower-income households, but this trend may be strengthened in those subregions whose economic development remains strong.*

- *The group paying too much for rent, because of excessive inflation, is the category that will continue to increase the most, but it is not possible to determine the size of the increase for each county and planning region.*

#### ABANDONED HOUSING & "REDLINING"

In recent years there has arisen a problem that extends beyond individual dwellings and households to entire neighborhoods where dwellings are being abandoned and financing and insurance have been withheld. This disinvestment is often supported and accelerated by the process of "redlining." In the past, thrift institutions made a determination that they would no longer make mortgage loans in certain neighborhoods and, it is said, drew a red line on a map around those neighborhoods to exclude them. Tri-State is concerned with the failures to expand private capital to these areas. There is also concern that adequate capital is not available for new construction and rehabilitation even in the more viable areas of the Region.

In addition to the actual physical loss of structures, there is an estimated 70,000 units of abandoned housing in the Tri-State Region, more than 50,000 of which are located in New York City. The phenomenon of abandonment occurs as the tail end of a process that includes the physical decline of the neighborhood, high vacancy rates, deferred maintenance and foreclosure. A contributing cause of this abandonment in many areas is rent control. The definition of abandonment does not include every vacant unit and does not exclude every tenanted unit. As a working definition, a building is abandoned when there is no longer any effective management or any attempt to operate the building on an economic basis. The process of abandonment has, as one integral part, the withdrawal of financing for a building. Where such a withdrawal takes place, it is often part of a neigh

borhood phenomenon rather than action that involves only an individual building.

The process of disinvestment has left substantial portions of the Tri-State Region without any financing to buy, sell or rehabilitate units. Not only has no new money been placed in these areas, but money has been withdrawn by the sale of mortgages and the refusal to extend or refinance mortgages. This has contributed substantially to the process of abandonment, which is increasing, and has caused hardship in neighborhoods struggling against incipient decline.

### THE MAIN HOUSING PROBLEMS

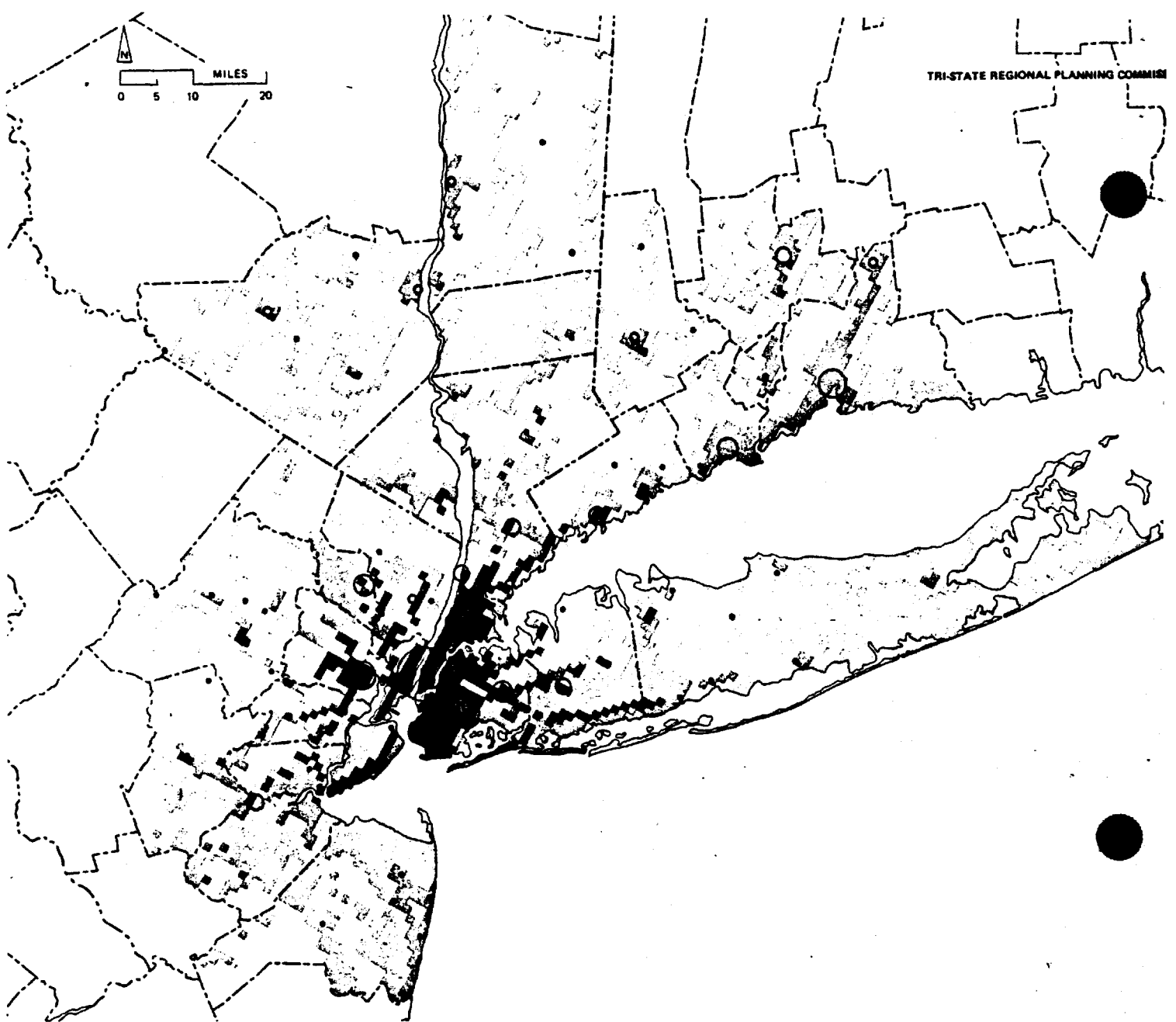
The Region's present housing stock is 6.5 million units. In the mid-seventies, new construction has merely kept pace with housing losses. The decline of the Region's housing construction is best illustrated by two figures: in 1961, the Region accounted for 10.3 percent of the housing units authorized for construction nationwide; in 1975 it accounted for 2.8 percent of the nationwide total. The total housing need is expressed as the equivalent of 93,000 units annually, of which approximately one-third is rehabilitation of run-down structures, and the rest is new construction to accommodate smaller households and a modest population increase. The housing "need" incorporates several imponderables, such as the rate of new household formation and the balance between migration in and out of the Region, both of which depend on future economic conditions.

In terms of lower-income households requiring assistance, a major indicator is the physical and financial condition of the existing (1970) housing stock and those house-

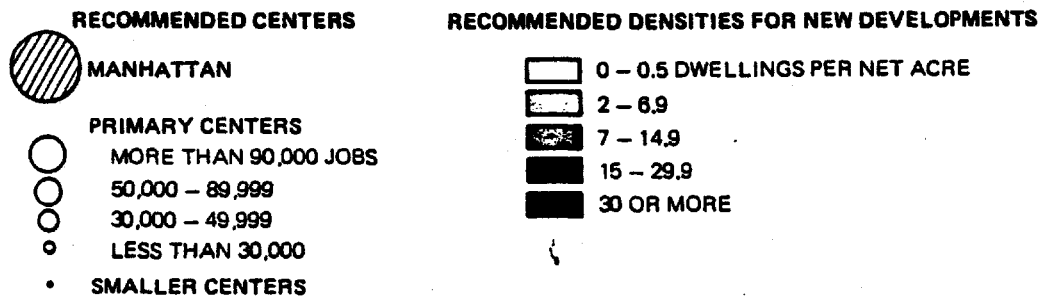
holds that inhabit it. Though up-to-date figures on the condition of the housing stock are lacking, 1970 data indicate:

- *Rent-income imbalance* involves the largest number of households — close to 20 percent in 1970 and substantially more now. However, this is not simply a housing issue, but a much broader one of income distribution.
- *Substandard housing stock* is the second largest component of need. An estimated 10 percent of the Region's households live in substandard units. These units are prone to disappear due to demolition, fire and, in some neighborhoods, abandonment; by a conservative estimate, housing losses from these causes in 1974-75 averaged 35,000 units annually in the Region, of which approximately 23,900 were in New York City.
- *Jobs-housing imbalance* appears to affect about 2 percent of the Region's households; this becomes more significant if one looks at the resulting need for additional low- and moderate-income housing in the most affected counties.

