



WEEKS 6-7: Public Housing in the U.S. & NYC

October 3, 2022 | Adjunct Lecturer: Erin Lilli | URBST 222: Introduction to Urban Housing /URBST 723: Dynamics of Housing & Homelessness



A Short History of Public Housing in the U.S.

https://www.youtube.com/watch?v=KKFMMI3bH0U&ab_channel=HomesNow%21

Progressivism & Public Housing in the U.S.

“The seeds of change lay in crisis” (Bloom and Lasner, eds., 2016, p. 37).

- The end of World War I led to rising inflation (this is prior to the Great Depression)
- NYC was one of several urban centers that was used for production in the war effort. After the war, prices rose due to the combination of the influx of people and scarcity of labor and materials.
- This created an unprecedented pressure on the housing market. Vacancies dropped to zero and rent went up.
- Encouraged by progressives and leftists, tenants began to organize, accusing their landlords of profiteering.
- To deal with the burgeoning crisis in NYC followed Washington DC and in 1920 implemented rent control (inspired by Western European models).

“Reformer Edith Elmer Wood, however, had been arguing for years for the need for state subsidies like those in Europe to house the urban poor, concluding that **on its own the private market was fundamentally incapable of housing workers in decent conditions**” (Bloom and Lasner, eds., 2016, p. 37).

Progressivism & Public Housing in the U.S.

- In 1923, architect Clarence S. Stein headed the new Commission of Housing and Regional Planning, under progressive (pro women's rights and labor protections) NY Governor Smith, to determine if the "emergency" conditions that had prompted the state's rent- control program still existed.

"Although Stein acknowledged continuing rental shortages and rent control was extended, he took pains to explain that the housing situation was no longer, in fact, the result of the wartime crisis. Rather, **he argued like Wood that substandard tenements were fundamental to the centralized, laissez-faire city.** And he stressed that **the only way to remedy the condition was for government to promote decentralization and reconstruction of existing slums.** The tool to achieve both was low- interest loans to limited- dividend groups for construction of high- quality below- market housing... **The city most famous for capitalist excess was simultaneously one of the most progressive on urban regulation and public infrastructure**" (Bloom and Lasner, eds., 2016, p. 39).

- May 10, 1926, New York State governor Alfred E. Smith signed into law the Limited Dividend Housing Companies Act. The act revolutionized the traditional relationship between government and urban housing in the United States through:
 - 20 years of tax exemptions for housing projects
 - Use of eminent domain municipalities for site assembly
 - Developers' agreement to limit their profits to a maximum of 6% annually
- Prior to the 1926 Act, the public sector had avoided subsidizing—let alone financing, building, or owning—housing, but regulated housing for health and safety. However, these regulations did nothing help house the city's predominantly low-wage residents nor address the high cost of building and maintaining quality housing.
 - By the 1920s, many Western European nations were already offering subsidized (below- market interest rate) loans to low- profit (limited- dividend) developers for worker housing.
 - These European practices were not taken up in the U.S., which relied mostly on philanthropic largesse for worker housing...until NY's 1926 Housing Act.
 - The worker housing projects built under the Act were limited-equity cooperatives, a model borrowed from the U.K., and seen as a socialist alternative employed in a capitalist system.

The 1929 Act wound up producing about as much housing as philanthropic endeavors did—this modest gain was not lost on Stein and other and other housing reformers, “But it hardened their resolve that the only way to achieve very low- cost, up- to- date housing, whether built by municipalities or by limited- dividend operators, was not just tax exemptions or eminent domain but long- term, low- interest loans covering most of the cost of construction. These types of loans— whose efficacy was being proven all over Europe— later became key elements of U.S. public housing legislation as it developed in the 1930s and 1940s.

