

Slums Are a Luxury We Cannot Afford

OSCAR H. STEINER

FRED AND MILDRED HURNS were very special sidewalk superintendents when they stood at the corner of East Thirty-fifth Street and Scovill Avenue here not long ago and watched bricklayers at work on a 283-apartment development. Along with hundreds of other Negro families, the Hurnses were displaced two years ago from this same area by a slum-clearance project. But their visit had not been prompted by any nostalgia for their old neighborhood. They had come, with their four children, to check on the new apartment they will soon be moving into. Furthermore, they will take up residence in one of the modern fireproof apartments not as renters but as owners.

Because I am the head of the building firm that is putting up the Longwood development into which the Hurns family will move, what follows may sound presumptuous. But I honestly believe that the project, small as it is, has real significance for all communities that want to do something about their slums.

All too often slums are cleared with public funds and then the former residents are forced into other slum areas by the excessive rents of the new development. It hurts me every time I hear of a huge apartment development with rents of \$25 to \$40 and more per room going up in a former slum section. Unless something is done to help people like the Hurnses, the troubles that afflict the heart of almost all of our large cities will increase rather than diminish.

THE HURNS FAMILY has been making monthly deposits during construction toward the down payment for their new home. When their two-bedroom apartment is ready and they move in, they will have paid \$500 down. (Sure, they'll be cramped for space by ideal standards, but they'll be less crowded than they

were before or than they would be in another slum.) Their monthly payments covering interest, amortization, taxes, insurance, and all exterior repairs and services, including lawnmowing and snow removal, will be \$81.50. Other families are saving toward or have made down payments of \$750 for three-bedroom units in Longwood on which their total monthly payments will be anywhere from \$85.50 to \$91.50, depending on the size of the rooms. These are bargain-basement prices in Cleveland, where construction costs are high. Two other firms are working in Longwood on more conventional rental projects, and this is progress too. But I think it is interesting that those who are paying for their own apartments will be paying substantially less than those who rent.



We learned from an earlier project that the average family income of a purchaser is \$4,100 a year, only about seven hundred dollars below the national median and a thousand dollars under the median for city dwellers. And yet after years of living in deteriorated, jam-packed slums most of the purchasers had almost given up hope of ever renting, let alone owning, a decent home of their own. We have experienced practically no turnover; even more, there are no delinquencies.

Two years ago the City of Cleveland, with the help of a Federal grant of more than \$2 million, bought for demolition the tattered tenement the Hurnses had lived in on East Thirty-fifth Street. The houses in the neighborhood were predominantly frame, and most of them hadn't been painted in years. Maintenance consisted of patches on patches. Originally single- and double-occupancy houses, they had practically all been converted to multifamily occupancy—some with families of six or eight persons living in a single room and sharing bath and kitchen facilities. The Hurnses paid \$15 a week for three rooms. Some families paid more, some slightly less, but the rates were almost uniformly exorbitant, although not at all shocking to anyone who is in any way familiar with the economics of Negro slum property.

How to Make Slums

Along with a sizable number of the twelve hundred families who once lived in the section, the Hurnses were relocated into the Cleveland Hough neighborhood. There they had to double up again in a house in an area that is already caught in a familiar pattern: overcrowding, heavy wear and tear on already neglected buildings, climbing rents, growing crime and delinquency, an increasing tax burden on the entire city—in short, new slums while the old were being cleared. The police call this area "The Jungle."

The rapid growth of new slums means that Cleveland and cities like it are getting nowhere fast in a desperate race that will exhaust the earnest dreams of the planners and the bright hopes of the city administration.

Of the billion-and-a-half-dollar industrial expansion enjoyed by the Cleveland metropolitan area in the postwar years, one billion dollars' worth has been located in the suburban municipalities. Most of the new houses have also been built outside the city limits.

As the tax base in the center of the city levels off in relation to that in the rising suburbs, Cleveland's house-keeping problems—health, police, and welfare—show no corresponding reduction.

No one can say that we Cleveland-

ers haven't had plenty of warning about how expensive slums can be for a city to go on tolerating. Back in 1934, Father Robert B. Navin, now Monsignor Navin, president of St. John College in Cleveland, completed a study of a 333-acre section of the city that included the present Longwood project site. Father Navin discovered that direct cost of maintaining the section—in city, county, and school services, in private and public health and welfare spending—was \$2 million, against a potential real-estate tax revenue of \$225,000. He observed that the inclusion of a few items of administrative overhead would have made the deficit ten times the tax return.

