**The Other "Subsidized Housing"**
**Federal Aid To Suburbanization, 1940s-1960s**

By Tom Hanchett

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How should government help Americans achieve better housing? That question emerged as an important one in the decades around 1900 as people poured into cities to work in the new factories and offices generated by the Industrial Revolution. Initially, there was no government involvement except for rudimentary local building codes. Americans depended purely on the private market to provide housing, which produced packed tenements threatening public health. Therefore, housing reformers began pushing government to get involved. Better local laws, such as New York City's 1901 Tenement House Law requiring indoor plumbing in each apartment, made some headway, yet slums still existed.[1] Activists began campaigning for federal dollars to demolish bad housing and to erect decent, affordable multifamily dwellings for America's lower income workers. That vision began to be realized in the 1930s and 1940s. Under the New Deal of the 1930s, Washington started providing dollars to build public housing projects, and in 1949 amid great publicity it launched slum clearance.

These efforts on behalf of poor people, however, turned out to be only a tiny portion of the new government assistance to housing. In the decades following World War 11, suburbanization, not slum clearance and low-income apartments, emerged as the twentieth century's most sweeping change in the American metropolis. Beginning in the 1930s and blossoming after World War 11, Washington launched major programs that aided middle- and upper-income citizens, particularly in the suburbs.[2] It can be said with considerable truth that the vast landscape of suburban ranch houses and apartment complexes that sprawled outward from every U.S. city during the late 1940s, 1950s, and beyond was -- no less than the grimmest public housing project -- "federally subsidized housing."

Three types of federal actions shaped the new suburban environment. All affected the number of buildings that got built and had considerable impact on the kinds of communities that took shape. First, Washington offered direct financial incentives targeted explicitly toward suburbia, particularly Federal Housing Administration (FHA) and Veterans Administration (VA) mortgage aid. A second type of subsidy came in the form of financial initiatives that indirectly made building in the suburbs easier, ranging from expressway construction to tax breaks for homeowners and real estate developers.

Third were Washington actions that affected the character and composition of suburbia, such as Supreme Court decisions on deed restrictions and civil rights. Never has there been a single unified federal housing policy for suburbia. Instead, diverse Washington efforts have interacted often unexpectedly to push suburban development in ways that changed considerably over the decades.

**Direct Dollars for Suburban Housing**

Federal mortgage assistance, introduced during the New Deal of the 1930s and expanded in the mid-1940s, emerged as a powerful factor in metropolitan development after World War 11.[3] The practice was conceived as a way to shore up America's tottering banking industry during the Great Depression. The newly chartered FHA used federal dollars to insure mortgage loans, promising to repay the bank should the home-buyer default. This meant that home loans suddenly became a very safe and desirable business for America's bankers. In 1944, Congress created a second similar program as part of the G. I. Bill aimed at rewarding America's war-weary military forces. The VA mortgage program offered such generous insurance that banks not only made more loans but also slashed the cash down payment a home-buying veteran was required to provide.

Both agencies explicitly favored loans to new construction in the suburbs, routinely refusing to underwrite mortgages in existing built-up districts.[4] "Interior locations" in the metropolis "have a tendency to exhibit a gradual decline in quality," warned the FHA's *Underwriting Manual*.[5] The historian Kenneth Jackson's examination of internal agency records showed that in Saint Louis, for instance, five times as much FHA mortgage aid went into the suburbs as into the city itself-despite the fact that more single-family homes were constructed inside the city than outside. In Washington, D.C., the ratio was seven to one. Older industrial centers particularly bore the brunt. "As late as 1966, for example," wrote Jackson, "FHA did not have a mortgage on a single home in Camden or Paterson, New Jersey, both declining industrial cities."[6]

The FHA and VA programs dramatically changed down payment and payback requirements, a revolution that extended to the finance industry in general. Previously, home loans had been short-term affairs available primarily to the relatively well-to-do. The buyer typically had to have enough cash to pay 50 percent of the home's purchase price as a down payment and then had to pay off the balance in five years. Now, thanks to FHA-VA guarantees, banks were willing to accept much lower down payments and much longer loans. The consumer needed just 10 percent down payment for an FHA loan (0 percent for some VA loans!) and for either a VA or FHA loan could take up to thirty years to repay. Those terms quickly became the standard for conventional mortgages as well. Suddenly millions more Americans could afford a home of their own. Before FHA-VA, barely 45 percent of U.S. housing units were owner-occupied. Once the federal subsidies took hold, that number advanced to close to 65 percent, where it remains today.[7]

The FHA-VA programs also revolutionized the scale at which suburban developers worked. Home loans became so desirable that lenders now actively sought projects to bankroll, the bigger the better. As soon as FHA approved a development for mortgage insurance, lenders eagerly advanced cash to the developer to get the dwellings built. Savvy developers found themselves commanding virtually unlimited capital-very little of which they actually had to supply themselves-which enabled construction on a scale virtually unknown in U.S. history. Where the typical builder of the 1920s had only one or two homes under construction at a given moment, post-World War II firms commonly erected hundreds at a clip. FHA-VA officials, thinking that mass production promoted efficiency, actively funneled federal loans away from small craft builders and instead explicitly favored gigantic "operative builders" who “assume responsibility for the product from the plotting and development of the land to the disposal of completed dwelling units.”[8]

