



WEEK 8: Public Housing in the U.S. & NYC

October 16, 2023 | Adjunct Lecturer: Erin Lilli |
URBST 222: Introduction to Urban Housing /
URBST 723: Dynamics of Housing & Homelessness

It is hereby declared to be the policy of the United States ... to assist the several states ... to remedy the unsafe and insanitary housing conditions and the acute shortage of decent, safe, and sanitary dwellings for families of low income, in rural or urban communities.

— US Housing Act, 1937

Today's' Public Housing Topics

- Quick Stats
- Overview + Historical Background
- NYCHA
- “Dismantling” of Public Housing + Hope VI
- NYCHA + Privatization
- Save Section 9!

Quick Stats on U.S. Public Housing (PH)

- **First PH built:** Techwood Homes 1935, Atlanta, Georgia (PWA under New Deal) – all PH in Atlanta was torn down by 2011.
 - Displaced hundreds of Black families to built 604 whites-only units
 - The first PH built for African Americans was in Austin, TX in 1939 – Rosewood Courts
- **Total PH built:** Between 1949 and 1994 PH units went from ~170,000 to ~1.4 million
- **Total PH lost:** Roughly 10,000 PH units are lost each year to deterioration
- **Total current PH:** 1.1M units for 2.2M residents (1.5M on waitlist)
 - NYCHA = 360,970 residents in 177,569 units across 335 Section 9 and PACT developments (more on PACT and RAD later privatization later).
- **Decline in funding:** Per Human Rights Watch, from 2000-2021 federal funding for major repairs decline 35%. By end of term, Reagan has cut federal funding to local gov'ts by 60%!
 - NYCHA needs over \$78B to fully repair and renovate its housing stock

Public Housing and Private Sector Affordable Housing Programs

Funding in Billions of 2018 US Dollars (1980-2018)