The social deficit, which also costs money, was found to be even more disproportionate. A section comprising 2.5 per cent of the city's population and 0.73 per cent of the land area boasted 21 per cent of the murders, 8 per cent of the juvenile delinquency, 26 per cent of the vice resorts, 10 per cent of the illegitimate births, and 12 per cent of the tuberculosis deaths.

THE YEARS since Father Navin made this survey have increased the costs of municipal services without solving any of the social problems, so that even in a period of relatively full employment and prosperity, slum areas constitute a severe drain on the city's resources. When the city administration went to Cleveland's voters with a \$7-million urban-redevelopment bond issue in 1953, it could argue accurately that the Longwood section represented an annual "loss" of more than \$200,000.

Some simple arithmetic shows how good an investment Longwood will be. It cost \$3 million to buy and clear the project area. Resale of the land to builders brought \$450,000, leaving a net cost of slightly over \$2.5 million to the city and Federal government. But the new apartments and shopping center will so enhance the tax returns from the section that the city will get its share of the costs back in nine years. Hard figures like these as well as humanitarian motives convinced the business and industrial leaders of Cleveland that they should support the city's renewal efforts. This they are doing through the nationally recog-

nized Cleveland Development Foundation.

Nearly one hundred Cleveland companies subscribed \$2 million to provide the foundation with a revolving fund to expedite almost every phase of Cleveland's redevelopment. Part of the money has been or is being used now as loans to the city and private builders to get specific projects under way. The list of officers and trustees of this organization includes many of Cleveland's industrial and commercial leaders. Mayor Anthony J. Celebrezze and Renewal Director James M. Lister have repeatedly paid tribute to the foundation's help in getting programs started.

The Negro 'Problem'

Whenever I begin to feel complacent about what we are accomplishing for the Hurnses and families like them, I have only to climb into my car and drive up and down the broken streets of the neighborhoods adjoining the Longwood building sites. In half an hour, the proper—and bitter—perspective is restored. What we have done, what we are doing, is only a pinprick compared to the major surgery needed.

The majority of inhabitants of Cleveland's slum areas are Negroes. The Cleveland Community Relations Board issued a report a few years ago showing that only five hundred of the 140,000 private dwelling units built in the Greater Cleveland area since the war had been available for rent or purchase by Negro families. What this has meant, of course, is that colored families, regardless of economic status, have been for the most part confined to the oldest and most run-down sections of the city. The Negro "problem," which helps create slums in the first place by overcrowding open neighborhoods, makes slum elimination all the more difficult.

Restrictive real-estate practices of builders, brokers, and lenders, echoing the sentiments of white neighbors, have made it almost impossible to obtain tracts of vacant land in the outlying sections of Cleveland or across municipal boundaries into the suburbs on which to build single-home or apartment developments with open occupancy. Wider realization of the economic consequences

of prejudice—the cost of maintaining slums, for instance—may help hasten the day when integrated housing is more than a church-sponsored social experiment.

Cleveland and other industrial cities should certainly review their extensive landholdings with an eye to making some vacant sites available for open housing. When the City of Cleveland was eager to attract the 1959 Pan-American Games it quickly produced land for a stadium, parking fields, and temporary housing facilities for the athletes. Why couldn't the same areas be made available for housing the slum D.P.s?

The need everywhere is for low-cost houses. The spectacular boom in the postwar years produced a tremendous amount of housing for families who could afford to pay \$15,000 or more—families, in other words, with an annual income of \$7,000 or more. It is safer and more profitable for a contractor to build and sell a \$35,000 home than one selling for \$8,000 or \$10,000. But the supply of homes in the upper bracket has come within hailing distance of the demand. In fact, you can say now that the prospective buyer has a very good choice.

BUT THE building boom didn't help the average industrial worker. Accurate figures for the income of Cleveland families show that sixty per cent of the families are in the \$3,600 to \$5,000 per year range—too high for public housing under Ohio's income limitations, and too low for the private units that have been built.

This income group, which includes so many of the slum D.P.s, cannot afford to pay more than \$65 to \$95 a month in rent or monthly payments on a mortgage. Some of them, in desperation, are paying more than one week's take-home pay in rent, but in the long run they are bound to find they have been led up a blind alley. The old rule of thumb that no more than twenty to twenty-five per cent of income should go for shelter still holds true.

In building apartments to rent or sell in the \$65 to \$95 range there are all sorts of problems, not the least of which is "tight" money. If mortgage interest rates climb one

per cent, as they did between our first and second redevelopment projects, the purchaser's monthly payment jumps nearly five dollars—more than eight per cent—on an \$8,500 mortgage. In addition, costs of material and labor keep increasing, and the average industrial worker's pay shows no sign of catching up.