Over and above the quality of housing and the imbalance between income and rent are economic and social discrimination: (a) *Abandoned housing and redlining* reflect problems in our public and private financing machinery for housing that must be overcome if housing conditions are to be markedly improved for impoverished neighborhoods; (b) *Racial discrimination* is a major problem interwoven with most of the housing problems of lower-income people. Affirmative efforts are needed in this direction.



### REGIONAL DEVELOPMENT GUIDE



### III. GOALS AND A PLAN

Having reviewed the major housing problems confronting our Region, we must examine the possibilities for their alleviation. First we will look at the broad land-use plan for future change in the Region; then we will turn to the specifics of housing goals and plans.

#### CONSISTENCY BETWEEN PLANS

Tri-State's concern is for a Region that uses natural resources wisely, provides an equitable society and builds with skill and purpose. The Commission's *Regional Development Guide* expounds these themes as the basis of a general plan for land development and conservation. The plan's objectives may be summarized as follows:

- *Concentrate Development.* Closely grouping the places where people live, work and play provides higher economic returns than dispersal. It economizes space, time and energy. In an older Region such as this one, concentration makes good use of a massive, existing private-capital investment and enhances the effectiveness of the public services already in place. Thus, the plan aims to revitalize the Region's older cities and boroughs,

conserve existing neighborhoods, and emphasize residential densities that will support public transportation.

- *Conserve Critical Lands.* There is a great deal of popular backing for the belief that in some places urban development should not occur. This arises from a realization that growth responding only to the market often leads to scattered development (urban sprawl), which damages the natural environment and its resources as well as the viability and welfare of existing urban places. Accordingly, the plan proposes careful conservation of the Region's critical lands. Critical lands are inventoried vacant lands where environmental and other characteristics make it desirable either to prevent development or provide special safeguards if development must occur.
- *Balance Dwellings, Jobs and Services.* Development of housing near jobs and of jobs near present and likely communities are principles indispensable for saving energy, reducing air pollution, maintaining employment of most skills at adequate wage levels and providing satisfying communities. In

addition, the plan calls for streets, sewers, playgrounds, schools, hospitals and other public services in proportion to population; for a mix of houses and apartments at costs that will accommodate a full range of income levels, age groups and household types; and for communities that are open to all persons without prejudice.

### GOALS FOR THE HOUSING PLAN

Coming now to the particular concerns of housing, what should the goals be?

The housing needs of our Region were described and measured in an earlier part of this report. They can be sorted so that they will be more readily grasped and equated with long-term goals, and they can serve as the bases for action.

*1. Construct new houses and apartments.*

Correlated with this is the need for rehabilitation of run-down housing to reduce abandonment.

*2. Upgrade run-down housing.* More than renovated buildings are needed. Shopping facilities and public services generally will need to be made available concurrently with housing improvement if a viable program is to be accomplished. To accomplish a high level of neighborhood improvement, both tenant and landlord education are also required. This second goal relates more to income supplements and public services. (Housing rehabilitation is thoroughly described in the appendix.)

*3. Improve the distribution of housing.*

This goal concerns the relationship of housing to jobs, public transportation, household size and income level. It is evident that most lower-income families who would be expected to reside closer to their places of employment are in the small- and large-family categories. At this time the important task for the Region is to allocate and provide adequate housing resources for those small and large families

who may choose to move and to allow them to be aware that they can expect increased housing choices throughout the Region.

*4. Remove the barriers that result from discrimination.* Discrimination on the basis of race, religion, sex, disability or family size prohibits some persons from owning and renting houses and apartments where they choose. Neighborhood discrimination via redlining or other discriminatory practices must also be eliminated.

Central to all of these goals is the issue of improving housing choice. Building more dwellings would begin to leave an adequate vacancy rate. Thus, households needing or desiring a different location, or a different kind of dwelling, will have a better chance to find what they want. Upgrading substandard neighborhoods and dwellings would provide those who desire to live or remain in the older centers with a real choice. Apportioning dwellings to jobs and household needs would assist in expanding opportunities for lower-income households in the growing suburban areas and also make it easier for many families to live nearer their workplaces.

### OUTLINES OF A HOUSING PLAN

The plan is to attack all parts of the Region's housing needs in a balanced effort, rather than singling out one or two parts. This may mean slower progress toward the goals due to limited funds, but this is better than neglecting any of these important problems.

To define the plan's targets, we can sort the Region's housing concerns by family-income levels: households of low and moderate income, those of middle income and those of higher income. A description of these categories is:

Low and Moderate Income – less than  
80 percent of the regional median  
(2,300,000 households)

Middle Income – 80 percent to 12

percent of the median (1,400,000 households)

Higher Income – over 120 percent of the median (2,400,000 households)

*1. Higher Income Levels.* Planning concerns are for proper land use; namely, arrangement of residences so their density and location fit the objectives of Tri-State's *Regional Development Guide*. Neither financial assistance nor special land regulations seem necessary for this group. Families of all sizes and ages in the higher-income levels seem to have satisfactory choices in their living accommodations, their access to places of work and their other aspects of daily life. We do not see shelter for these households as a problem, except in their propensity to reinforce the spread development that is inefficient for the Region's future functioning.

*2. Middle Incomes.* At this level are many professionals at the early stages of their careers and other families of policemen, teachers, storekeepers, electricians and the like. These middle-income families can afford housing up to a reasonable cost, but find difficulty when costs are inflated by large lot requirements or large house requirements or expensive construction requirements. The result has been to freeze them out of some suburban places. In the cities, high land costs and construction costs make middle-income housing hard to find. Rent control has been a partial solution to this, but it is doubtful whether this is a suitable strategy for the long range. Making mortgage money available at a lower interest rate would be a significant improvement in purchasing ability for all households in the middle range. Also, many communities should examine whether their present zoning or building requirements on vacant land effectively prevent these middle-income families from living there.

*3. Low and Moderate Incomes.* This includes one-third of all households, and it also

includes almost all 82 percent of the households experiencing inadequate housing conditions. This group has the greatest problems and tends to occupy the least suitable units. The lower-income group also suffers most severely from discrimination because of race; 33 percent are black or Hispanic compared with 4 percent in middle- and higher-income levels together. Of necessity they are almost entirely renters rather than owners of their residences.