(Bloom and Lasner, eds. 2016, p. 43-44)

Slum Clearance and Locating Early PH Sites

- Site selection has a troubled history in public housing dating back to its New Deal beginnings.
- Postwar slum clearance coupled with building high-density public housing was an intentional strategy by white city officials to restrict the growth of Black neighborhoods and funnel poor Black residents into Black neighborhoods.
- Urban renewal was a tactic that benefited wealthier, white individuals; however, it only worked to increase their values if those dispossessed Black residents were kept out of all-white neighborhoods.
- The idea of decentralization (later supported by the Hope VI Program) was seen as the best way to deal with housing the urban poor – to disperse PH to the periphery of cities.
- PH as a tool of racial segregation was compelling for cities like Chicago and New York pre- and post-war, “but the second element of the tale, that decentralized public housing would have been much better in the long term, is more an article of faith than anything else” (Bloom, 2009, p. 68).
- Debates ensued among U.S. PHAs regarding siting their PH projects either:
 1. On inner city slum clearance sites
 2. Dispersed low-rise, low-density PH at the margins of the city

Slum Clearance and Locating PH

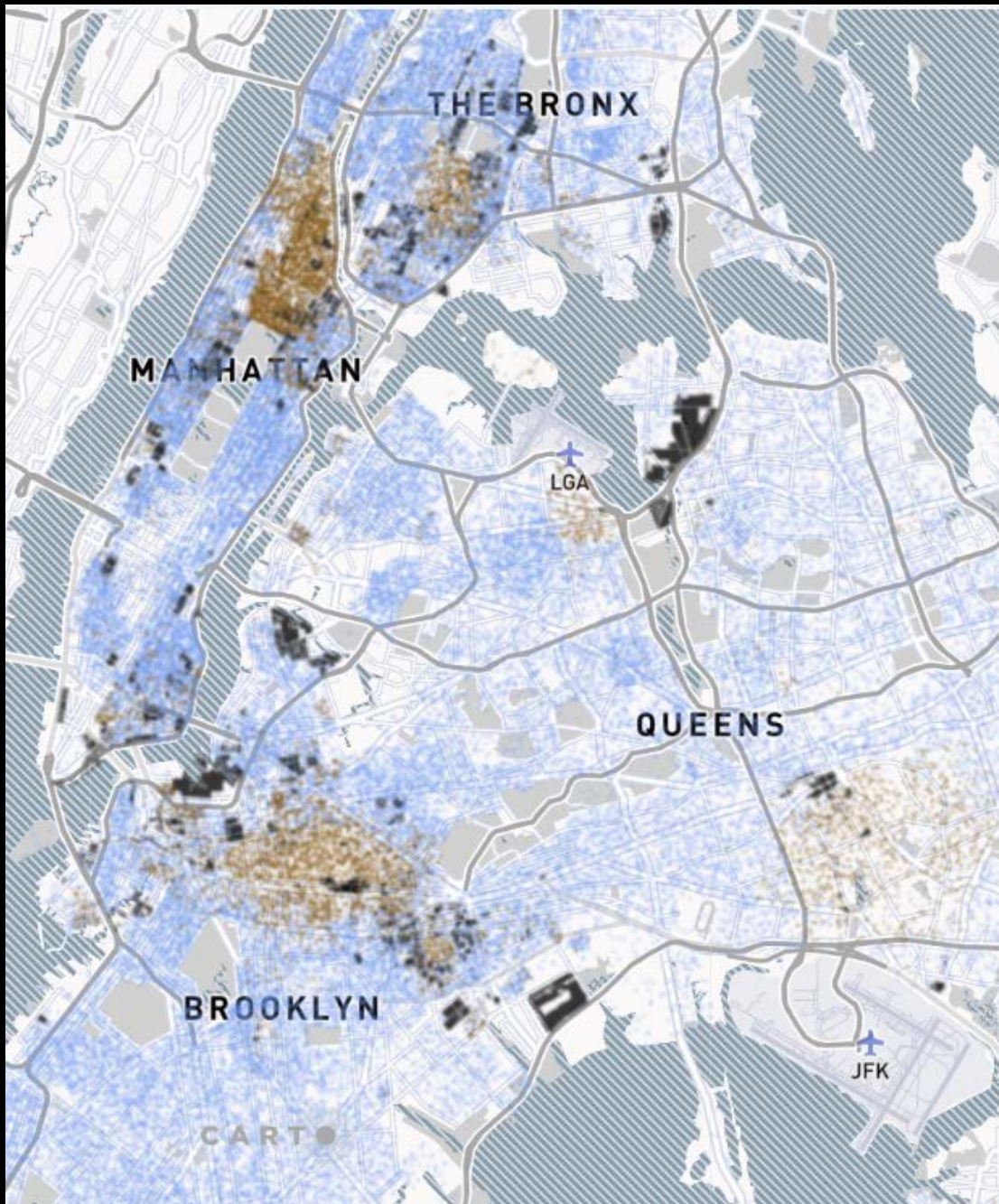
- NYCHA began in February 1934 with Landon Post as the first Chairperson of the program
- Post supported the use of public housing on the periphery to reduce land costs that were much higher in the urban center stating NYCHA, “intends to carry on some of its building on the periphery of the city with the definite purpose in mind of breaking fictitious metropolitan land values” (Bloom, 2009, p. 70).
- NYCHA would be adding low-cost housing in competition with existing slum housing.
- Post envisioned a different political economy for NYC, one that would house hundreds of thousands of people thus indicating the long-term impact public housing might have on urban land values.
- However, by 1938 NYCHA faced criticism because it hadn’t built enough PH to rehouse the 250,000 people displaced by tenement slum clearance...therefore NYCHA started to focus on slum clearance sites for PH.
- Opposition to slum clearance argues that federal money should not be used as it would help to inflate market values for private land-owners and speculators.