One place where relief would seem entirely possible—and logical—is in land costs. Instead of charging \$14,000 per acre for the Longwood site, why couldn't the City of Cleveland have deeded the land for \$1, making sure that the savings would be passed on to the purchasers of the new units? It would have meant an immediate reduction in monthly payments of more than three dollars. As in the case of interest rates, the amount can be substantial for the family budgets we're talking about.

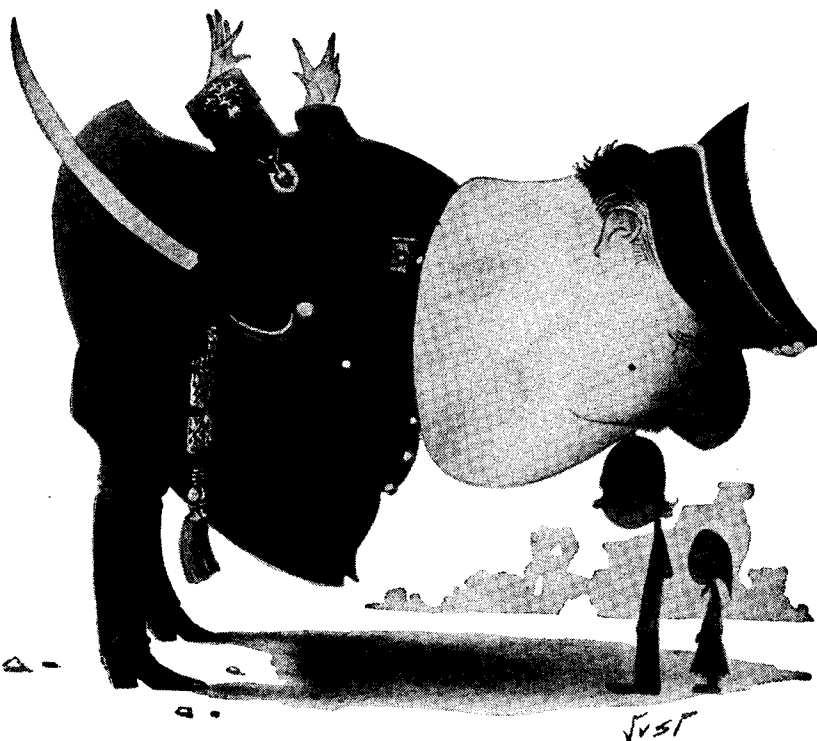
The increased write-off on the land would help bridge the wide gap between public housing, which must be almost completely subsidized, and conventional private housing, which only those with incomes of \$7,000 or more can afford. It's not as if the city would simply be giving away money it could never hope to see again; the time required for it to recover its capital outlay in tax returns would merely be slightly lengthened.

There's nothing radical about such a proposal. In many parts of the country, communities are providing free factory sites and sometimes even building free factories to promote industrial development. The same philosophy of enlightened self-interest could well be applied to the housing crisis.

SLUMS ARE not only the shame of our cities in aesthetic and moral terms; they are also outrageously expensive.

Ninety-three per cent of the shabby dwelling units in the razed slums of the Longwood section were owned by absentee landlords. When the Hurnses and the other families move into the new apartments, a large degree of homeownership will be restored to the neighborhood.

I feel very strongly that resident ownership is the best possible guarantee against community deterioration.



The Meager Harvest Of Franco's Twenty Years

CLAIRE STERLING

DURING the past twelve months the cost of living in Spain has gone up nearly twenty-five per cent, after rising twenty per cent the year before. The budget deficit is now seventeen billion pesetas, which is more than a third of the budget itself, and the foreign-trade deficit has shot up to \$325 million, twice what it was in 1955. Furthermore, the peseta has dropped from forty-two to more than sixty to the dollar.

Spanish officials would like to blame this economic crisis on the Americans and God—the first for pushing prices up by spending large sums in building military establishments and a pipeline and in modernizing the Spanish Army; the second for an icy blast that devastated Spanish crops in February, 1956. Actually, a considerable amount of American expenditures in Spain have tended to lower prices—by providing more food, raw materials,

and machinery. The 1956 freeze destroyed a great part of the citrus crop and further diminished olive-oil production already hard hit by a poor crop the year before. Oranges and olive oil are Spain's two major exports. But again U.S. dollars and surplus commodities have gone a long way toward making up the loss.

Some spokesmen for the régime have suggested that the economic crisis has come about through a sudden desire on Franco's part to give his subjects a better standard of living. Many of his subjects may find this explanation amusing but it is at least partially true.

It would be more accurate to say that Franco, whose indifference to the Spaniards' living standards has been boundless for twenty-one years, has recently shown a desire to protect his own way of life by improving theirs. His incentive has been a series of strikes, riots, and