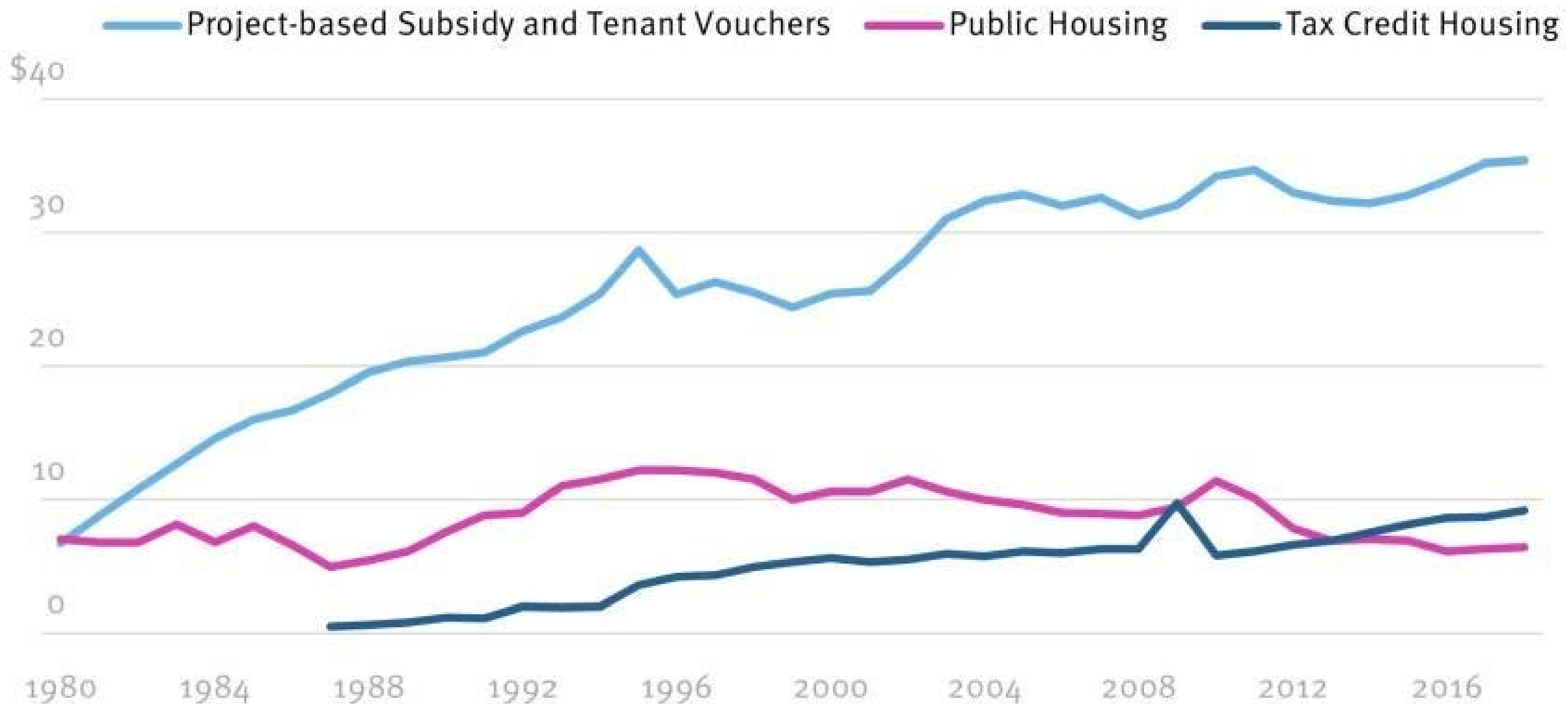
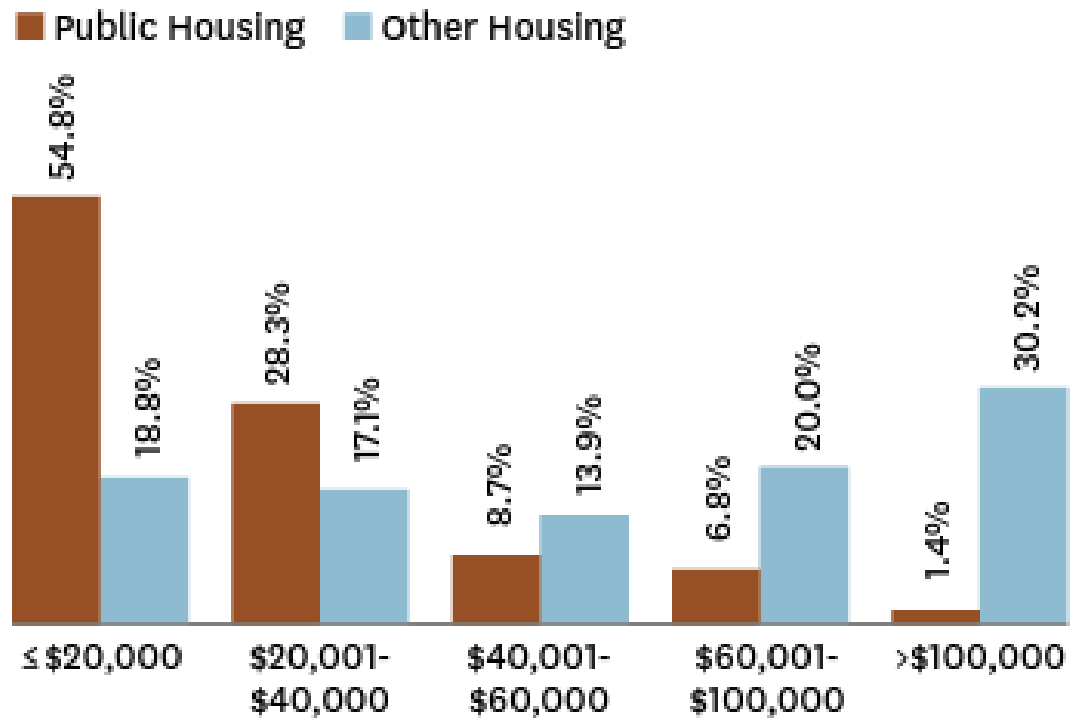