Slum Clearance and Locating PH

- Alfred Rheinstein became NYCHA's Chairperson in 1937 and favored clearing slums, but only if it could be accomplished economically.
- Rheinstein believed that vacant land projects at the periphery invited high public costs due to infrastructure needs without solving the problem of festering inner city slum land.
- A more centralized public housing approach would also provide future tenants with better commutes and services.

“In a revealing memo to the chairman of the State Housing Board, Rheinstein articulated a sensible alternative to the requirement of low land acquisition costs for New York City, arguing without ideological rancor that the ‘cost of land per room is far more important than cost per square foot and total cost per dwelling unit is a far more accurate gauge of economy than either of the others’” (Bloom, 2009, p. 72).

- This shifted the philosophy around PH siting to be one concerned with construction costs instead of land prices, thus keeping NYCHA focused on slum clearance and high-rise developments in the city...which is what we have today.



Urban Renewal Plans and NYCHA NYCHA Developments Race

“Although the **discourse of disaster dominates discussions of public policy**, the **reality** is that in most places **it worked**—and still does work. Even the congressional commission formed in the late 1980s to investigate what was called “severely distressed public housing”, noted in its 1992 report that, “approximately **94% of the units are not in such a state; thus, the public housing program continues to provide an important rental housing resources** for many low-income families and others”.

(Goetz, 2013, p. 2)



Southside Chicago. Photo by Patricia Evans. Source: <https://southsideweekly.com/chicago-unfulfilled-promise-rebuild-public-housing/>



The “Dismantling” of Public Housing

- Professor of Urban and Regional Planning, Ed Goetz, describes two narratives regarding public housing (PH) in the U.S.:
 1. PH’s quiet success, and
 2. PH’s catastrophic and unjust demise driven by demolition and dispossession by HUD, Public Housing Authorities (PHAs), and for the purposes of **Hope VI, started in 1992** (later carried out as the Choice Neighborhoods Initiative [CNI] started in 2010).
- PH was **dismantled**, and its numbers drastically reduced, in two ways in the U.S. (outside NYC):
 1. Demolition – the most common form and often not with replacement units being built
 2. Disposition, a term used by HUD referring to the PH that had been sold off or converted for other uses conversion

“...the transformation taking place in cities across the country represents a new, neo-liberal, post-New Deal policy strategy aimed at ending the welfare state approach to housing assistance embodied by public housing”. (p. Goetz, 2013, p. 5)

