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NEW TOWNS IN THE UNITED STATES: SUBURBAN ENCLAVES
OR BALANCED COMMUNITIES?

by

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ABSTRACT OF DISSERTATION

Submitted in partial fulfillment of the requirements for
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One of the major challenges facing the United States today is the provision of "a decent home and a suitable living environment for every family" in this country. To achieve this goal, policies must be established which deal not only with the development of housing units, but with the problems of land use and population imbalances within the metropolitan areas. One step which must be taken is to provide low and moderate cost, job-linked housing units outside the central city to remove the disparity between the job location and residential location of the real and potential minority groups in metropolitan areas.

One approach to providing lower-income housing in the suburbs is to build it in the "new towns" being developed across the country. The purpose of this study is to examine the question: Given the structure of the housing market in the United States and our present system of government land development and housing aids, can and will the private sector provide housing for a variety of income groups in

new communities? The functioning of the housing market, the current system of state and federal government grants related to housing and new community development, and the development process of eight new communities in the United States have been examined in an attempt to explain the real, rather than the hypothetical, role of the private developer in providing low and moderate-income housing in these communities, and to determine what policies are needed to aid the builder achieve this goal.

The new community developer has been neither encouraged nor at all aided in providing moderate- and low-income housing in his community. The developer's vision of a balanced community is to provide housing for a cross-section of persons working in the community, as long as the family head earns at least \$5,000 to \$6,000 a year, but no developer is currently selling more than 20 percent of his units for under \$23,000. Low-income families, by and large, are not considered in the total planning, and with the exception of two or three developments, housing needs for the elderly are not being met.

The new community development aids developed by the federal and state governments create funds to cover the "front end" expenses of the developer, and provide him with a more realistic repayment schedule. They do not aid in land acquisition, land "writedowns," or in any other way which would generate enough of a savings to be passed on to the homeowner through a reduction in site costs. In this legislation the development act and the homebuilding act have been considered as two entirely different functions. Any aids which would enable a developer or homebuilder to provide lower-cost or subsidized housing are not included.

Therefore, the developer and homebuilder must turn to the myriad of housing aids available on the state and federal level. These programs do enable rents and monthly house payments to be lowered within the reach of families earning above \$5,000 a year, but not enough subsidy money exists yet, and the cost limitations placed on these units are too low given today's land, construction, and labor costs. In addition, outdated local building codes prohibit the new community developer from using mass-produced

housing to lower the cost of the housing unit, even though he has large tracts of land which would lend themselves to the economies of scale generated through prefabricated housing.

Alternative strategies should include expansion of current housing aids, and guarantees under new community development programs that developers will receive a level of housing subsidies adequate for the creation of a balanced housing mix. Priority should be given to the use of new community sites in the Operation Breakthrough program, and steps should be taken to update local building codes to enable developers to use prefabricated housing. Incremental changes in the direction of existing policy, and the coordination and increased monetary support of existing housing and land development programs could begin to bring about the development of low- and moderate-income housing in the suburbs through the vehicle of new community development.

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