The most famous builder to use FHA-VA financing in the postwar era was William Levitt, who created three sprawling communities under the name Levittown. Levitt had begun developing mass building techniques during World War II when he won a government contract to erect 2,350 units of defense housing at the Norfolk, Virginia, naval base. Once the war was over he purchased 4,000 acres of potato farms on Long Island just beyond the edge of New York City. Next he got FHA-VA commitments to guarantee mortgages for an initial 4,000 houses.[9] Paper in hand, he found lenders eager to supply capital. Levitt hired teams of workers to pour concrete slabs (omitting basements saved money), hammer together framing, and finish out look-alike cottages a street at a time. Sales began in 1947 amid heavy publicity, and by 1951 Levittown held over 17,000 houses, with similar projects in the works in Pennsylvania and New Jersey. "NO CASH DOWN for Veterans, $65 monthly buys your home!" trumpeted Levitt's newspaper ads. With an FHA mortgage, "civilians need only $790 down, $68 monthly!"[10] *Life* magazine reported that it was cheaper to move out to Levittown and buy a new house than to keep renting an existing apartment in the city, an astonishing testimonial to the power of the federal mortgage subsidy.[11]

The FHA-VA did much to dictate what sorts of communities the fast spreading suburbs of the postwar era would be. Drawing on America's wealthy and exclusive neighborhoods as models, Washington's vision of the ideal society emphasized privacy and homogeneity rather than diversity.[12] Both agencies strongly favored single-family dwellings, with none of the small-scale rental housing traditionally intermingled in U.S. neighborhoods. Pamphlets counseled developers not to arrange streets in an old-fashioned grid of blocks. In stead, they recommended curving avenues and cul-de-sacs to promote "privacy of the residential area."[13] There would be no corner groceries; if there were any stores at all, they would be grouped into a single shopping center. The FHA *Underwriting Manual* emphasized that suburbs must be arranged to promote strict separation of land uses.

Most important -- and quite surprising to us today -- the FHA-VA ideal of homogenous communities included blatant discrimination on the basis of gender, race, and class. For many years, FHA did not approve mortgages for female-headed households.[14] The *Underwriting Manual* required developers to guard against "invasion" by lower-income residents or minorities. Builders were explicitly advised to write restrictive covenants into all deeds, legally blocking purchase by specific groups. "If a neighborhood is to retain stability," the manual stated emphatically, "it is necessary that properties shall continue to be occupied by the same social and racial classes."[15] Between 1945 and 1959, less than 2 percent of all federally insured home loans went to African Americans.