The “Dismantling” of Public Housing

- The argument for viewing PH’s fate as a “dismantling” is supported by:
 1. The huge reduction in the number of PH units has not been replaced via redevelopment policies. The new model of mixed-income redevelopment (i.e. Hope VI and CNI) have largely worked to reduce the PH program and shrink the number of subsidized, very-low income units. Furthermore, Hope VI and CNI have done a poor job of adhering to one-for-one replacement demolished PH.
 - HUD and local PHA’s demolished more PH units than Hope VI did. By August of 2012, HUD reported over 285,000 set for demolition (including for Hope VI) and another 250,000+ already demolished. This is equivalent to destroying 20% of the nation’s total PH stock.
 - Atlanta, GA became the first city to eliminate all its PH (and was the first to have a completed PH project in 1936), other cities like Memphis and Las Vegas were eager to follow.
 2. Shifting of housing assistance to vouchers (tenant-based forms of subsidy) and other shallow subsidies like Low-Income Housing Tax Credits (LIHTC)
 - This eliminates two fundamental and consequential elements of PH: its long-term/permanent commitment to affordability and its depth.
 - Now we have short term contracts for affordability (which eventually expire) and subsidies that target higher income, leaving the poor with even fewer options.

Dr. Larry Keating speaks about the effects of Atlanta’s Hope VI Program on traditional public housing residents.



[https://www.youtube.com/watch?v=2VILdcF0Z6E&ab_channel=Pe
achtree%2BPineWorks](https://www.youtube.com/watch?v=2VILdcF0Z6E&ab_channel=Peachtree%2BPineWorks)

The “Dismantling” of Public Housing

HUD and local PHA's began disinvestment in PH in 1980s

- In 1969, 1:1 replacement was added as amendment to the 1937 Housing Act in an effort to replace slum clearance with the production of PH, but Regan removed this in 1983 for vouchers instead (reinstated in 1987).
- In the 1980s, PHAs pressed HUD to approve demolitions of PH in lieu of rehab.
 - National Housing Law Project (NHLP) deemed race a major factor in determining demolitions
- Urban Revitalization Demonstration, later **Hope VI** repealed 1:1 replacement in 1995 then permanently removed it in 1998,
- Hope VI purported spillover effects (also improve adjacent areas) and began leveraging private capital financing.
- Hope VI was less about housing the poor, but tracked with gentrification and real estate wealth accumulation.
- A 2000 analysis showed that the greater the disparity in racial profile between those in PH and the rest of the city - the greater the PH demolition effort.



Hope VI

- Since the 1990s the abandonment and neglect (de facto demolition) of PH by Authorities (PHAs) gave birth to the Clinton-era Hope VI revitalization efforts and thus, the complete replacement of old communities with new and mixed-use communities.
- However, not all PH residents could return to their since-demolished communities and take advantage of Hope VI projects; nor were 1:1 replacements always built as promised.
- These strategies ignored the recommended incremental response and focus on rehab proposed by the National Commission of Severely Distressed Public Housing (NCSDPH).
- This is all occurring during Clinton's mass criminalization and incarceration of Black men, his tough on crime rhetoric, and law-and-order policing that destroyed communities of color.

In the background, the last of four buildings of the Arthur Blumeyer PH community in St. Louis with Hope VI Renaissance revitalization project in the foreground.

Hope VI: 1993-2010

Per the NYU Furman Center:

- HOPE VI provided Public Housing Authorities (PHA) with grants for planning and implementation aimed at the comprehensive revitalization of severely distressed public housing developments.
- Hope VI activities included: funding of major reconstruction, rehabilitation and other physical improvements, provision of new housing, planning and technical assistance, implementation of community service programs and supportive activities, and planning for any of the previous activities.
- Housing Authorities that received grants were required to provide supportive services for both original and new residents to obtain self-sufficiency.