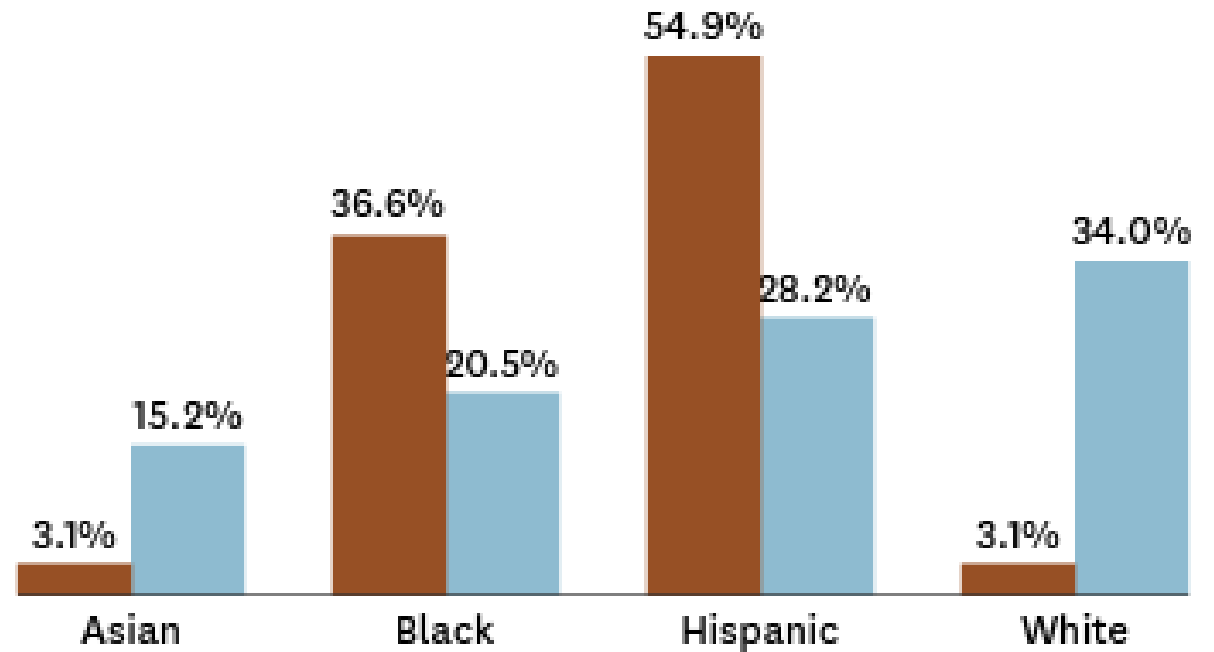


