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Our Changing Economy

Housing of the Poor Poses a Problem

By Philip Stoddard Brown

WHERE should poor people live? In many upper-income communities, the view is that they should live elsewhere.

Poor people, it is argued, don't pay their way; it costs more to educate their children and provide them with municipal services than they pay in taxes. Frequently they need public assistance and private charity.

Brown

At the same time, it's desirable to have a good number of poor people within commuting distance, for how else can businessmen and housewives afford all the cleaning up that has to be done?

If the commuting is done across county or city lines, this enables taxpayers to enjoy the advantage of drawing upon an outside pool of low-wage laborers, cooks, laundresses and store clerks, without incurring the costs of public housing and welfare services.

In the suburban areas of Washington, this "ideal solution" has been achieved, to a considerable degree, by the silent conspiracy of real estate people and government officials. Lack of housing and inferior schools for Negroes have forced this segment of poor people to live in the District.

The Big Problem Is the Middle-Income Group

These days, the acute problem of "the better residential areas" of the suburbs is one of excluding people in the middle-income range. Poor people are no problem.

Dense subdivisions of box-like houses on the fringe of better residential areas are usually profitable to developers. New residents don't get much land of their own—only enough for a dog kennel and a clothesline—but they can enjoy the trees and open space the older residents provide.

Many residents, hemmed and harassed, have sold out to developers. Privately-owned open spaces are vanishing.

This "living thick" has created a need for huge capital outlays, not only for schools and roads but for storm sewers and park areas that weren't needed before the invasion of bulldozers.

The lesson is clear. These subdivisions for middle-income families should be made to pay their way.

In Montgomery County, many residents are opposed to bringing in new industry, except the high-salary country-club type. They want also to preserve the County's low-density residential character. Above all, they want good schools and other high-quality public services.

They were advised in 1954 by the Homer Hoyt Associates that residences with a market value of less than $17,000 didn't yield taxes equal to the cost of county services. They were told also that the value of a house was ordinarily equal to 2½ times the income of the owner's family.

More recently, the Financial Advisory Committee for the Montgomery County Council, has reported that the break-even point is now about $20,000 and that families with incomes under $8000 don't ordinarily pay their own way.

This Committee has recommended a capital levy, or one-time tax of $20 per $1000 on new residential property and $10 per $1000 on new business property, to help pay for new schools, roads and sewers. The Committee also has urged the Council "to make every effort to guide the County's future growth through stringent zoning measures and other regulations so as to prevent the kind of growth that will merely aggravate the tax burden."

Two members of the Committee, in a separate statement, imply that they would favor further measures to restrict the influx of residents. Referring to all houses valued at less than $20,000 as "deficit housing," they question "the equity of placing the present County residents in a position where they are required to subsidize, to more than a moderate extent, an inflow from outside the County—particularly when the deficit housing involved lowers the general attractiveness of the community as a place in which to live."

Implications of Exclusion

What's wrong with this policy of exclusion, of "pricing out" new families that can't afford, or don't wish to pay for superior schools and other high-quality public services? Isn't it, in fact, commendable?

It may be. But there's one difficulty: there are so many poor and middle-income people. Only one in five Government employes earns $8000 or more.

Eventually, there will have to be, I think, an area-wide governing body for Washington, to assume some of these social costs and to tax all area residents. Otherwise, the District will be justified in levying a tax on incomes of non-residents earned in the District, setting up toll gates along its boundaries and charging outsiders for admission to its Zoo and so on.

At the same time, developers must be made to pay more of the costs they now impose upon County governments. They must employ more imaginative architects. . . . If Montgomery County loses out on new houses that cost less than $20,000, this break-even point must be lowered.

There is no reason that I can see for subsidizing the municipal services enjoyed by the large middle-income group.