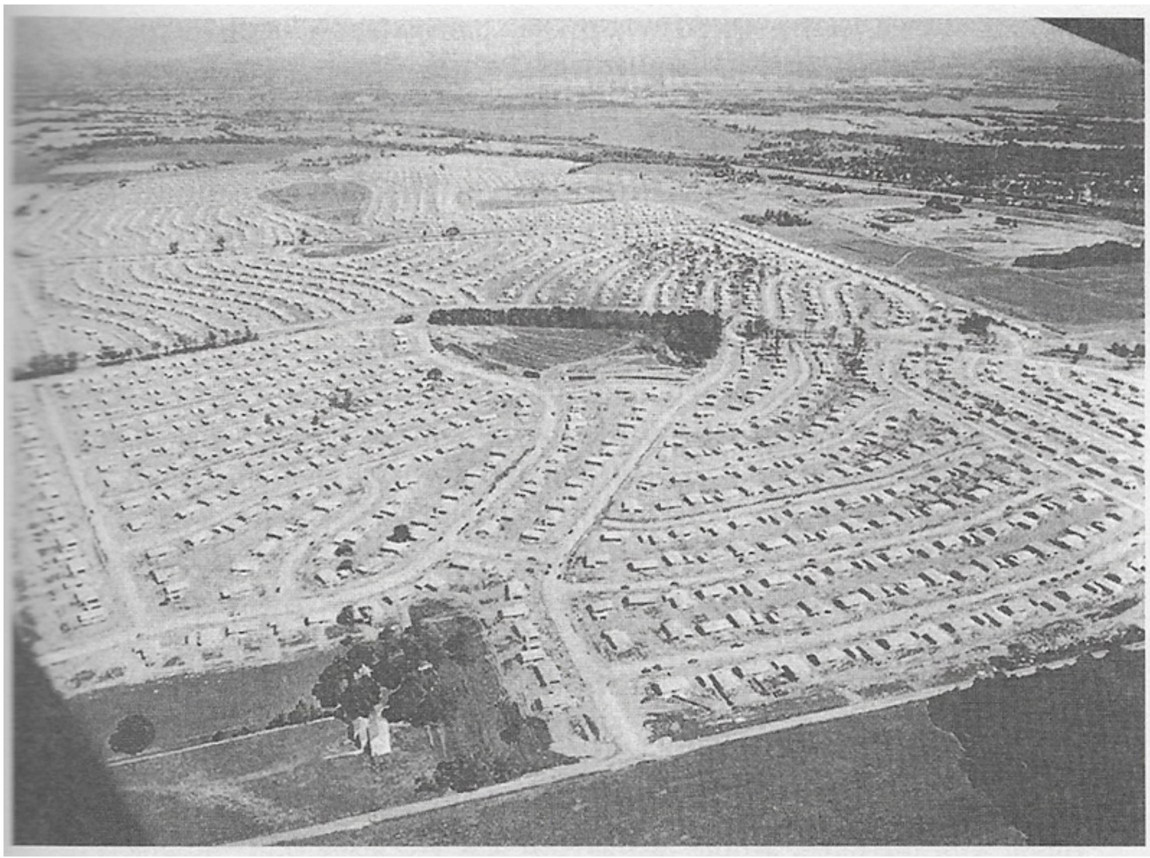

*Image: Levittown, Pennsylvania, one of three such sprawling suburban communities, all named Levittown, built by William Levitt with the help of favorable financing terms in the postwar era. The other two Levittowns are in New Jersey and on Long Island.*

By the start of the 1970s, eleven million Americans had purchased dwellings thanks to FHA-VA financing. Almost one-fourth of new houses in the United States during the 1940s-1960s received FHA-VA subsidy, with the high point at 40.7 percent in 1955. The impact of the agencies' policies extended far beyond that impressive figure. A developer might sell just a few houses in a subdivision through the FHA-VA, but only if the whole subdivision met federal standards. As a result, FHA-VA ideas quickly became the accepted wisdom among American developers and ordinary home-buyers as well and as such remained in force long after federal policy officially changed. Levittown, Long Island, had not a single African American among its 82,000 residents as late as 1960, more than a decade after the Supreme Court declared racially exclusive deed restrictions legally unenforceable.

Although the FHA favored mostly single-family dwellings, one high impact program brought a new kind of rental housing to suburbia in the late 1940s: the garden-apartment complex. The idea of creating large apartment projects with abundant green space had been kicking around for a half-century, inspired by such visionaries as Ebenezer Howard and Le Corbusier.[16] The public housing projects of the 1930s incorporated this thinking, and a handful of private developers played with it in scattered cities, but the land costs involved and the sheer newness of the notion made it a rarity in most of the United States. Then in 1946, to ease tight housing as veterans returned from overseas, the FHA announced its "608" program: For builders of garden apartments, the federal government would insure mortgage loans for virtually l 00 percent of estimated construction cost.[17] Developers could borrow all the cash needed to construct an apartment complex, then set rents to cover expenses and repay the loan and pay themselves a profit on their "investment." Lax FHA officials allowed many to do even better. Numerous builders succeeded in getting loans-at low 4 percent interest-for substantially more than the project cost and pocketed the surplus. Outraged, Congress terminated the giveaway in 1950, but not before seven thousand projects had received FHA 608 subsidies. Garden apartments for middle- and upper-income tenants now existed in the suburbs of nearly every American city.

**Indirect Financial Incentives**

Along with the direct actions of the FHA and VA, many other programs of the federal government had indirect impacts in suburbia. The urban renewal slum clearance programs that demolished great swaths of inner-city housing in 1949-72 (discussed in Chapter 7) pushed those residents to find new accommodations, with repercussions often echoing into the suburbs. Policies about public housing had similar ripple effects, especially starting in the 1970s as Washington began to require "scatter site" housing, no longer clustering low-income residents in the center city. Here it is appropriate to explore three other federal initiatives that worked to make suburban development more economically attractive from the mid-1940s onward. Aggressive highway and sewer construction, tax breaks for homeowners, and creation of tax shelters for commercial developers all at first blush seemed to have little to do with suburbia. Yet each had the effect of reinforcing Americans' rush to the city's rim.

When first proposed, construction of big new expressways into U.S. cities seemed a sure ticket to downtown vitality, not suburban sprawl. For the first half-century of automobile travel, cities were hell. Between towns ran handsome federal highways aided by Washington beginning in 1916, but once a traveler hit town there was only the tedious stop-and-go of choked city streets laid out in horse-and-buggy days. Planners urged that sweeping limited-access expressways be sliced through, taking interstate travelers off city streets and making it easier for everyone to get downtown to offices and shopping. During the 1930s, a few isolated urban examples of the new kind of highway appeared: New York's Henry Hudson Parkway, Chicago's Lake Shore Drive, Los Angeles's

Arroyo Seco Freeway.[18] The immense costs of assembling and clearing land made further such projects seem unlikely.

