A Partisan War on Public Housing

By Peter Dreier

LAST MONTH, the House of Representatives voted to turn back the clock by overhauling the nation's 63-year-old public housing program for the poor. It approved a bill to repeal the 1937 Housing Act and replace it with grants to the states and local governments. The result will be to dramatically increase rents for the poor, guaranteeing a significant increase in homelessness and overcrowding.

Although Rep. Rick Lazio (R-Brightwaters) sold the bill as a way to give states and local housing authorities more "flexibility," what it does is allow them to save money on the backs of the poor. But saving money was not the primary consideration for the bill's Republican sponsors. Their attack on public housing is an election-year ploy to identify the Democrats as the party of minorities, the poor and big government.

Low-income families in federally subsidized housing now pay no more than 30 percent of their incomes for rent. Lazio says his bill preserves rent ceilings for the extremely poor, but a special provision would eliminate the ceilings along with tenants' rights in 300 public housing agencies, including New York City's. It would penalize tenants who get off welfare and find work, allowing housing authorities to raise their rents significantly.

Lazio attacks "the hulks of failure that characterize high-rise public housing" and calls for greater use of housing vouchers to help poor Americans pay for rent in private housing. This echoes the views of presidential candidate Bob Dole, who has labeled public housing "one of the last bastions of socialism in the world."

It's true that many older projects in the big cities are high-rise ghettos, underfunded and poorly maintained; that's why Housing and Urban Development Secretary Henry Cisneros has approved plans to tear down the most severely distressed projects. But the biggest secret about public housing is that most of it is well-managed. Most units are in small and midsize developments. Almost a million families are on waiting lists to get into public housing, and almost none has been built in the past decade.

Subsidized housing is essentially a lottery, an entitlement. The HUD provides subsidies to 4.1 million low-income households, only 25 percent of the 13.8 million who are eligible. Only 1.4 million families live in public housing units.

Almost 1.6 million live in private, government-subsidized developments, and 1.1 million already receive the kind of housing vouchers Dole and Lazio say they favor. That leaves almost 10 million poor households to fend for themselves in the private housing marketplace. Most of them pay more than half of their meaner incomes in rent.

No doubt federal housing programs can be improved. Here are several ways:

- Encourage people with a mix of incomes to live in government-subsidized housing. Adding working families to public housing provides poor residents with role models and job contacts. But the Lazio bill would discourage this.
- Give residents a strong voice in issues like security, tenant selection and eviction to help turn "projects" into real communities. The Lazio bill offers nothing to promote resident self-help.
- Don't concentrate poor people in poverty neighborhoods. Racial bias by landlords has led to "Section 8 ghettos" of voucher recipients in many cities. But two years ago, when President Bill Clinton asked Congress to approve an extremely modest pilot program to help 1,300 low-income families in five cities move to better neighborhoods, the Republicans opposed it as "social engineering."
- Don't rely too much on housing vouchers. Most families lucky enough to get them manage to find apartments they can afford. But in tight housing markets with few vacancies, between one-quarter and one-half of them come back empty-handed. It's like giving people food stamps when the grocery shelves are empty.

Through the tax system, we subsidize the rich to purchase huge homes without helping hard-working families to buy a small bungalow or most poor families to rent an apartment. An adequate voucher system for 10 million poor families would cost about $30 billion a year — roughly what we spend on mortgage interest deductions for families with incomes over $100,000.

For the Republicans, HUD is an easy target and a convenient scapegoat. But if HUD is now identified in the public's mind with mismanagement and corruption, Republicans should get most of the blame. It was during the Reagan administration that HUD funds were used to reward political friends and campaign contributors. If Lazio, Dole and their colleagues really want to help solve the housing crisis, they should learn from the successes of the past decade. But then they couldn't use public housing as a symbolic issue to help them win the White House and preserve their majority in Congress.