Figure 1. Household Income Distribution in New York City by Housing Type, 2017



Sources: New York City Housing and Vacancy Survey (Household Records), NYU Furman Center

Figure 2. Shares of Racial/Ethnic Groups in New York City by Housing Type, 2017



Sources: New York City Housing and Vacancy Survey (Person Records), NYU Furman Center

Overview: Three Eras of Public Housing (NYCHA)

- 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)
 - Privatized housing?!?!
- Historically, 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.



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 (NOTE: this is prior to the Great Depression of the early 1930s)
- 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 1% and rent went up.
- Encouraged by progressives and leftists, tenants began to organize, accusing their landlords of profiteering.
- To deal with the burgeoning crisis NYC followed Washington DC and in 1920 implemented **rent control** (inspired by Western European models) from 1920-29 and again during WWII.

“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.

- **Are we in still a war crisis?** 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 Alfred E. 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**".

Progressivism & Public Housing in the U.S.

- May 10, 1926, New York State Governor Alfred E. Smith signed into law the **Limited Dividend Housing Companies Act (LDHCA)**. 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

Progressivism & Public Housing in the U.S.

- Prior to the LDHCA, 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 LDHCA.
 - 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.



Progressivism & Public Housing in the U.S.

- The 1926 LDHCA produced roughly as much housing as philanthropic endeavors had.
- This hardened the resolve of housing reformers that **long-term, low-interest loans covering most of the cost of construction**, were critical to building quality, low-income housing (i.e., no just relying on tax exemptions and eminent domain)
- The efficacy of these **low-interest loans** had been proven all over Europe and became **key elements of U.S. public housing** legislation as it developed in the 1930s and 1940s.

Slum Clearance and Locating Early PH Sites



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New York, New York. Demolition for slum clearance. Blocks of slum area are torn down for housing project (1941)



Slum Clearance and Locating Early PH Sites

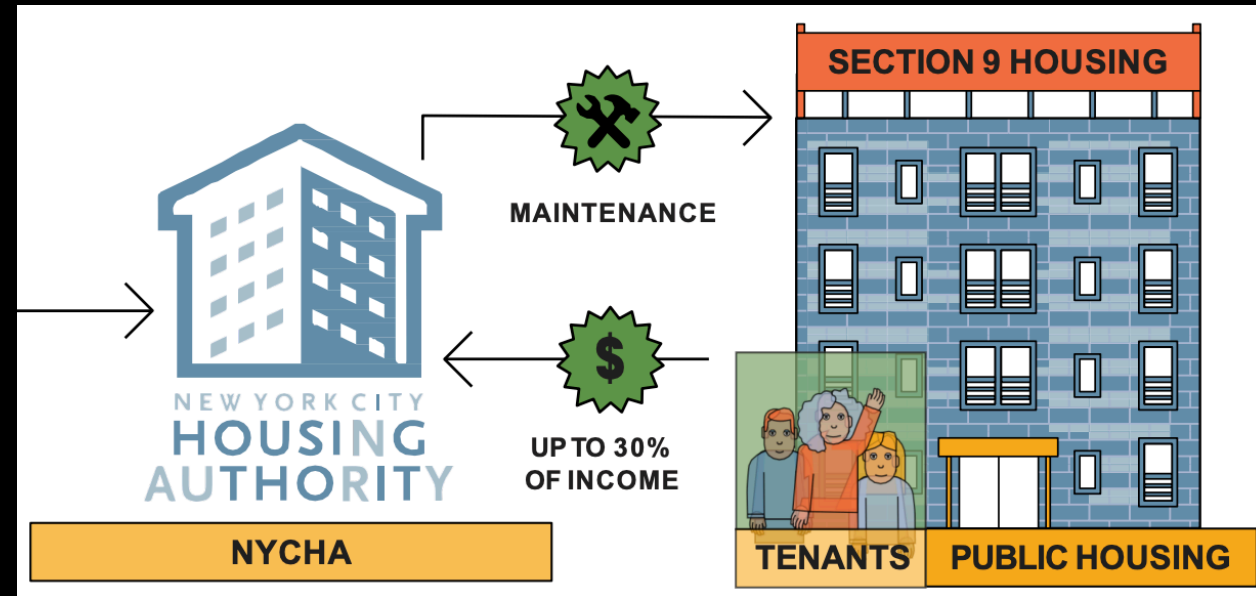
- **Site selection** has a troubled history in public housing (PH) dating back to its New Deal beginnings.
- **Postwar WWI slum clearance** coupled with building high-density public housing was an intentional strategy by white city officials to restrict the growth of Black neighborhoods and **funnel 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 concept of **decentralization** (later supported by the Hope VI Program in the 1990s) was seen as the best way to deal with housing the urban poor – in other words to disperse PH to the periphery of cities.