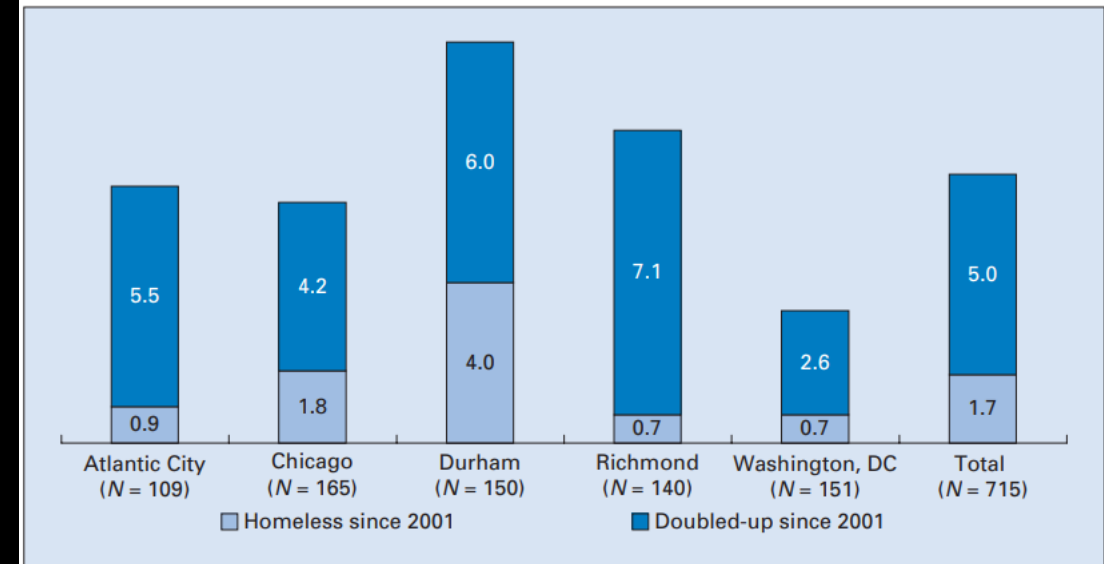
Brief No. 7, June 2007

Are HOPE VI Families at Greater Risk for Homelessness?

Debi McInnis, Larry Buron, and Susan J. Popkin

http://hartfordinfo.org/Issues/wsd/Housing/gblock/HOPEVI_Homeless.pdf

FIGURE 1. Original Residents Who Experienced Homelessness or Were Doubled-Up since Baseline (percent)



Sources: 2001, 2003, and 2005 HOPE VI Panel Surveys.

Hope VI: 1993-2010

The National Housing Law Project and contributors found the following problems with Hope VI Program.

Increasingly, it appears that the HOPE VI program is not addressing the problems identified by the National Commission on Severely Distressed Public Housing in 1992 or the goals set forth in the HOPE VI statutes.

1. The Loose Definition of “Severely Distressed Public Housing”.
2. HOPE VI Worsens Acute Affordable Housing Needs
3. Few Meaningful Opportunities for Resident Participation in HOPE VI
4. The Exclusion of Public Housing Families from HOPE VI Opportunities
5. The Lack of Data on HOPE VI Outcomes