Congress's long-standing emphasis on rural highway funding started to shift in 1944. Proclaiming a "new departure in federal highway legislation," that year's Federal Aid Highway Act for the first time allowed Washington dollars to be used for roadway construction inside city boundaries.[19] In separate legislation, Congress announced it would help pay for highway land-acquisition costs, a burden that states and cities had previously shouldered alone -- often the largest single component in an urban project. Municipalities across the United States rushed to prepare plans for broad boulevards and expressways, and the bulldozers began biting into inner-city neighborhoods. By 1949, federal highway officials reported 25 percent of their budget going to construction in metropolitan areas, including Atlanta's six-lane North-South Expressway, Charlotte's Independence Boulevard, Dallas's Central Expressway, Houston's Gulf Freeway, Pittsburgh's Penn-Lincoln Parkway, the Eastshore Freeway in Oakland, California, and the Edsel Ford and John C. Lodge Expressways taking Detroit commuters to northern suburbs.

The rumble of machinery rose to a roar with passage of the Interstate Highway Act of 1956.[20] President Dwight Eisenhower, the popular general who had led the United States to victory in World War II, convened a committee in 1954 to study the nation's highway needs. The panel recommended construction of a massive network of National Defense Highways, multilane and limited access so that convoys of military vehicles might move quickly to meet any Cold War attack. Such a system would also be a boon to travelers and businesspeople. The vision became law in 1956, earmarking over $27 billion for 42,500 miles of expressways by the end of the 1960s, the most expensive public works project in the history of the world. Half of that amount went to the fifty-five hundred miles of freeways that cut through urban areas.

Ironically, leaders in America's cities wholeheartedly embraced expressway construction. Washington put up 50 percent of the money for each mile of highway under the 1944 Act, a figure that increased to 90 percent under the Interstate program. Building a freeway meant thousands of jobs for local laborers and construction firms at virtually no cost to the local government. Just as important, businesspeople imagined that the new roads would help funnel suburban shoppers downtown. Instead, the projects had the opposite effect. Expressways opened up cheap land beyond the urban rim for new development, allowing shoppers to stream outward, and beltways around cities facilitated suburb-to-suburb commuting. Soon shopping malls and office parks at suburban expressway exits were stealing the traditional functions of America's downtowns, and the demolition required to bulldoze highways through the urban heart disrupted neighborhoods and created ugly scars that further weakened cities' health.

Highway funding set the model for a second type of growth subsidy, federal aid to sewer construction. Much less glamorous and much less visible than the majestic sweep of the Interstate expressways, the humble underground sewer pipe nevertheless facilitated suburbanization. In 1956, Congress signed legislation offering U.S. government grants to communities for up to 55 percent of construction costs for sewerage treatment facilities. This aid helped cities improve existing systems, of course, but it also meant that suburban municipalities could more easily extend lines out into the periphery. Developers who had previously bumped up against the limits of private septic systems now could hook onto the public sewer line and happily convert more cornfields to housing tracts. The subsidy hit its zenith in the 1970s. The Water Pollution Control Act of 1972 increased federal aid to 75 percent with annual appropriations of up to $6 billion per year.[21]