Slum Clearance and Locating Early PH Sites

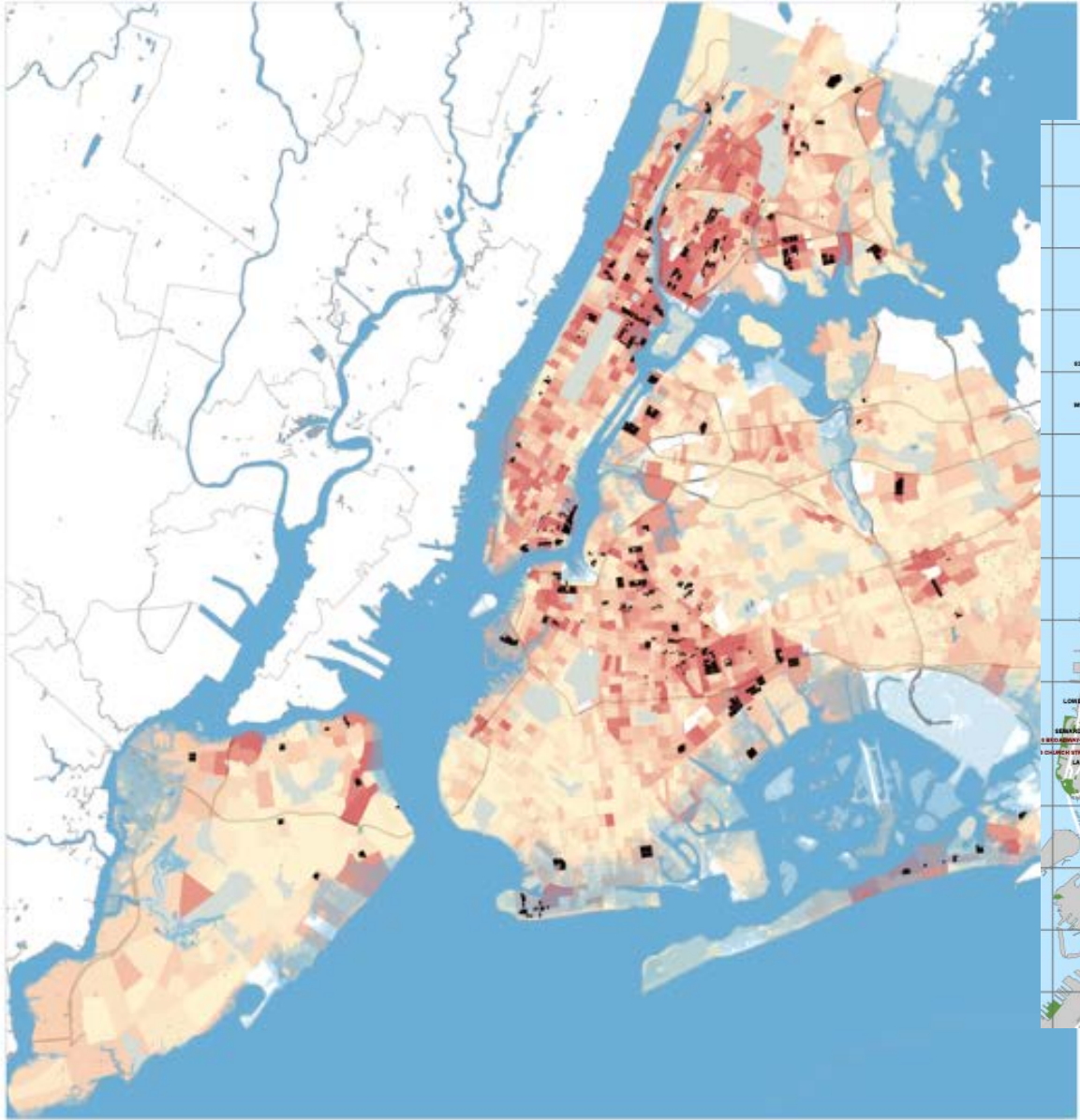
- Public Housing as a tool of racial segregation was compelling for cities like Chicago and New York pre- and post-WWII “but the second element of the tale, that decentralized public housing would have been much better in the long term, is more an article of faith than anything else” (Bloom, 2009, p. 68).
- Debates ensued among U.S. Public Housing Authorities regarding where to site their PH projects, either:
 1. On inner city slum clearance sites
 2. Dispersed low-rise, low-density PH at the margins of the city