*Elderly Households of Lower Income:* Of the 454,000 elderly households with lower incomes and inadequate housing conditions, a disproportionate number are in the older cities – New York, Newark, Jersey City, Bridgeport and so on. There is little evidence to show that these people will wish to relocate to the suburbs, although they are not tied to the cities for employment. We therefore propose that housing for needy elderly households be provided in the cities and counties in proportion to the present distribution of these households, but with an open mind to altering this policy if a preference for noncity locations appears. Further, we propose that planned new or rehabilitated housing for elderly persons be near public transportation and other public facilities and services and at medium densities. As mentioned in the previous chapter, only 15 percent of these elderly households are minorities; presently it is a predominantly white population group.

*Nonelderly Families of Lower Income:* It is useful to examine the nonelderly group in two parts: small families (four or less persons) and large families (five or more persons). In both cases these households are predominantly located in the older cities. The policy of this plan is to assist these people where they are now living, but also to undertake a major effort to permit them to relocate to other



Exhibit 9

ALLOCATION PLAN FOR LOWER-INCOME HOUSEHOLDS REQUIRING ASSISTANCE  
(1970)

|                              | Resident Households |              |              | Nonresident<br>Workers * | Total     | Percent<br>of Total |
|------------------------------|---------------------|--------------|--------------|--------------------------|-----------|---------------------|
|                              | Elderly             | Small Family | Large Family |                          |           |                     |
| Tri-State Regional Total..   | 454,051             | 595,682      | 134,652      | 130,975                  | 1,315,360 | 100%                |
| Connecticut . . . . .        | 21,777              | 33,505       | 7,705        | 9,028                    | 72,015    | 6%                  |
| Central Naugatuck ** . . . . | 3,511               | 3,503        | 1,058        | 933                      | 9,005     | 1                   |
| Greater Bridgeport . . . . . | 5,550               | 7,854        | 2,059        | 1,996                    | 17,459    | 1                   |
| Housatonic Valley ** . . . . | 967                 | 1,406        | 340          | 602                      | 3,315     | 0                   |
| South Central . . . . .      | 7,497               | 12,853       | 2,523        | 2,700                    | 25,573    | 2                   |
| South Western . . . . .      | 4,032               | 7,665        | 1,663        | 2,446                    | 15,806    | 1                   |
| Valley ** . . . . .          | 220                 | 224          | 62           | 351                      | 857       | 0                   |
| New Jersey . . . . .         | 93,239              | 124,756      | 28,739       | 42,510                   | 289,244   | 22%                 |
| Bergen . . . . .             | 12,105              | 11,951       | 1,115        | 16,262                   | 41,433    | 3                   |
| Essex . . . . .              | 24,864              | 40,439       | 11,357       | 4,926                    | 81,586    | 6                   |
| Hudson . . . . .             | 20,382              | 22,255       | 5,030        | 3,995                    | 51,662    | 4                   |
| Middlesex . . . . .          | 5,311               | 10,597       | 2,144        | 3,508                    | 21,560    | 2                   |
| Monmouth . . . . .           | 7,239               | 9,212        | 2,182        | 258                      | 18,891    | 1                   |
| Morris . . . . .             | 3,121               | 4,997        | 791          | 2,776                    | 11,685    | 1                   |
| Passaic . . . . .            | 9,716               | 12,163       | 3,495        | 2,947                    | 28,321    | 2                   |
| Somerset . . . . .           | 1,602               | 2,527        | 411          | 1,400                    | 5,940     | 0                   |
| Union . . . . .              | 8,899               | 10,615       | 2,214        | 6,438                    | 28,166    | 2                   |
| New York City . . . . .      | 292,399             | 376,818      | 84,189       | 50,228                   | 803,634   | 61%                 |
| New York Suburbs . . . . .   | 46,636              | 60,603       | 14,019       | 29,209                   | 150,467   | 11%                 |
| Dutchess . . . . .           | 2,712               | 3,501        | 753          | 83                       | 7,049     | 1                   |
| Nassau . . . . .             | 12,886              | 17,166       | 3,624        | 14,868                   | 48,544    | 4                   |
| Orange . . . . .             | 3,432               | 4,056        | 1,108        | 208                      | 8,804     | 1                   |
| Putnam . . . . .             | 440                 | 452          | 94           | 55                       | 1,041     | 0                   |
| Rockland . . . . .           | 2,152               | 3,344        | 696          | 1,792                    | 7,984     | 0                   |
| Suffolk . . . . .            | 6,900               | 14,019       | 4,914        | 2,246                    | 28,079    | 2                   |
| Westchester . . . . .        | 18,114              | 18,065       | 2,830        | 9,957                    | 48,966    | 4                   |

\*Expected-to-reside formula from Federal Register of March 16, 1977, based on 1970 Census.

\*\*Data from these areas are mildly understated since some towns in Connecticut with populations less than 25,000 and outside metropolitan areas have not been counted at this time of publication.

This table shows the number of households (usually families) having a housing problem and being in the lower-income bracket. It does not say how the problem should be solved - whether by providing rent support, by rehabilitating existing structures, or by constructing new units. To a great extent, that is a decision to be made by county, city and town governments. Nor does the table say whether solving the problem will require public financial assistance, although in most cases that would be expected. The numbers in the first 3 columns are taken directly from Exhibit 7 and those in the fourth column from Exhibit 6 in the previous chapter where housing needs were defined. These data may be updated through the process of cross-acceptance.

places if they wish. Such an effort is particularly important because this is the group that lives in the ghettos and slums of our Region; 41 percent of the small-family households are minorities and 69 percent of the large families. One element of the plan is to deconcentrate future public housing construction from these predominantly poor and deteriorated areas to other, healthy parts of the Region.

**Disabled:** The majority of disabled individuals can live in regular housing units if barrier-free design is provided, such as accessible bathrooms and elevators; also, low window sills, wide doorways, access ramps and parking lots near the housing units. Separate housing for the severely disabled should incorporate support services such as homemaking, meal service or congregate eating, transportation, attendant care and sheltered workshops. Barrier-free design should be a standard for publicly assisted new units. Special units must be planned to accommodate the needs of households with severely handicapped members.

#### **ALLOCATION OF RESPONSIBILITY**

All governments in this Region should share in solving these problems – the three states, the central cities, suburban counties and towns, as well as the federal government. Public support should also come from communities and neighborhoods.

Tri-State's role is to suggest a strategy and seek the support of local governments and the public – not to build housing or provide rent supplements, or to guarantee mortgages or design apartments, or to zone or subdivide land, or to serve neighborhoods. There are many "players" in the housing "game": bankers, architects, unions, nonprofit groups, public housing authorities, real estate agents, zoning boards, suppliers, contractors, builders, landlords, tenants and purchasers. Tri-State does not replace or dictate to any of them.

The task of this Commission is to take a strong position to defend and advance the policies that are important from a regionwide viewpoint, particularly those that transcend the local boundaries and can affect the future livability of the Region.

Exhibit 9 shows an allocation plan for each of the 23 subregions in statistical terms. Each subregion has a share of the housing responsibilities. Local governments, for example, will formulate housing programs to meet their needs. These local needs will be coordinated by subregions.

Some communities may have already achieved their fair shares of low- and moderate-income housing.

One immediately sees that the allocation of needs in Exhibit 9 makes no account for prospective changes – either between the 1970 census-taking and today, or into the future. For example, we do not know how many additional units deteriorated or were lost during that period; nor do we know whether additional families fell below the 25 percent rent-income level. We can only estimate that tens of thousands of housing units are being abandoned or lost for other reasons each year in the Tri-State Region. There are strong indications that the older cities are falling further behind. At the same time, business places of employment continue to move from cities to suburbs, increasing the number of nonresident workers of lower income. Thus, we believe the allocation plan addresses the Region's housing problems in an equitable way. Our overriding goal is to improve the Region's older cities and run-down urban places and to allow persons of all income levels a reasonable choice of housing throughout the Region. Naturally, in the future, it is our intent to monitor changes and to reconsider and amend our allocation plans whenever necessary in order to keep "on target."