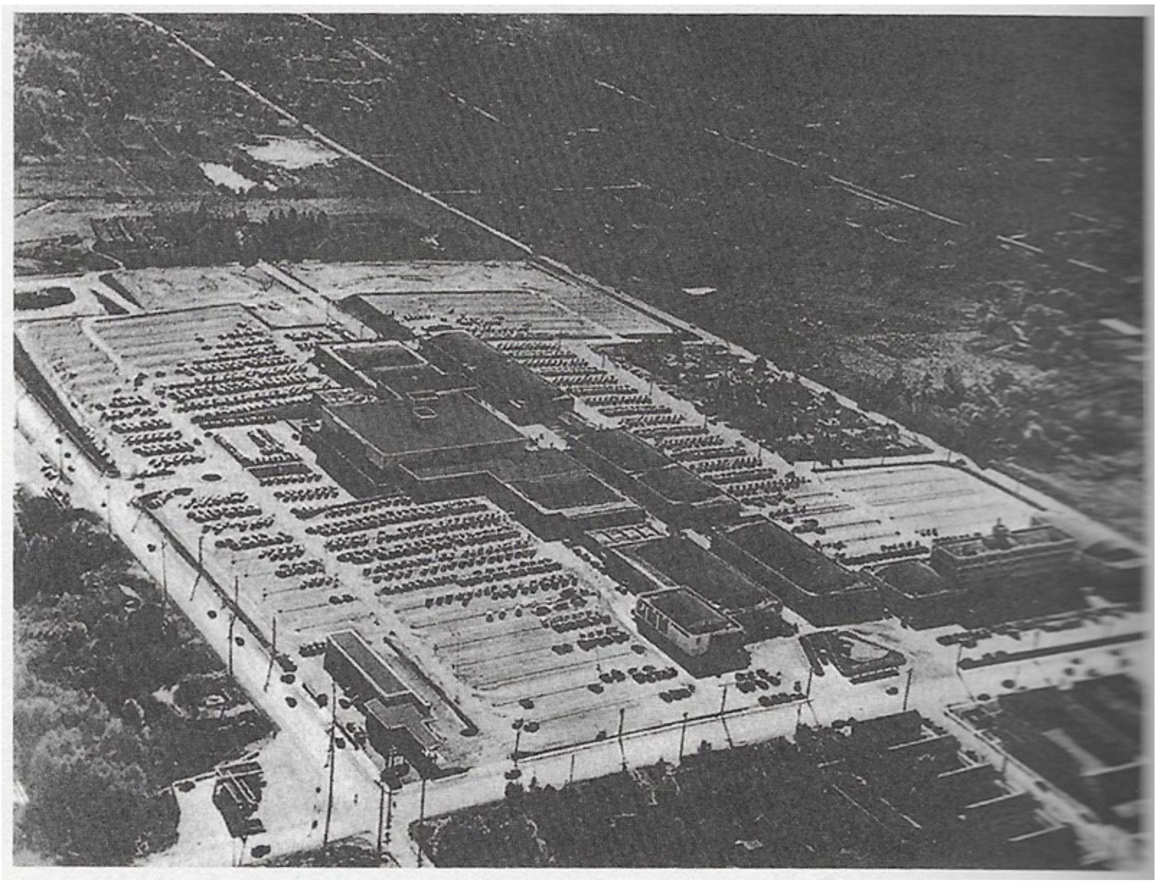

*Image: Suburban shopping centers flourished in the postwar years thanks to cheap land outside cities and easy commuting via expressways. Northgate Shopping Center, built five miles from downtown Seattle in 1950, was the nation's first to feature a central pedestrian walkway or "mall."*

Like highway and sewer construction, Washington's tax breaks for homeowners also had the indirect effect of supporting suburban expansion after World War 11. Federal income tax rules have always given property owners special write-offs. The amount paid for mortgage interest and local property taxes does not count as income; thus the income tax is lower for homeowners than for renters. Until World War 11, this rule had little effect on most Americans, because the federal government remained small and only the wealthiest people had to pay any income tax at all. The huge military build-up to fight the war, and later the continued expenditures for the Cold War against Communism lasting through the 1950s, '60s, and '70s, however, meant that virtually all citizens owed the Internal Revenue Service taxes each April 15th. In this situation, the deductions for owning a home began to be alluring to the majority of Americans.

By the mid-1960s, the homeownership deductions were costing the U.S. Treasury $7 billion per year -- Washington's "largest and most significant aid to housing," in the words of the economist Henry J. Aaron.[22] By 1984, the subsidy totaled $53 billion annually, nearly five times greater than all direct federal expenditures for housing.[23] Poor Americans reaped no benefit from these homeownership subsidies. Middle-income taxpayers saw small individual gains. The deductions were largest for the nation's wealthiest citizens, who had the greatest income to shelter. For people in both moderate and upper tax brackets, the law offered yet another reason to quit renting in the city and instead to buy one of the new houses springing up in suburbia.

Another quirk in the tax code helped ensure that suburban homeowners would never give up their houses, even when children were grown and a small center-city apartment might seem attractive. Under a 1951 federal tax law, a person who sold his or her residence was required to pay capital gains tax on the profit -- unless the money was used to buy another house of equal or greater value. Not only did this regulation push people to continue owning homes longer than they might otherwise, but it also bolstered the market for ever-more-expensive dwellings, according to careful studies by Thomas Bier.[24] Because new houses in the suburbs tended to be larger and more costly than "used" structures in the city, the law had the effect of making suburbia yet more financially alluring. Like the deductions for ownership, the capital gains policy applied to dwellings inside the city but was felt most strongly in suburbia.

In addition to promoting suburban homeownership, U.S. tax policy also subsidized new commercial construction beginning in the 1950s. The mechanism was an arcane bit of Internal Revenue Service law called "accelerated depreciation."[25] Since the income tax was instituted in 1913, businesspeople had been allowed a deduction for wear and tear on their buildings, typically one fortieth of the building's cost each year for forty years. In theory, this deduction provided cash to replace or update the structure -- but in reality a businessperson could use the tax-free dollars for any purpose. In 1954, intending to spur industrialists to update factories, Congress changed the law and enabled businesses to take most of the depreciation deduction in the first years of the structure's life. If the "loss" from depreciation exceeded the profit on the building, the owner could apply it against any other income he or she might have. Building construction, in other words, became a lucrative tax shelter.