NYC Housing Authority (NYCHA)

- NYCHA was started 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.



NYC Congressional Districts



Mapping NYCHA (hyperlinked)



● 3 ft rise
 ● 7 ft rise
 ● 10 ft rise



NYCHA building

NYC Housing Authority (NYCHA)

- NYCHA's Chairperson 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.
 - **What do you think about this?**

NYC Housing Authority (NYCHA) + Slum Sites

- Alfred Rheinsein became NYCHA's Chairperson in 1937 and favored clearing slums, but only if it could be accomplished economically.
- Rheinsein 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.



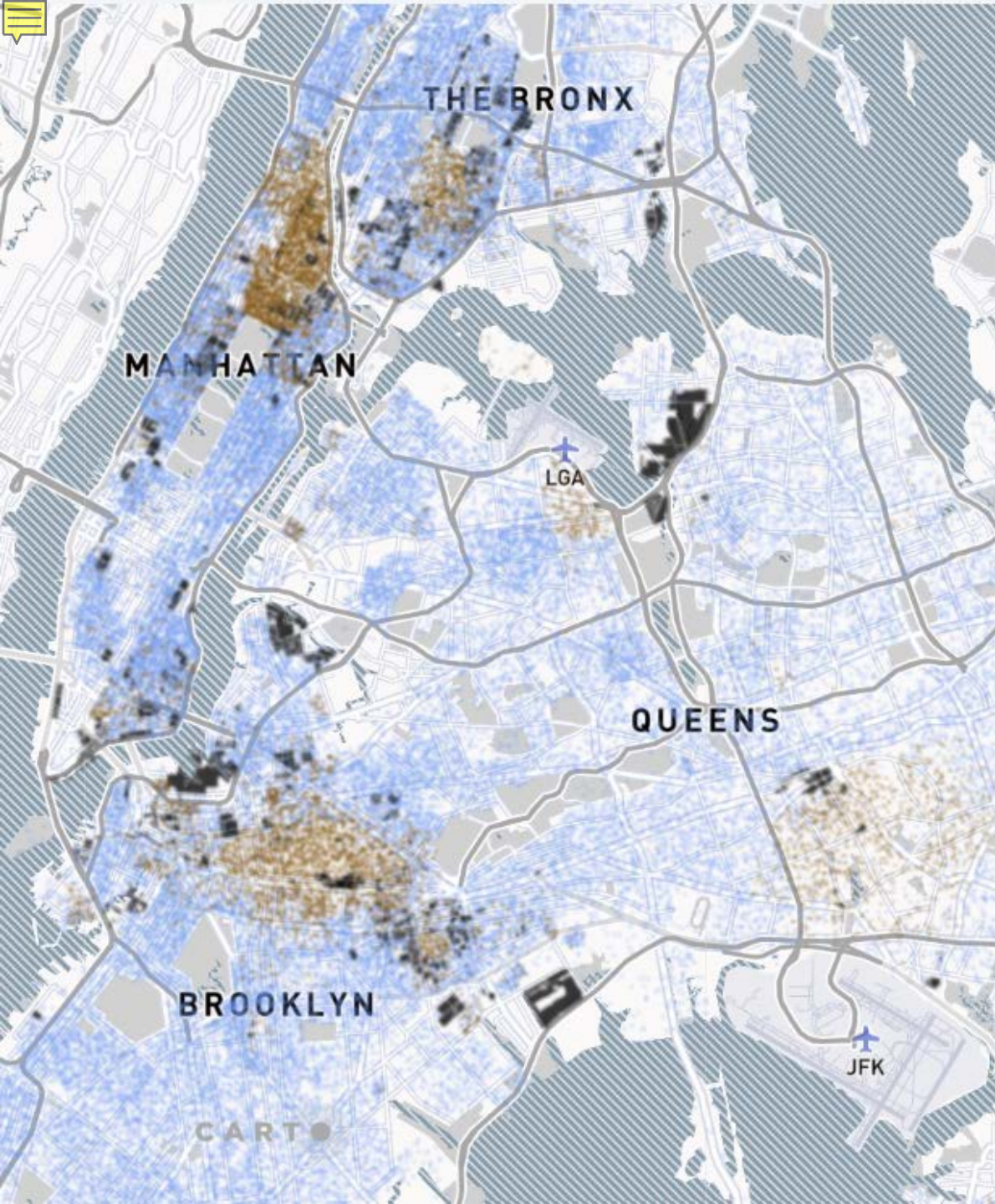
New York, New York. Demolition for slum clearance. Whole blocks of a slum area are torn down to make room for a housing project