False HOPE

*A Critical Assessment of the HOPE VI
Public Housing Redevelopment Program*

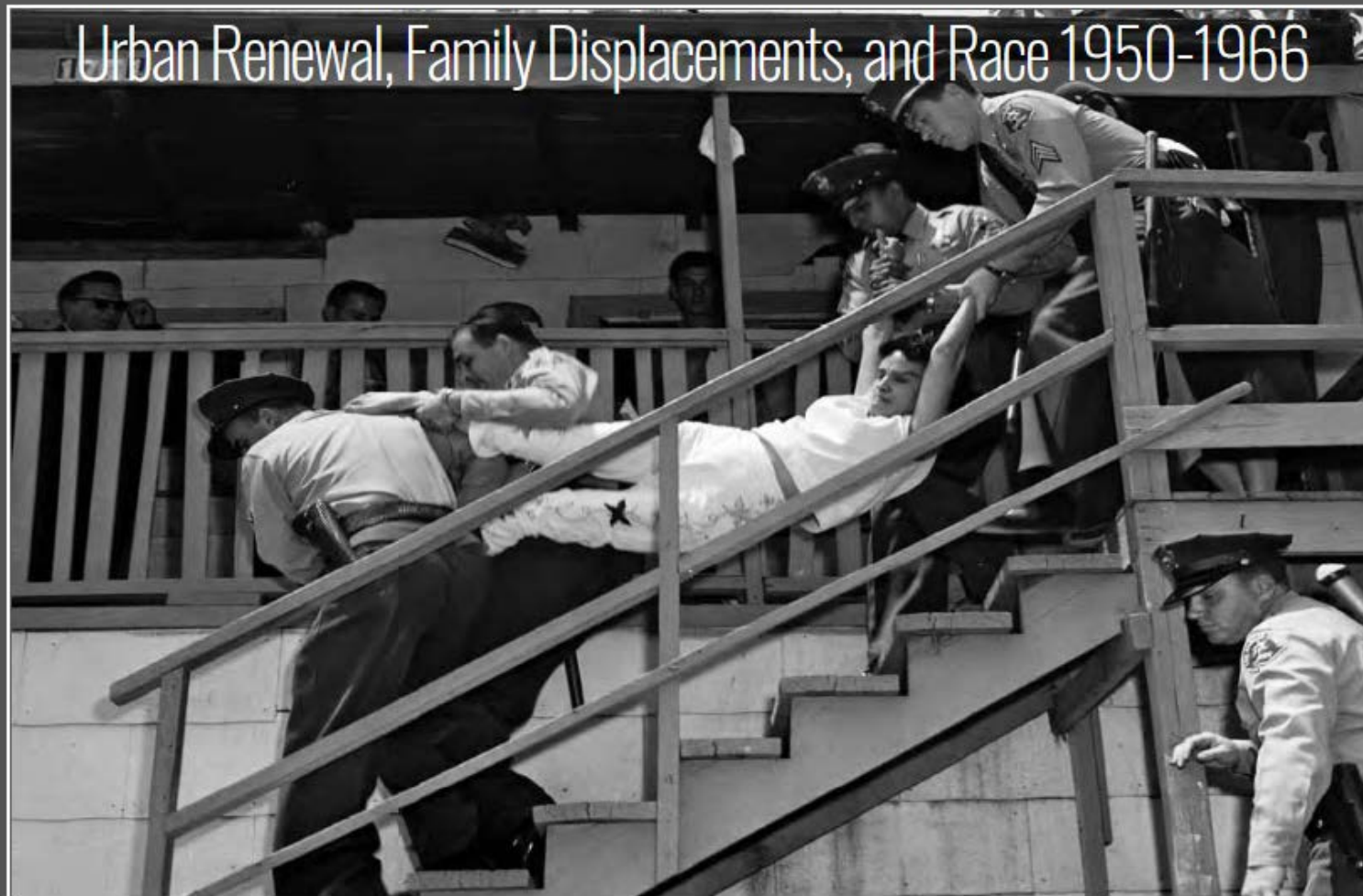
<https://www.nhlp.org/files/FalseHOPE.pdf>; June 2002

The “Dismantling” of Public Housing

- Anti-PH policies, like Hope VI, were **misrepresentational**, suggesting the elimination of PH to be an improvement to the lives of PH residents by giving them a housing choice.
 - Instead, it has often been a matter of state sanctioned eviction and forced homelessness. The dismantling of PH has been more driven by race, the proliferation of neoliberal governance strategies, and economic revitalization.
- This marks the **general shift from the New Deal notion of politically supporting the ‘deserving poor’ to the racialized rhetoric** around pathologizing marginalized people, single parents, and those on welfare (i.e., Reagan era reductions housing subsidy programs by 80%, deregulation and increasingly liberal market).
 - The stigmatization of African American communities and civil unrest surrounding racism, housing segregation, and consequentially the concentration of poverty, contributed to a **false narrative that PH was a complete disaster**. Whereas in fact, it was positively serving many low-income residents who had no other housing options.
 - This uncritical and ill-informed narrative resulted in the **consistent underfunding and systemic disinvestment** in the obligation to provide safe, decent, affordable housing through public ownership.
- The “solution” pointed to the **dispersal of poverty and radical physical redevelopment**, yet without reference to race or segregation that plagued U.S. cities. Since 2000, PH demolition has been pursued in cities where PH residents are disproportionately African American.
 - Gentrification and real estate speculation became major drivers for PH demolition in the 1990s (less so in the ‘80s)
- Low-income **African American families also disproportionately bear the brunt of demolition-induced displacement** as buildings across the U.S. with higher Black occupancy have been targeted for demolition. **This echoes the forced removal of Black residents from their homes during urban renewal of the 1950s-60s.**