As investors discovered the twist, money began pouring into real estate development. Though intended to spur factory modernization, the law's language referred simply to "income-producing" buildings, which included stores, offices, and rental housing, as well as industrial structures. "Profits in Losses: Real Estate Investors Turn Depreciation Tax Write-Offs into Gains" headlined an enthusiastic 1961 front-page story in *The Wall Street Journal*.[26] By the mid-1960s, the tax break was costing the U.S. Treasury more than $700 million per year. By comparison, Washington had spent virtually that same amount over ten years of the Urban Renewal Program aimed at revitalizing America's central cities.[27]

Accelerated depreciation rules inadvertently favored suburbia. The write-off was greater for new construction than for renovation, and new construction was usually easiest on the open lands of the urban periphery. Also, the law forbade write-offs for depreciation of land, so that developers often shied away from urban projects with high land costs. Any income-producing project could reap the tax shelter: shopping centers, motels, offices, apartments. Indeed, all such projects increased sharply beginning in the late 1950s, contributing to the trend toward self-sufficient suburbs independent of downtown.[28] Accelerated depreciation's impact was perhaps most dramatic in housing. Since 1945, single-family homes had accounted for nearly all the nation's housing starts, with multifamily homes running just 5 to 8 percent of the total. In 1957, multifamily homes suddenly broke into double digits and hit 42 percent by the late 1960s, the highest figure since record keeping began in 1900.[29] The shift was nowhere more remarkable than in Los Angeles, America's suburban metropolis, where apartment building permits began to outnumber those for single-family construction shortly before 1960.[30] The key to the profit in apartments is accelerated depreciation," builders' magazines advised.[31] The "upturn owes more," stated *Architectural Forum*, to the "Internal Revenue Law than to the market itself."[32] By the end of the 1960s, sprawling apartment complexes were an omnipresent feature of America's suburban landscape.

The rise of shopping and office employment at the urban rim, the proliferation of rental as well as single-family homes, and the growing possibility of suburb-to-suburb commuting along federally financed beltways together changed the very meaning of suburbia. America's suburbanization had begun in the early nineteenth century when it became possible to commute by railroad or streetcar between downtown and the new residential communities at the city's edge.[33] Suburbs were literally, as the word suggests, "sub-urbs": less than cities. They were envisioned as secluded family retreats, predominantly residential, and inhabitants expected to travel downtown daily to office jobs and major shopping. During the 1950s and 1960s, however, that traditional commuting pattern dropped substantially in importance in most American cities. Suburbia was becoming increasingly self-sufficient -- no longer "sub" at all, as Robert Fishman pointed out, but instead a new kind of community. Dependent on the automobile, with land uses carefully separated into homogenous pods, and lacking any central coming-together place where citizens of all backgrounds mingle and interact, this new "metropolitan region" or "galactic metropolis" was unlike any urban society in the previous history of the human race.[34]

**Indirect Federal Actions and the Changing "Suburban Ideal"**

As suburbia became predominant in American life during the postwar decades, attitudes toward it underwent considerable changes. Initially, suburban development seemed a holy grail that would heal all the nation's metropolitan ills. By the 1970s, however, many assumptions underlying this vision of community were being questioned, particularly the belief that land uses should be homogenous, with each racial and income group set off by itself. Historians today are just beginning to probe how and why attitudes changed. They are finding that, just as Washington had played many roles in creating the suburbs, U.S. government actions had much to do with reevaluating suburbanization.

The landscape of America's postwar suburbs reflected a widely shared philosophy that valued newness and order. Since the nineteenth century, reformers had blamed the old densely jumbled city for contributing to social chaos. Architects and planners including Clarence Stein, Frank Lloyd Wright, and Le Corbusier had sketched schemes for new low-density, decentralized environments where land uses would be sorted out into orderly zones.[35] In the postwar era, those dreams could become reality on a gigantic scale. The United States emerged from World War II untouched by battle, possessing the richest economy on the face of the earth. It seemed only right that the government should channel some of that wealth into programs that would realize the brave new world. When the FHA frankly subsidized suburbs over center cities or required deed restrictions to screen out "incompatible" groups, when Interstate Highways bulldozed old low-income neighborhoods or tax policies made shopping center construction an investor bonanza, Washington was merely acting on assumptions that were widely held in U.S. society. To a large extent, suburbia as it developed by the 1960s looked just like what Americans had dreamed two decades before.[36]

Suburbia, however, turned out to be no ideal world. In the mid-l950s, a handful of intellectuals began questioning the suburban ideal. Was the carefully ordered world creating bland and mindlessly regimented citizens? So argued works with titles like *The Organization Man*, *The Crack in the Picture Window*, and "Homogenized Children of New Suburbia."[37] A more fundamental critique came from African Americans. The racial exclusion so overt in the FHA and deeply embedded throughout the rest of the United States government became the focus of concerted activism during the 1940s. In World War II, the nation had mobilized its forces against Germany's Adolf Hitler and his ugly vision of an Aryan super-race. How could Americans countenance giving unequal opportunity to their own citizens on the basis of skin color? In 1948, the National Association for the Advancement of Colored People succeeded in convincing the U.S. Supreme Court to declare racial deed restrictions unconstitutional. This victory set the stage for the famed *Brown v Board of Education* decision of 1954.[38] The Supreme Court's ruling in that case explicitly outlawed segregation of black and white children in schools, but the Justices' statement rang much deeper: "Separate," they declared, was "inherently unequal."