## **IV. INITIATIVES NEEDED FOR IMPLEMENTATION**

The major housing goals for the Tri-State Region and the allocation of responsibility for attaining the goals were described in the previous chapter. In the following sections, Tri-State proposes initiatives for plan implementation. The major implementation efforts are executed at the federal, state and local levels of government in conjunction with the private sector. The Commission itself also has a role, which will be explained in Chapter V.

### **THE PRIVATE SECTOR**

The private sector is needed to accomplish the overall goal of a decent house in a suitable environment for every American family. This goal is attainable, but not with the present alignment of market forces and governmental programs. Guarantees, insurance, interest subsidies, tax incentives, revenue bonds and other federal, state and local programs to aid housing by stimulating production through the private sector have helped, but have not solved the housing problem.

Builders and developers are not creatures of unique economic rules or needs. The basic costs for land, labor, money and material are usually beyond the control of the builder and developer. Currently, the average cost of a three-bedroom, single-family, detached house is

\$44,000 nationally, with many dwellings having costs greatly above that figure. At current rates of increase, by 1980 the average cost will be close to \$80,000. This means that a very small percentage of households will be able to purchase an increasingly costly commodity.

Attempts to decrease size, use mobile homes and stimulate industrialized housing have all led to negligible gains in increasing the percentage of American families owning their own homes. Homeownership has increased only 1 percent during the last decade. Increases in other shelter costs, such as heating and electricity, have increased dramatically, further reducing the number of families who can participate in the great American dream. Recent unemployment, inflation and recession have reduced the number still further.

Total homeownership rates have varied little over the last 20 years. The ownership, location and physical attributes of a house bear directly on the quality of life for the average American family. These factors affect what municipal services a family enjoys, including education, shopping and recreation.

### **FEDERAL IMPLEMENTATION ACTIONS**

What is needed is a comprehensive approach by the federal government that takes

into account the discipline of real estate development. A comprehensive approach not only provides money but looks to cost reduction measures to make the private market more effective. Tri-State recommends testing the feasibility of a national and regional development program capable of exploring these cost reduction measures, such as acquiring land in advance of need and making it available for development according to a regional strategy. Such a program should operate within and be subject to the market forces.

The nation's urban potentials and problems are epitomized in the cities and neighborhoods of the Tri-State Region. Tri-State's housing problems are particularly significant when compared to others across the nation.

A piecemeal and fragmented approach has been inadequate to overcome the massive problems of devastated neighborhoods, dilapidated housing and substandard services that characterize many of the Region's urban places. The federal government should include a broad approach to the particular urban and housing problems of the Tri-State Region in its evolving national urban policy. Such an approach should be formulated in cooperation with elected officials and citizens of the Region, and it should involve special programs and specific policies as well as funds. Implementation of such a broad-based approach by the federal government would enable local and regional authorities to provide increased services throughout the Region and thereby achieve a more equitable balance between urban and suburban areas.

Tri-State recommends the following initiatives at the federal level of government, and urges the passage of legislation to accomplish same:

- *Create a national housing policy to set the federal role in cooperation with state and local governments.*

- *Continue and increase the "pattern and practice" suits that are referred to the U.S. Justice Department to fight discrimination in housing.*
- *Create a national, tax-financed, revolving fund for mortgages, where necessary, at reduced amortization rates.*
- *Reduce rents of the lowest of lower-income households by direct subsidy.*
- *Emphasize rehabilitation for whole neighborhoods and individual dwellings where such rehabilitation is consistent with local plans.*
- *Extend co-insurance programs in support of state housing efforts.*
- *Provide adequate funds for landlords and tenants in maintenance and training programs both for subsidized and nonsubsidized housing.*
- *Encourage the purchase of houses foreclosed under the Federal Housing Administration through negotiated sales.*
- *Utilize the U.S. Department of Housing and Urban Development to coordinate public and private sponsorship for community and economic development in the major older centers as proposed in the Urban Development Action Grants Program.*

## **STATE AND LOCAL COORDINATION**

Tri-State believes that local governments and states should immediately seek cooperative letters of understanding from lending institutions that commit the banks to greater voluntary efforts of their own design. Failing such agreement, Tri-State believes that cities and states should withdraw all funds from such banks. It is inconsistent to deposit public funds with institutions that will not act in the public interest. It is a state and local government function to devise ways in which banks can better reflect public concerns. Oversight committees, appointment of public members

to bank boards and other methods should be considered.

Present municipal instruments have proved inadequate for speedy acquisition of distressed property and return of the buildings to usefulness. Tri-State recommends the creation at the local level of quasi-public corporations or the enablement of existing agencies to act as wholesalers of vacant and abandoned land or property.

Such corporations or existing agencies would be empowered to receive clear title to existing abandoned buildings owned publicly by either the municipality or the U.S. Department of Housing and Urban Development, as well as properties that subsequently go off the market due to abandonment or foreclosure. After title is acquired by transfer without cost, the public owner would make such buildings available at low or nominal cost for substantial or "gut" rehabilitation. The municipality or its agency would be expected to involve cooperative local thrift institutions in obtaining long-term, permanent financing for substantial rehabilitation.

Buildings would be made available to private for-profit and not-for-profit developers for rehabilitation and resale as cooperatives or rehabilitation and retention as rentals. Developers would be required to submit a development plan that would include design, rehabilitation costs, financing plan, operating costs, rental mix, rental scale and market analysis. The development plan would demonstrate economic feasibility and a positive cash flow before the building could be transferred. Innovative techniques would be required where feasible. Lending institutions would be encouraged to provide permanent financing and to make a reasonable allowance for the projected value of the land and building as an aid to the overall financing requirements of the developer. The nonprofit community groups would be identified, and technical and legal

assistance would be provided so that they could act as sponsors or developers.

Although Tri-State commends such efforts as New York's neighborhood preservation legislation, which allows the state division of housing and community renewal to contract with neighborhood preservation corporations to administer rehabilitation, local government participation would enhance the program. Sufficient funds should be appropriated for small grants to nonprofit sponsors for administration and seed money. The economic benefits of returning the units to the market are substantial, and we believe that the increase in tax revenue would fully justify the cost of the program.

#### **Special Call for Fair Housing**

More than elimination of substandard units or even income support will be necessary to accomplish the regional housing goals. A few of the major needed local actions are so apparent that they should be highlighted here and given equal rank with other proposals.

**End Redlining; Start Reinvestment.** The federal government has passed legislation to prohibit redlining; the three states have either passed or are considering similar legislation.

The Home Mortgage Disclosure Act of 1974 prohibits discrimination in residential mortgages based on geography, and requires reporting by thrift institutions on what loans were approved and what loans were denied and where the property was located.

New Jersey legislation outlaws discrimination by lending institutions in the granting of mortgages on the basis of neighborhood or geographic location. The New Jersey Mortgage Finance Agency (MFA) is attempting to relieve the effects of redlining by making mortgage money more readily available in urban areas. One hundred million dollars in tax-exempt bonds have been sold to start the

agency's neighborhood loan program. Mortgages will be made only in designated neighborhoods of 26 localities where lending institutions have been reluctant to make mortgage loans or where they have required large down payments before providing financing.