NYC Housing Authority (NYCHA) + Slum Sites

“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).

- What does Rheinstein mean by this?



Urban Renewal Plans and NYCHA Developments (+ Race + HOLC)

Twisting the PH Narrative

“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 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 arguments 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 units set for demolition (including those to be replaced by 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 1935!), other cities like Memphis and Las Vegas were eager to follow.



The “Dismantling” of Public Housing

The argument for viewing PH’s fate as a “dismantling” is supported by:

1. 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: it’s long-term/permanent commitment to affordability.
 - Now we have short term contracts for affordability (which eventually expire) and subsidies that target higher income, leaving the poor with even fewer options
 - **More on this and LIHTCs when we learn more about Affordable Housing in Week 9**

[Dr. Larry Keating](#) speaks about the effects of Atlanta's Hope VI Program on traditional public housing residents in Atlanta, GA.

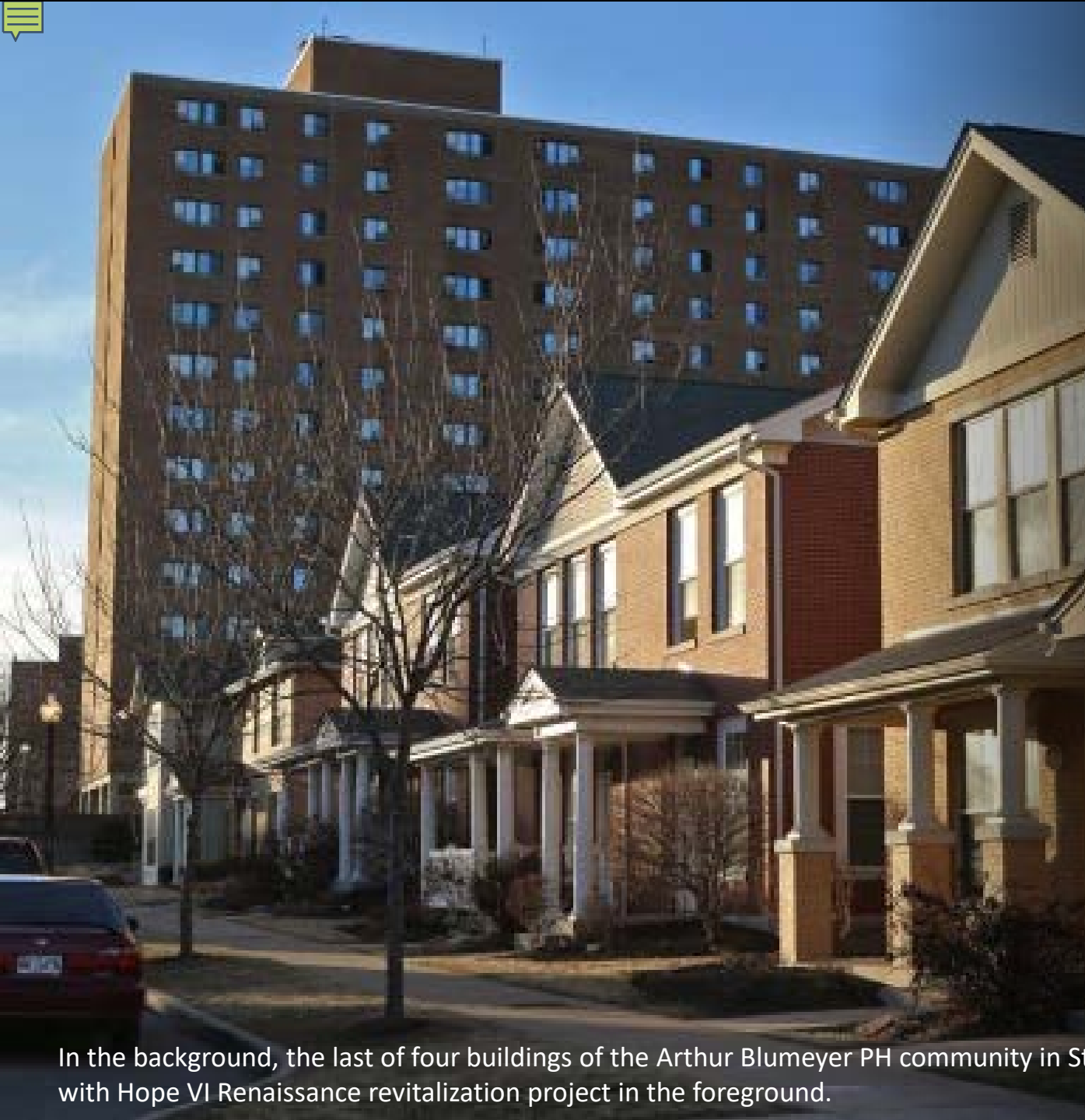


https://www.youtube.com/watch?v=2VILdcFOZ6E&ab_channel=Peachtree%2BPineWorks

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 to replace slum clearance with the production of PH, but Regan removed this in 1983 for vouchers instead (but it was 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 (i.e., claims to also improve adjacent areas) and began leveraging private capital financing.
 - Hope VI was less about housing the poor and 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 (Goetz, 2011).



Hope VI

- Since the 1990s the abandonment and neglect (de facto demolition) of PH by 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 hyper 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 PHAs 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.

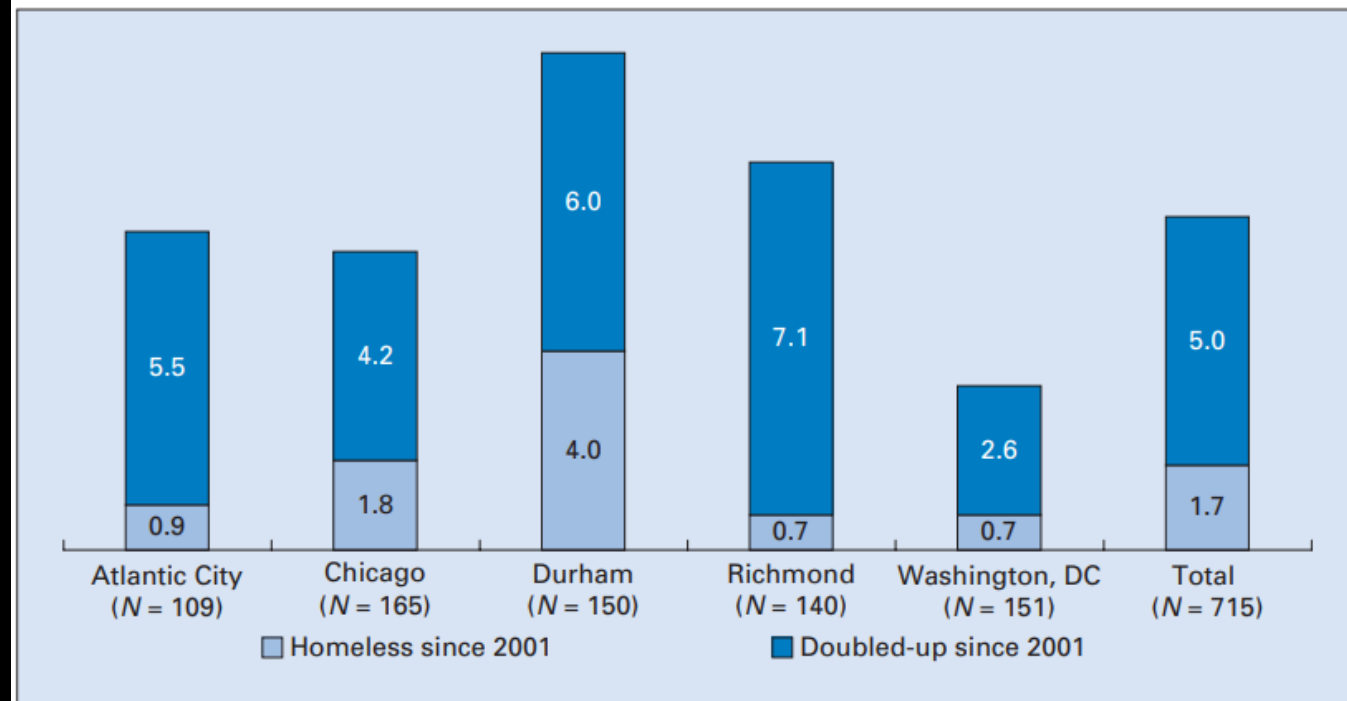
Brief No. 7, June 2007

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.

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

- 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.

NYCHA...Underfunded & Facing Privatization!

“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”.