This bold statement may perhaps be seen as the turning point in a much wider moral reevaluation in the United States. For generations, the nation's most thoughtful and compassionate planners and policymakers -- liberals and conservatives alike -- had urged Americans to achieve better cities by sorting themselves out, by becoming more "separate." But now, as citizens thought through the implications raised by Brown and the Civil Rights movement, segregation of all kinds began to seem less desirable.

It seems more than a coincidence that "diversity" now began to replace "homogeneity" as the watchword of planners and others concerned with creating better urban environments. Planning writers led by Jane Jacobs and William H. Whyte now celebrated urban density and the joys of diverse land use.[39] Americans by no means abandoned all their tendencies to set groups apart in the metropolis -- indeed the Court's school desegregation decisions triggered measurable white flight from areas having multiracial schools- but urban activists no longer talked about homogeneity as a supreme goal. This philosophical shift deserves more study by historians.

Four federal initiatives in the 1960s and 1970s stand as symbols of the fresh thinking.

- In the early 1960s, the FHA wrote new regulations that permitted mortgage insurance for "planned unit developments." Instead of building identical housing units, planned-unit developers could mix lot sizes, single- and multifamily uses, and other land uses.[40]

- In 1968, Congress passed the Fair Housing Act, making it unlawful to refuse to sell or rent a dwelling on the basis of race, religion, or national origin. The Justice Department filed some two hundred cases enforcing the act during its first six years, making a small step toward dismantling the barriers the federal government had helped erect beginning in the 1930s.[41]

- In 1976, Congress approved an income tax break to reward the historic preservation of older structures. Business buildings-stores, offices, apartments-listed in the National Register of Historic places now qualified for the same type of tax treatment that new suburban structures had enjoyed since 1954. The result was a wave of inner-city reinvestment. Retail centers blossomed in once-decaying buildings, such as the Strand Historic District in Galveston, Texas, and Brightleaf Square in Durham, North Carolina. Residential projects ranged from historic hotels rehabbed as elderly apartments (Bangor House in Bangor, Maine) to the upgrading of low-income housing (the Victorian District in Savannah, Georgia).

- A fourth important law came in 1977. The Community Reinvestment Act (CRA) required banks and other lenders to actively invest in all neighborhoods, not just suburban areas.[42] In places such as Pittsburgh's Northside Manchester neighborhood, community activists used CRA dollars to spark noticeable revitalization.

The momentum of suburbanization is hard to stop, however. In the 1980s and 1990s, the two most popular trends in urban development were "neotraditional neighborhoods" and "edge cities." Neotraditional (also known as "New Urban") architects and planners scorned post-World War II suburbia. They celebrated mixed land use and old-fashioned density and walkability, both in existing metropolises and in new developments such as the much-publicized model communities of Seaside and Celebration in Florida.[43] In stark contrast to this cozy pedestrian-friendly picture stood the much more numerous "suburban downtowns," which sprang up by the late 1980s outside nearly every

American city. In places such as Tyson's Corner south of Washington, D.C., or the Galleria area north of Dallas, sprawling shopping centers, office buildings, and parking lots created a concrete landscape dominated by the automobile. In these edge cities, the ideals of America's post-World War II suburban developers seemed very much alive and undimmed.[44]

As America passed the year 2000 milestone, citizens continued to wrestle with the issues raised during the nation's rapid post-World War 11 suburbanization. Amid the ongoing debate over the proper shape of the metropolis, it is important to recognize the extent to which the landscape has been molded by Washington's actions. Federal policy can also be a powerful tool to reshape that world, if people so choose.

## Notes

1. Richard Plunz, *A History of Housing in New York City Dwelling Type and Social Change in the American Metropolis* (New York, Columbia University Press, 1990), 45-49.

2. Some useful works on suburbanization and the history of federal policy since World War II include Kenneth Jackson, *Crabgrass Frontier: The Suburbanization of the United States* (New York, Oxford University Press, 1985); Gwendolyn Wright, *Building the Dream, A Social History of Housing in America* (Cambridge, Mass., MIT Press, 1981); Matthew Edel, Elliott Sclar, and Daniel Luria, *Shaky Palaces, Homeownership and Social Mobility in Boston's Suburbanization* (New York, Columbia University Press, 1984); J. Paul Mitchell, *Federal Housing Policy and Programs, Past and Present* (New Brunswick, Rutgers University Press, 1985); Mark Gelfand, *A Nation of Cities, The Federal Government and Urban America, 1933-1965* (New York, Oxford University Press, 1975); R. Allen Hays, *The Federal Government and Urban Housing, Ideology and Change in Public Policy*, 2d ed. (Albany, State University of New York Press, 1995); Irving Welfield, *Where We Live A Social History of American Housing* (New York, Simon and Schuster, 1988); Peter O. Muller, "Everyday Life in Suburbia, A Review of Changing Social and Economic Forces That Shape Daily Rhythms Within the Outer City," *American Quarterly* 34 (1982), 262-77; Barry Checkoway, "Large Builders, Federal Housing Programs, and Postwar Suburbanization," in Rachel G. Bratt, Chester Hartman, and Ann Myerson, eds., *Critical Perspectives on Housing* (Philadelphia, Temple University Press, 1986), 119-36; Mason C. Doan, *American Housing Production 1880-2000, A Concise History* (Lanham, Md., University Press of America, 1997).