Connecticut has also passed legislation outlawing discrimination in granting mortgages based on location. The Connecticut law also provides for reporting by banks on the locations of mortgages that are granted and denied.

New York has legislation pending that is comparable to the Connecticut and New Jersey legislation. The New York legislation makes geographic discrimination illegal and requires reporting. The federal law requires states to pass legislation that is as comprehensive as the federal legislation. The early passage of such legislation in New York is recommended.

Discontinuing the practice of redlining and making it unlawful is a useful first step. However, what is really needed is reinvestment in areas of previous disinvestment, together with statutory guarantees as may be necessary, because neighborhoods in decline, drained of mortgage financing, will not turn around merely by the cessation of redlining.

The regional strategy should be to make mortgage money available for these areas as a form of reinvestment. Besides substantial federal involvement, two basic and more local approaches involve the creation of a mortgage pool by a unit of government such as the New Jersey MFA program or by volunteer efforts such as the Philadelphia Plan, whereby the leading banking institutions cooperate in forming a mortgage pool specifically for placing mortgages in areas of previous disinvestment. Each community should begin by instituting monitoring procedures to assess where disinvestment has taken place.

While lending institutions have been involved in disinvestment, they cannot reverse disinvestment by themselves. They will need

support from local governments and from communities and residents who will remain committed to the restoration of areas in order to provide a reasonable environment for new mortgage money.

Abandoned dwellings are virtually all older units, mostly within the urban central cities, and are composed mainly of properties repossessed by the U.S. Department of Housing and Urban Development and units owned by the cities that were acquired by *in rem* proceeding or tax foreclosures. Many of the abandoned units are beyond repair, but many could be rehabilitated and returned to the supply of standard units. Many neighborhoods have sufficient strengths, including a high home ownership ratio, so that the availability of financing and city services are sufficient to prevent further blight. The Urban Reinvestment Task Force (URTF) is a strategy used elsewhere successfully, which Tri-State supports, when the decline has not reached the abandonment stage. The URTF approach brings together property owners, banks and city departments in a voluntary agreement to provide financing for maintenance and repairs and increased city services. Where the neighborhood has gone beyond incipient decline and has reached abandonment, a massive effort will be required to turn the neighborhood around.

**Expand or Create Development Agencies.** A way of meeting the housing goals and the related recommendations described above would be to expand or create financing and development agencies at the state or local levels.

Tri-State believes the lessons learned by the Urban Development Corporation (UDC) in New York State indicate the usefulness of state instrumentalities for housing financing and development. The financial difficulties of UDC have been examined at length. Overall, the UDC has demonstrated its effectiveness in

providing new housing by developing more than 15,000 units in the Region between 1971 and 1975. Many of these units are for lower-income families. Tri-State proposes that New Jersey and Connecticut give serious consideration to establishing development agencies of their own. The present New York State UDC legislation provides a possible model, which should be coupled with the recommendation for more specific controls on debt limits and financing. Local development agencies could similarly be empowered to carry out such programs.

Such entities should be allowed to engage in land banking and be conduits for utilizing vacant buildings for purposes of recycling or "gut" rehabilitation. The land banking would involve acquiring land in advance of need, at market prices. Such lands would be made available subsequently to either the agency or private developers or to nonprofit developers. The lands could be sold at higher prices but at different scales to private developers and nonprofit developers.

Industrial, commercial, institutional and residential buildings that are vacant should be channeled to such agencies. Thousands of buildings presently sit for years as vacant, abandoned eyesores due to the lack of a coordinated, overall approach. Clumsy and uncoordinated laws cause extreme time lags before the buildings can be acquired by public agencies, disposed of and, if ever, returned to the inventory of sound housing. The agencies under discussion should have the power to write down the property to zero value and sell or give away buildings to developers or nonprofit organizations upon the submittal of a development plan and the demonstration of the capacity to redevelop and maintain a cash flow. The power to demolish should also be included. Such additional costs could be offset by a premium charge on land or buildings sold to private, for-profit developers. Tri-

State recommends that the proposed state development agencies not be empowered to override local zoning.

## SUMMARY

Tri-State recommends the following initiatives at state, county and municipal levels to implement the regional housing plan. In some instances, state enabling legislation is required for county and municipal initiatives. Legislation should be considered to accomplish these ends:

- *Expand below-market, interest-rate funding by providing tax-exempt bonds for existing state housing finance agencies.*
- *Alter the real-estate tax system to decrease the burden placed on real estate to support general revenue requirements.*
- *Give increased emphasis to rehabilitation.*
- *Create or expand public corporations empowered to buy and own land in advance of need to achieve balance in housing availability.*
- *Monitor existing rent control and its effects on local housing choice and conditions.*
- *Monitor the lending practices of financial institutions to identify potential redlining practices.*
- *Promote the use of a mortgage pool, such as that which is provided by the New York Savings Bank Association, for those who wish recourse should they be turned down for a mortgage loan.*
- *Seek adoption and enforcement of uniform state or even county housing codes.*
- *Seek increased funding of the "urban county" program in the federal Community Development Block Grant Program to enable increased technical assistance to localities for housing programs.*

- *Seek federal funding in the Community Development Block Grant Program for regional planning agencies in Connecticut.*
- *Expand county and regional planning agency roles in the review and comment on local community housing proposals.*
- *Initiate and expand the county role in programming and spending funds on community development and lower-income housing programs.*
- *Seek creation of county or multi-municipal housing agencies where they do not now exist.*
- *Encourage real-estate boards to promote self-regulation and other intrafraternal measures.*
- *Encourage brokers to police their own offices.*
- ✕ • *Tie planned unit developments to inclusionary ordinances.*
- ✕ • *Tie density bonuses to provisions for lower-income units.*
- ✕ • *Establish inclusionary zoning that provides more land for middle-density development.*
- ✕ • *Institute cluster zoning.*
- *Place emphasis on moderate rehabilitation and, where circumstances permit, "gut" rehabilitation on a massive scale. Tie these to social programs.*
- *Increase responsible, committed ownership by: aiding community-based organizations; establishing quick procedures to put certain properties into receivership; and encouraging urban homesteading programs.*
- *Encourage financial institutions to reinvest in previously redlined neighborhoods by providing funds for residential mortgages and rehabilitation loans.*
- *Adopt transfer-of-development-right ordinances providing density bonuses for the inclusion of low-income units.*



## V. ROLE OF THE TRI-STATE REGIONAL PLANNING COMMISSION

The Tri-State Commission sees itself as the planning agency having special responsibility to view the entire New York metropolitan area. The Commission identifies existing and future areawide problems of housing (as well as land use and transportation) and seeks action to correct such problems. Wherever possible, Tri-State prefers to work cooperatively with the counties and subregional planning agencies, and they, in turn, are expected to work with their municipalities. Thus, the following declarations of intent by Tri-State always carry with them the desire to have the local governments as partners.

