



Policy Post Mortem: Housing Act of 1949

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Background

- National Housing Act of 1934
 - Federal Housing Administration (FHA)
- Housing Act of 1937
 - United States Public Housing Authority
- Veterans Administration (1944)
 - Provides home loans

Context

- Pre-WWII

- Roosevelt's New Deal and Truman's Fair Deal
- Union membership

- Post-WWII

- "Baby boom"
- Demand for housing
- Urban exodus
- Beginning of cold war

The Housing Act of 1949

Intent:

“to provide a decent home and suitable living environment for every American family”

63 Stat. 413, “Housing Act of 1949”

The Housing Act of 1949

- *Title I* - Slum clearance and urban redevelopment
- *Title II* – Increased FHA mortgage insurance
- *Title III* - Low-rent public housing units
- *Title V* – Farm housing
- Extremely controversial

Supporters

- President
- Veterans Organizations
- Labor organizations
- Welfare Organizations
- Minority and Religious Groups

Detractors

- Home building associations
- Lumber organizations
- Banks
- Chamber of commerce
- Conservative members of congress

Key Disagreements

- Public housing provision
- Government interceding in private market
- Anti-discrimination provision
- Slum clearance provision

Aftermath of Housing Act



Cabrini Green, Chicago – Constructed in 1958

Success/Failure of Housing Act

■ Title I

- ↑ Rid some areas of crime and substandard housing
- ↓ Displaced poor residents, reduced available housing units

■ Title II

- ↑ Provided mortgage funding
- ↓ Allowed discriminatory lending practices

■ Title III

- ↑ Created the promised 810,000 housing units
- ↓ Took 20 years, concentrated poverty

■ Title V

- ↑ Raised standard of housing

Success/Failure of Housing Act (cont.)

- Numerous amendments reaffirmed government's commitment to housing policy
- Quality of housing has increased overall
- Homeownership rates have increased overall
- Home size has increased overall
- Difficult to quantify impacts of act

Lessons Learned



- Federal government involvement in housing policy is possible
- Set realistic goals
- Urban renewal needs to work with existing neighborhoods
- Housing is not enough