RENEWING INEQUALITY

Urban Renewal, Family Displacements, and Race 1950-1966



[Interactive Map](#)

NYCHA...unique among U.S. PHAs



Week 7 reading, Bloom's (2009) *Public Housing That Worked : New York in the Twentieth Century*

- NYCHA fared better than PHAs in other U.S. cities in part because it had better management and a larger number of skilled staffers in addition to well-constructed buildings.
- NYCHA moved through three ideological phases
 1. model housing as a municipal service (during Federal Era)
 2. welfare-state housing (1968-1990s)
 3. affordable housing (2000 on)

“Critics became so obsessed with the negative influence of design on behavior, however, that they **rarely factored in growing evidence of basic housing management failure...** Because of their obsession with exposing broader social injustice, they also **downplayed housing administration as a factor** in public housing disorder” (Bloom, 2009, p. 1-2)

NYCHA...underfunded

The New York Times

New York Lawmakers Embrace New Funding Plan to Rescue Public Housing

The city's public housing system, the largest in the nation, has become an emblem of disinvestment and deterioration. But a new deal could lead to needed repairs in 25,000 apartments.

“The plan would move some housing developments from the traditional public housing program, funded by the federal government, to another program that would attach federal subsidies under the Section 8 program to specific apartments. The corporation could then borrow money against that revenue stream to pay for repairs”.

NYU
Furman
Center

FACT BRIEF | AUGUST 2018

NYCHA's Road Ahead: Capital and Operating Budget Needs, Shortfalls, and Plans

The physical needs of the New York City Housing Authority's (NYCHA) 173,762 unit¹ public housing portfolio are staggering and growing at an alarming rate. For decades, the largest public housing authority in the nation has been underfunded relative to its capital need, leading to poor living conditions for many of the city's lowest income residents. In a 2017 Physical Needs Assessment (PNA), NYCHA's engineering consultants estimated the cost of repairing and replacing necessary building systems over five years to be \$31.8 billion (\$180,700 per unit),² and \$45.2 billion (\$255,700 per unit) over 20 years.³ This projection increased from an estimated five year cost of \$16.5 billion (\$93,750 per unit) in 2011⁴ and does not include the cost of comprehensive lead testing and necessary abatement for NYCHA units built before 1978. While management is often blamed for NYCHA's state of disrepair, capital needs of this magnitude cannot arise from management deficiencies alone, nor can they be solved solely by better management practices. In stark contrast to the total need, NYCHA announced in its recent five year capital plan that it anticipates a total of \$6.4 billion (\$36,400 per unit) in funding from the federal, state, and city governments for capital improvements that would be performed between 2019 and 2023.⁵ Because these dedicated funding sources will fall far short of covering the estimated total cost of repairs, NYCHA is considering new long-term strategies to finance the rehabilitation necessary to keep this critical source of affordable housing⁶ in habitable condition today and for the coming decades.

NYCHA will turn over 62,000 apartments to private developers for repair work

POSTED ON TUE, NOVEMBER 20, 2018 BY DEVIN GANNON

“The housing authority may also sell its unused air rights and/or accelerate a plan to allow developers to build market-rate apartments on underused land owned by the authority. According to Politico, the plan calls for a 70-30 split of market-rate to rent-regulated housing in private developments on public land. In total, the agency needs \$32 billion over five years for necessary repairs”.

<https://www.6sqft.com/nycha-will-turn-over-62000-apartments-to-private-developers-for-repair-work/>



Sources

- Bloom, N.D. (2009). *Public Housing That Worked : New York in the Twentieth Century*. University of Pennsylvania Press.
- Bloom, N.D. and M.G. Lasner, eds. (2016). *Affordable Housing in New York: The People, Places, and Policies That Transformed a City*. Princeton University Press.
- Goetz, E. G. (2013). *New Deal ruins: Race, economic justice, and public housing policy*. Cornell University Press.
- Other sources as noted in slides.