- *Develop a procedure for evaluating sub-regional progress toward the allocation goals for lower-income housing presented earlier in this report. A system will be devised for measuring the compatibility of the Region's needs, goals and plan allocation with those of the subregions and states. This system will be extended to local communities so that their housing assistance plans may be evaluated for consistency with the Tri-State plan. (See this page.)*
- *Help to achieve fair housing goals by (a) initiating a program that will assess and measure the amount, location and nature of discrimination in the Region*

*(see page 28); and by (b) organizing and implementing the Housing Opportunity Plan (HOP), which seeks to "reduce the concentration of lower-income households," thus in part bringing these households closer to jobs. (See page 29.)*

- *Seek areawide certification of rental assistance under the federal "Section 8" program. This effort could also partially improve the balance between jobs and housing. (See page 30.)*
- *Comment on applications for federal aid under the "A-95" process for attention to housing needs and consistency with this plan, among other Tri-State concerns. (See page 30.)*
- *Evaluate progress toward regional housing goals by establishing: a monitoring program; and a study and publishing program concerned with various aspects of the housing industry and market. (See page 31.)*

### IMPLEMENT HOUSING ALLOCATION PLAN

Working with the states and subregions, Tri-State will provide a framework for "prioritizing" the areawide distribution of public housing resources to help channel implementation efforts. While there may be general agreement on overall goals, there could be continu-

ing debate on priorities, with their related geographic emphasis and timing.

With regard to priorities, Regional Plan Association (RPA), in its housing evaluation for Tri-State, conducted interviews with housing administrators, human rights advocates, builders and realtors, bankers, citizen groups, academicians and planners at the subregional and municipal levels. RPA found an overwhelming consensus that *arresting the deterioration of the existing stock is the most urgent need, which should have priority claim on housing funds in the Region. Removing prejudicial barriers to residential location emerged as the second major need.* While acknowledging that funds allocated to arresting deterioration would clearly be dominant, civil rights and other advocates have emphasized that it is essential not to lose sight of the open housing principle and to set aside some money for the "expected-to-reside" component. The debate focuses on the allocation of resources into both the older centers and other areas of the Region.

There is also debate on timing — the speed with which resources should be made available to provide assistance to those households that cannot compete in the private market and the means that should be used to overcome housing discrimination.

The timing, related to plan implementation, requires setting an annual housing goal and a way of distributing resources.

Exhibit 9 identifies the lower-income households requiring housing assistance. These needs total approximately 1,315,000. At least half of this need calls for rent supplements to households in adequate structures, while the rest calls for rehabilitation of some structures and construction of some new units. As noted earlier, emphasis on housing rehabilitation would reduce the amount of new construction. If the Region's housing needs are to be substantially met during the next 25 years, roughly

*Exhibit 10*

**ANNUAL ALLOCATIONS FOR LOWER-INCOME HOUSEHOLDS REQUIRING ASSISTANCE**

|                               | Total Households in Need | Percent of Total | Annual Allocation |
|-------------------------------|--------------------------|------------------|-------------------|
| <b>Tri-State Region Total</b> | <b>1,315,380</b>         | <b>100%</b>      | <b>52,815</b>     |
| Connecticut                   | 72,015                   | 6%               | 2,880             |
| Central Naugatuck             | 9,005                    | 1                | 360               |
| Greater Bridgeport            | 17,459                   | 1                | 698               |
| Housatonic Valley             | 3,315                    | 0                | 133               |
| South Central                 | 25,573                   | 2                | 1,023             |
| South Western Valley          | 15,806                   | 1                | 632               |
|                               | 857                      | 0                | 34                |
| <b>New Jersey</b>             | <b>289,244</b>           | <b>22%</b>       | <b>11,569</b>     |
| Bergen                        | 41,433                   | 3                | 1,657             |
| Essex                         | 81,586                   | 6                | 3,263             |
| Hudson                        | 51,662                   | 4                | 2,066             |
| Middlesex                     | 21,560                   | 2                | 862               |
| Monmouth                      | 18,891                   | 1                | 756               |
| Morris                        | 11,685                   | 1                | 467               |
| Passaic                       | 28,321                   | 2                | 1,133             |
| Somerset                      | 5,840                    | 0                | 238               |
| Union                         | 28,166                   | 2                | 1,127             |
| <b>New York City</b>          | <b>803,634</b>           | <b>61%</b>       | <b>32,147</b>     |
| <b>New York Suburbs</b>       | <b>150,467</b>           | <b>11%</b>       | <b>6,019</b>      |
| Dutchess                      | 7,049                    | 1                | 282               |
| Nassau                        | 48,544                   | 4                | 1,942             |
| Orange                        | 8,804                    | 1                | 352               |
| Putnam                        | 1,041                    | 0                | 42                |
| Rockland                      | 7,984                    | 0                | 318               |
| Suffolk                       | 28,079                   | 2                | 1,123             |
| Westchester                   | 48,966                   | 4                | 1,959             |

These data may be updated through the process of cross-acceptance.

52,000 lower-income households will need assistance annually. This effort would substantially eliminate the existing lower-income housing need and keep pace with prospective need. The 52,000-unit annual goal is shown in Exhibit 10 with distribution by county and planning region. We will seek agreement with the counties and planning regions to achieve this goal, which may have to be tempered by available resources and financial conditions in some parts of the Region.

Beyond the government subsidy programs, the issues of housing choice are being addressed more broadly by decisions in the courts in all three states. The Mt. Laurel decision mentioned in Chapter II is only one of a number of emerging decisions that views lower-income housing needs in terms of the larger surrounding communities and not just those persons residing within the confines of a particular zoning ordinance.

The New York State Court of Appeals, in the case of *Berenson V. The Town of New Castle*, commenting on the constitutionality of a zoning ordinance that does not allow multi-family housing, wrote: "There must be a balancing of the local desire to maintain the status quo within the community and the greater interest that regional needs be met. Although we are aware of the traditional view that zoning acts only upon the property lying with the zoning board's territorial limits, it must be recognized that zoning often has a substantial impact beyond the boundaries of the municipality."

The objective of these court decisions is to have lower-income housing dispersed throughout an area rather than continuing to concentrate only on the older centers. In addition to these decisions relating to zoning ordinances, a number of court cases have focused on the relationship between municipal use of community development grants and responsibility to provide lower-income housing.

As stated in the previous chapter of this report, Tri-State urges the states and subregions to agree to a rational sharing of the Region's need to provide housing assistance for lower-income families. The U.S. Department of Housing and Urban Development is placing increasing emphasis on regional approaches in housing and is encouraging allocation of fair-share planning by regional agencies. In our judgment, this can best be accomplished by a housing allocation plan that defines the responsibility of each government in the Region. We are asking the counties, Connecticut planning regions and major cities, working with their elected officials and Tri-State, to develop housing allocation plans. Exhibits 9 and 10 show our best available statistical information of housing needs and suggested annual goals at the subregional level.

Tri-State recognizes that more is needed than a statistical approach. We expect the subregions to prepare housing allocation plans for their areas, working with their local governments, and we will assist in that process. We also expect that these allocations would include all planning criteria, such as vacant land, tax base, accessibility and availability of facilities. If such a plan is not produced within a reasonable period of time, or if a subregion indicates it will not produce such a plan, Tri-State will do so for that subregional unit and will keep it informed.

We expect to formalize the plan by officially acting on each subregion's housing allocation plan as it is submitted to Tri-State. Preparation of the specific housing allocation plan from the Tri-State level to the subregional level, and from there to the local level, will be a major element of work during the next year. All levels of government will be invited to participate.

When the housing allocation plan is completed and in effect, each applicant for a Community Development Block Grant will be ex-

pected to demonstrate agreement with the amount of housing assistance to be provided annually through its local Housing Assistance Plan (HAP), which is part of the community development application. The presence of such a commitment in the community development application would be viewed as a partial showing of consistency with this regional housing element. The absence of such a commitment could be interpreted as inconsistency with the housing element.

