

## Housing

# *Federal Subsidy for Apartments Facing Cuts in Next Fiscal Year*

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WASHINGTON, Jan. 24—The Nixon Administration has decided to cut back on its commitments to subsidized apartments in the fiscal year beginning next July 1, because of difficulties it has experienced in obtaining proper construction, site/location, management and financial stability.

The budget submitted to Congress today shows a cut in requested contract authority for such apartments—known as Section 236 housing—from \$200-million in the current fiscal year to \$150-million next year. The number of housing units authorized is expected to decline from 239,000 to 174,000.

Because of the momentum of the program, however, the number of units actually started in the 1973 fiscal year is expected to total 249,000, compared to 187,000 estimated for the current fiscal year. The reduction now being sought by the Administration will be reflected in future years.

All other subsidized housing programs are budgeted to continue at about the same level, and production

of all subsidized units in the calendar year 1972 is expected to exceed the more than 500,000 units produced in the calendar year 1971.

George Romney, Secretary of Housing and Urban Development, said in a budget briefing that the department had run into "problems in the administration" of the Section 236 rental housing assistance program and the cutback was a result of a new emphasis on quality rather than quantity.

Many subsidized apartment projects, particularly in the central cities, are in default of mortgage payments because of problems ranging from lack of management capability and improper construction to the spread of urban blight.

The decision, however, is expected to run into protests in Congress and elsewhere. Mayor Lindsay, after seeing the budget proposals, said, "In my city of New York we now have 3,000 units of housing already under construction and still no commitment from the Federal Government for Section 236 financing."