AFFORDABLE HOUSING, POLICY

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

POSTED ON TUE, NOVEMBER 20, 2018 BY DEVIN GANNON



NYCHA...Underfunded & Facing Privatization!

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”.

Private companies profit off PH rent with federal subsidies

Permanent Affordability Commitment Together (PACT)

- According to NYCHA, PACT will provide comprehensive renovations, enhanced property management, and expanded on-site social services.
- Developments will be included in the 2012 federal **Rental Assistance Demonstration (RAD)** and convert to a more stable, federally-funded program called Project-Based Section 8.
- Intends to unlock funding to complete comprehensive repairs, while also ensuring homes remain permanently affordable and residents have the same basic rights as they possess in the public housing program.
 - Per HUD, RAD allows public housing authorities to “convert” public housing subsidy into a Section 8 subsidy that is tied to the property.

NYCHA...Underfunded & Facing Privatization!

Critiques of (PACT)

- Uses public subsidy for private profit
- According to HRW, NYCHA agreed to a settlement that instituted a federal monitor to oversee the authority's compliance with federal law(e.g., compliance requirements regarding mold remediation, lead paint abatement, elevator and heat outages, and pest infestations). PACT properties are largely exempt from the obligations of this monitor agreement.
- According to HRW, NYCHA is be prohibited from starting an eviction proceeding either while a resident's request that NYCHA adjust its rent calculation due to a loss in income is pending or while a resident has an open grievance concerning NYCHA's rent calculation. This non-eviction settlement does not apply to PACT properties.
- HRW found, two of the six PACT conversions saw substantial increases in evictions after conversion.



THE RESIDENTS
FOR PRESERVING PUBLIC HOUSING

DON'T TRUST "THE TRUST"!

NYCHA'S NEW "PUBLIC HOUSING PRESERVATION TRUST" IS A DEBT-FINANCING SCHEME!

The Trust promises the ability to raise funds for repairs, but only by accumulating up to **\$10 billion dollars of debt**, making NYCHA communities vulnerable to foreclosure.

THE TRUST WILL END PUBLIC HOUSING AS WE KNOW IT!

Transferring NYCHA housing out of Section 9 and into Section 8 will **remove federal guarantees for resident management, organizing, and legal mandates for lead, mold removal.**

THE TRUST WILL NOT BE ACCOUNTABLE TO PUBLIC HOUSING RESIDENTS!

The new board governing the Trust will **only feature 4 resident seats out of 9** ensuring residents never have true decision making power.

SAVE SECTION NINE

Have you heard of NYCHA's Blueprint for Change Proposal?

In July 2020, NYCHA Chairman Greg Russ introduced the Blueprint proposal which modifies the protections included in your lease.

Let's look at how these changes may affect YOU!



NYCHA Today

Recognizes the importance of resident involvement in creating a positive living environment and in actively participating in the overall mission of public housing.

Your rent under Section 9 Public Housing is capped at 30% of your income.



You Should Know:

- Section 9 Public Housing was established by congress to:
 - Get rid of slums and support upward mobility
 - Promote resident participation in all aspects of NYCHA's mission and operation
 - Give tenants the right to organize and elect a resident council to represent their interests.
 - Ensure taxpayer money issued for resident participation, engagement, and social support needs is spent with resident input.

NYCHA Funding

- Funded by tax dollars, distributed by Congress
- HUD writes the checks
- NY Governor and NYC Mayor share financial and management responsibility



Blueprint for Change Proposal

The Public Housing Preservation Trust will use the expectation of taxpayer-funded Section 8 Tenant Protection Vouchers (TPVs) to take on billions in debt in order to stabilize our units.

Your rent under the Blueprint Proposal has not been finalized so:

- Might not be capped at 30%
- Market rate rents can be introduced that exceed your income.

You Should Know:

- Tenant Protection Vouchers (TPVs):
 - require obsolescence (apartments and buildings being in extreme disrepair)
 - are not transferable
 - are attached to the unit
- Our horrible living conditions help NYCHA push this proposal!
- Tenant protections are not guaranteed!
- Transparency and accountability built into Section 9 may be lost
- The Trust members will make decisions about NYCHA's future



Blueprint Funding

- NYCHA and our New York State Senators and Representatives create a "trust" via new legislation
- The Trust includes private investors and developers
- NYCH uses the expectation of TPV vouchers to borrow money.
- NYCHA remains the property manager

What we know for sure:

- Resident evictions have risen under other plans (RAD/PACT) that claim to want to fix NYCHA
- Our neighbors on SSI, Social Security, Pensions, or fixed income will face housing insecurity.
- Since President Reagan, funding for section 9 has shrunk.

Learn more and get involved at: www.facebook.com/groups/savesection9

Sources

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Additional sources noted in slides and/or notes.