In the case of localities that do not participate in the community development program, Tri-State will look for other evidence of commitment to the housing allocation plan when housing-related proposals come to Tri-State for review under the "A-95" system. It is recognized that housing is only one of several considerations in these cases, but the opportunity would be used to advance housing objectives.

The Regional Plan Association, under contract with Tri-State, is preparing an inventory of large tracts of vacant land. If new construction is the objective, this inventory could help localities meet lower-income housing needs. Localities may make land available to meet their shares of the lower-income housing allocation. If localities do not make land available, Tri-State could offer assistance in cooperation with them and the subregion. The RPA study will be helpful to the Region's housing and other planning.

Tri-State's *Regional Development Guide 1977-2000* recommends middle-density residential neighborhoods as being lowest in cost and most energy-efficient. Such densities comprise two-family and three-family houses, townhouses and low-rise buildings, as well as detached, single-family dwellings in the lower-cost ranges. While future urban development should not occur at average densities below two dwelling units per acre, the preferred range in the vicinity of employment centers in

areas equals or exceeds seven dwelling units per acre. Middle densities in the older cities would range up to 50 dwelling units per acre. Of course, in furthering this recommendation, the Commission urges that care be taken not to overload public utilities and other services or cause environmental destruction.

Publicly assisted housing should be at these middle densities to take advantage of savings in land, construction and operation. Developers can reflect these savings in lowered sales prices and rent levels. Since land averages about 10 to 15 percent of housing costs, reduced land costs will make definite savings possible. It is recognized that to maintain a range of choice in publicly assisted dwellings, single-family housing sometimes may be desirable, but such publicly assisted housing should not be built on lots larger than one quarter acre.

In the open land areas designated in *Regional Development Guide 1977-2000*, publicly assisted housing at suitable densities is appropriate in existing villages or by clustering in selected locations. In considering these nonurban places, planning criteria such as lack of sewers, limited or no public water, a large portion of land owned or designated as public supply watershed, or poor soil conditions, among others, should be taken into account.

#### **IMPLEMENT FAIR HOUSING**

This section sets the framework for implementation of fair-housing goals as an integral part of the Tri-State housing element.

Tri-State will establish a fair-housing task force, as an advisory arm to the Commission's housing, community development and social services committee, to assist in the implementation of a fair-housing program. By this action, Tri-State would be maximizing the use of an already existing network.

As with other parts of this housing program, Tri-State will seek the support of

counties, subregions and localities in carrying out this fair-housing effort, with the following implementation components:

#### **Data Base**

Tri-State, with assistance from the Regional Plan Association, will establish a data base and audit the amount and nature of discrimination in the Tri-State Region. The data base will be established during 1978. The second phase is one year away and will consist of a refinement of the data base to yield greater documentation. Wherever possible, the documentation will reach below the subregional level. The results of the study will be widely distributed.

#### **Fair-Housing Action**

Voluntary efforts, emblems, distribution and use of the Regional Plan Association report on discrimination, preparation and distribution and agreement to use model fair-housing ordinances, and other voluntary strategies dictated by unique local situations, will be employed. In addition:

- *Tri-State will monitor housing discrimination as evidenced by cases at local, county, state and federal agencies and, where possible, work with subregional agencies to assist local groups trying to achieve fair-housing objectives.*
- *Tri-State will make specific written recommendations for achieving a true "open-housing" market. Use of known tools and techniques will be analyzed and suggestions will be shared with subregional agencies.*
- *Tri-State will promote enabling legislation to remove exclusionary restrictions in zoning ordinances.*
- *Tri-State will be assisted in preparing, in cooperation with the subregions, a map of major developable land areas that might be used for construction of medium-density housing for low-in-*

*come and moderate-income households.*

#### **Legislation**

Tri-State will distribute and seek agreements on model legislation; promote fair-housing legislation, zoning and tax-base reforms; provide model legislation for land banking, recycling of property and use of nonprofit developers; provide testimony and comment on regulations; seek representation on policy committees at the federal level; devise, promote and monitor implementation of written fair-share plans.

#### **Project Notification and Review (A-95)**

Tri-State may append comments to grant applications if fair-housing provisions by the applicant are not apparent. Criteria concerned with fair-housing assurances are described on pages 30 and 31 of this chapter.

#### **Public Information Element**

Tri-State will make strategic use of the media, news articles, public speakers and public-service advertisements to educate the general public on issues and to assist in promoting the fair-housing effort.

All of the above will be coordinated by an expanded housing division of the Commission, with field representatives relating full time to local, subregional and state officials. All of the above elements are overlapping and presume the maximum possible use of existing organizations and networks of organizations. An initial effort has already begun. An audit and data collection effort has been arranged by contract with the Regional Plan Association.

#### **SEEK A HOUSING OPPORTUNITY PLAN**

The U.S. Department of Housing and Urban Development is providing supplemental "Section 8" rental assistance funding through selected areawide planning organizations to participating units of government provided they prepare a Housing Opportunity Plan. An

objective of the HOP is to "... reduce the undue concentration of lower-income households" through the provision of federal supplemental or bonus subsidies beyond the base funding that would assist the implementation of the overall regional housing plan. Tri-State will seek cooperative agreements with the counties, planning regions and large cities to participate in this program.

### SEEK AREAWIDE RENTAL ASSISTANCE

Section 8 of the Housing and Community Development Act of 1974 provides for subsidy to the household rather than a fixed dwelling unit. Thus it maximizes the choices available to the renter in choosing a location as well as reducing the burden imposed by high rents. Where renters choose to live ought to be a function of each family's perception of what neighborhood and dwelling best fits its needs. If the family is free to move anywhere in the Region (and this would require administrative changes in defined areas of eligibility), it could choose to locate closer to a job, move closer to a community facility such as a college or remain in the present location. It would be in the interest of housing administrators to encourage families to locate in areas that meet their needs, where there is adequate transportation and where the rental vacancy rate is not abnormally low.

The Section 8 program should be carefully monitored in areas of very low rental vacancies so that the effect of the subsidy would not be to increase rents further. In some cases it may be in the best interest of the community to encourage eligible households to reside in projects that are having financial problems, a common occurrence today, especially where increased revenues may avert foreclosure or nonpayment of taxes.

Reciprocal interjurisdictional agreements will seek to maximize choice in the Section 8 program by enlarging the market area for

lower-income households to seek an existing housing unit. An example of this action is the Connecticut Department of Community Affairs, administering Section 8 for existing housing in 55 municipalities. A certificate issued by each community can be used by a family in any of the towns covered in that particular contract; thus, multitown certification is operational in a portion of the Region.

Administrative reforms are necessary to differentiate fair-market rents among counties to promote the interjurisdictional "seek and find" of an existing unit. In terms of differentiating fair-market rents, this is especially critical in large Standard Metropolitan Statistical Areas (SMSAs) such as New York City and Newark, where unrealistically low fair-market rent levels in the outlying areas hamper the operation of the Section 8 program there, and do not permit any dispersion of the urban poor into surrounding communities. For example, in some counties outside the central city, the 1970 median rent was as much as 25 percent greater than the SMSA level. Fair-market rents should vary with SMSAs to promote the deconcentration of lower-income households.

### PROJECT NOTIFICATION & REVIEW(A-95)

This section concerns Tri-State's review of: (1) Community Development Block Grants – with special reference to new criteria concerning fair housing assurances; (2) "701" housing elements; (3) housing assistance projects; and (4) other functional areas where projects are of a regional nature.