3. Washington insured 90 percent of the mortgage for a house costing up to $9,000. Jackson, *Crabgrass Frontier*, 132-22, 196-97, 204; Harvey Green, *The Uncertainty of Everyday Life, 1915-1945* (New York: HarperCollins, 1992), 92-95.

4. Gelfand, *A Nation of Cities*, 123, 217-19. Michael N. Danielson, *The Politics of Exclusion* (New York, Columbia University Press, 1976), 202-4.

5. Federal Housing Administration, *Underwriting Manual: Underwriting and Valuation Procedure Under Title II of the National Housing Act* (Washington, D.C., Federal Housing Administration, 1938), section 909.

6. Jackson, *Crabgrass Frontier*, 210, 213.

7. David Berson and Eileen Neeley, "Homeownership in the United States, Where We've Been, Where We're Going," *Business Economics* 32 July 1997), 7-11.

8. Federal Housing Administration, *Circular 4, Operative Builders* (Washington, D.C., U.S. Government Printing Office, 1937), 1. An informative memoir by one of the West Coast's largest operative builders is Ned Eichler, *The Merchant Builders* (Cambridge, Mass.: MIT Press, 1982), especially 38-61.

9. Checkoway, "Large Builders, Federal Housing Programs, and Postwar Suburbanization,"126.

10. *New York Daily News*, Saturday, May 9, 1953, reproduced in Alexander O. Boulton, "The Buy of the Century," *American Heritage*, July-August 1993, 62-69. On the subsequent history of Levittown, see Barbara Kelly, *Expanding the American Dream, Building and Rebuilding Levittown* (Albany, State University of New York Press, 1993).

11. Cited in Delores Hayden, *Redesigning the American Dream, The Future of Housing, Work, and Family Life* (New York, Norton, 1984), 6.

12. Jackson, *Crabgrass Frontier*, 206. Checkoway, "Large Builders, Federal Housing Programs, and Postwar Suburbanization," 127.

13. Federal Housing Administration, Planning Neighborhoods for Small Houses, Technical Bulletin no. 5 (Washington, D.C, US Government Printing Office, 1936); Federal Housing Administration, *Circular No. 5, Subdivision Standards for the Insurance of Mortgages on Properties Located in Undeveloped Subdivisions, FHA Form 2059* (Washington, D.C: US Government Printing Office, 1938). On other types of FHA requirements, see, for instance, Ronald Tobey, *Technology as Freedom: The New Deal and the Electrical Modernization of the American Home* (Berkeley and Los Angeles: University of California Press, 1996).

14. Hayden, Rede*signing the American Dream*, 7.

15. Quoted in Jackson, *Crabgrass Frontier*, 208. In 1950, the FHA officially backed away from requirements for restrictive covenants, because of the Supreme Court's 1948 *Shelley v Kraemer* ruling, but FHA underwriters continued to encourage exclusion through unwritten "gentlemen's agreements." Richard O. Davies, *Housing Reform During the Truman Administration (*Columbia: University of Missouri Press, 1966), 124-25; Gelfand, A *Nation of Cities*, 220-21; Tobey, *Technology as Freedom*, 196-201; Danielson, T*he Politics of Exclusion*.

16. Carl F. Horowitz, *The New Garden Apartment: Current Market Realities of an American Housing Form* (New Brunswick: Center for Urban Policy Research, Rutgers University, 1983).

17. Not all FHA 608 loans went to suburban projects, but that was where the program's largest impact registered. "FHA Impact on the Financing and Design of Apartments," *Architectural Forum*, January 1950, 97-108; Irving Welfeld, *HUD Scandals: Howling Headlines and Silent Fiascoes* (New Brunswick, NJ: Transaction Press, 1992), 5-17; Mitchell, *Federal Housing Policy and Programs, Past and Present*, 87-88, 95; Louis Winnick, *Rental Housing, Opportunities for Private Investment* (New York: McGraw-Hill, 1958), 16-17, 156-57, 166; Gail Sansbury, "Calculating Cost and Value: The 1954 Investigation of the Federal Housing Administration" (unpublished paper for the UCLA Department of Urban Planning, September 1995); "FHA's Five-Year-Old Scandal," *House and Home* 5, May 14, 1954, special section; Joseph B. Mason, *History of Housing in the US, 1930-1980 (*Houston: Gulf Publishing, 1982), 68.

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21. A. Myrick Freeman III, "Water Pollution Policy," in Paul Portney, ed., *Public Policies for Environmental Protection* (Washington, D.C., Resources for the Future, 1990), 97-149, especially 98-101, 134-40. Thanks to Rolf Pendall for this citation.

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