#### Community Development Block Grants

Community Development Block Grant (CDBG) applications will be reviewed with consideration to the following guidelines:

- *That prior actual performance demonstrates consistency with prior requests for funds.*

- *Clearly that a majority of the CDBG funds requested are to be used in areas that are low-income and moderate-income in character.*
- *That community development funds are being used to improve housing conditions for low-income and moderate-income families.*
- *That the amount of funds used for administrative purposes is reasonable.*
- *That some of the total housing needs, as defined in the applicant's Housing Assistance Plan (HAP), are being met in the current year.*
- *That a part of the three-year housing goal is proposed to be constructed or rehabilitated in the current year.*
- *That new housing is not being disproportionately built in areas of low-income and moderate-income concentration.*
- *Clearly that fair-housing assurances are operative and being fully implemented.*

The criteria concerning fair-housing assurances fulfill a purpose of "A-95" in "... determining whether the project is in accord with applicable federal law." For example, enforcement of the civil rights acts of 1964 and 1968 is involved as follows:

- *The 1964 Civil Rights Act, Section 601 of Title VI mandates that "No person ... shall, on the ground of race, color, or national origin, be excluded from participation in, be denied benefits of, or be subjected to discrimination under any program or activity receiving federal assistance."*
- *The 1968 Civil Rights Act, Title VIII states that the policy, within constitutional limitations, be for the provision of fair housing throughout the nation.*

#### **"701" Housing Elements**

Evaluation of applicants' housing needs, goals, policies and recommendations for consistency with Tri-State's housing element

has been underway and will continue through 1978.

#### **Housing Assistance Projects**

Tri-State will initiate in 1978 reviews for the major programs of the U.S. Department of Housing and Urban Development, but criteria have not yet been formulated.

#### **Other Functional Areas**

Tri-State will use the "A-95" process to comment on federal-aid applications, which are determined to be of regional significance, with regard to the applicant's consistency with the regional strategies as contained in this housing element. Following discussion with applicants to resolve any problems, Tri-State may make an unfavorable final recommendation on those applications that have a direct, adverse impact on housing. Tri-State will not recommend against other applications solely because the application is inconsistent with the housing strategy.

#### **MONITORING PROGRAM**

Tri-State will continue its existing housing monitoring program, which includes the following:

- *Building permits by local communities, counties and regional planning areas, including structure types (single-family, two-to-four family and multifamily [5 or more] units.)*
- *Demolition permits by selected local communities.*
- *Subsidized and assisted federal and state housing by program category.*

An annual report will impart the Region's progress on meeting the housing needs of all income groups.

As soon as practicable, Tri-State will begin a major housing marketability analysis in order to provide updated information and a better understanding of these dynamics for each subregion. We will also seek to quantify and locate housing abandonment and redlining trends.

## **VI. AVAILABLE RESOURCES**

Housing funding programs offered by the federal and state governments do not provide substantial resources to begin meeting the Region's lower-income housing needs. Tri-State shall assume a posture to press the federal government to provide ample funds to meet adequately the housing needs of the Region's lower-income households. The federal government has been too long remiss in its role of providing adequate housing. This is a situation that the Tri-State Region can no longer bear.

### **FEDERAL FUNDS**

Since the inception of the federal housing programs in the 1930s, more than 3 million housing units have been assisted nationwide. Between 1949 and 1974 urban renewal and neighborhood-development programs have been part of roughly 2,800 distinct redevelopment activities, resulting in the building or rebuilding of 400,000 dwellings.

The national housing goal to provide "a decent home and a suitable living environment for every family" was established in 1949 and reaffirmed in 1968. This national goal has always been far from attainment because of a need for larger allocations for housing and related community-development programs. Formulating lofty goals and providing paltry

resources is self-defeating, yet this has been the reality. The emphasis has been on new construction rather than rehabilitation, and there has been confusion between shelter-oriented and neighborhood objectives.

The Tri-State Region has had an estimated 250,000 new or rehabilitated low-income and moderate-income units completed or purchased as a result of 40 years of federal housing programs.

Beginning in the early seventies, however, the results were more impressive than in previous years. Between 1970 and 1973 slightly more than 25 percent of the 40-year total of the Region's federally assisted units were either completed or purchased, and 66 percent of the inventory of publicly rehabilitated units was also completed because of a dramatic shift away from new construction.

Following the 1973 federal moratorium on housing funds, the Housing and Community Development Act of 1974 attempted to relate the need for dwellings with community facilities. The initial slow start of the housing program under this legislation, called Section 8 after its place in the 1974 act, did not materially improve the situation.

Approximately 90 percent of the federal housing program pertains to Section 8 rental



assistance, which can be used in either new construction or substantially rehabilitated or existing housing for low-income and moderate-income households. Such households are defined as those with 80 percent or less of the median income in the metropolitan area. The family pays up to 25 percent of its gross income for rent (15 percent for very low-income families) and the subsidy provides the difference to pay the contract rent. In the case of new construction or rehabilitation the subsidy goes to the housing unit, with leases entered into between the owner and the U.S. Department of Housing and Urban Development. In the case of existing housing, the family rather than the unit gets the subsidy.

In 1975 the Section 8 allocation to the Tri-State Region was \$126.5 million, or 14 percent of the \$900 million to the nation. For 1975, 1976 and 1977 approximately 200,000 units were allocated each year nationwide; the Region was allocated 10 to 15 percent of the total, roughly assistance to 35,000 households per year.

If the funds are allocated for assistance to existing housing rather than new construction

or substantial rehabilitation, more than twice as many units can be subsidized because of the lower subsidy per unit. But, in a Region with a large amount of substandard housing and a generally low vacancy rate, physical assistance to upgrade or add to the supply is also needed.

Since the Section 8 program does not provide the actual capital financing for new construction or substantial rehabilitation, monetary support is needed. Investor confidence has recently been at a low point, and with inflation and government fiscal crises, investment in bonds is limited in some parts of the Region. Thus it may be necessary to emphasize assistance to existing units, in some places, as the only feasible way of using Section 8 until the financial situation improves.

The other major funding sources available nationally for fiscal year 1977 were:

- Section 312 rehabilitation loans for use in urban renewal and code enforcement areas amounting to \$120 million.
- Section 202 housing construction for the elderly, approximately \$637 million.
- Rehabilitation loans and grants as part

*Exhibit 11*

**FEDERAL FUNDS FOR HOUSING: 1977 FISCAL YEAR\***  
(millions)

|   | Regional Total | Connecticut   | New Jersey    | New York       |
|---|----------------|---------------|---------------|----------------|
| <b>Assistance Programs</b>                |                |               |               |                |
| Section 8 . . . . .                       | \$139.8        | \$ 7.7        | \$19.9        | \$112.2        |
| Section 202 . . . . .                     | 63.7           | —             | —             | —              |
| Section 312 . . . . .                     | 8.8            | 1.7           | 3.1           | 4.0            |
| CDBG Rehab. Loans<br>and Grants . . . . . | 58.4           | 3.6           | 10.8          | 44.0           |
| <b>TOTAL . . . . .</b>                    | <b>\$270.7</b> | <b>\$13.0</b> | <b>\$33.3</b> | <b>\$160.2</b> |

\*These are funds made available at the national level or to the area offices of the U. S. Department of Housing and Urban Development (HUD) in Hartford, Newark and New York; and Community Development Block Grant(CDBG) applications submitted to the areawide clearinghouse in 1977.