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Public Housing: What Went Wrong?

By John Atlas and Peter Dreier

The best-kept secret about public housing is that most of it actually provides decent, affordable housing to many people. Properly run, it remains one of the best options for housing the poor.

There are 1.3 million public housing apartments and about 800,000 families on the waiting lists of the nation's 3,060 local housing authorities. Public housing developments often are no worse than privately owned, low-rent apartments; most, in fact, are better, which is why the waiting lists continue to swell. But because public housing involves tax dollars, it is more visible and open to public scrutiny.

Many projects, especially racially isolated high-rises in big cities, have indeed failed. These represent less than one-quarter of the nation's public housing, but they cast a giant shadow. The projects isolate and concentrate minorities dependent on welfare, suffering from high unemployment rates, teenage pregnancy, single parenthood and a climate of serious crime. Some projects, like St. Louis's infamous Pruitt-Igoe homes, virtually ceased to function as viable communities. Pruitt-Igoe was eventually dynamited by the city not because of structural flaws but because it was an unlivable environment.

Today many public housing families face the daily fear of death from drugs, drug wars, or random shots that hit innocent victims. Children are afraid to walk to school, and elderly tenants, for whom hallways and elevators are as dangerous as streets, are afraid to leave their apartments. In these devastated neighborhoods, families are destroyed.

These projects have become the playgrounds for drug-dealing predators, as depicted in the 1991 movie *Straight Out of Brooklyn* by Matty Rich (who grew up in Brooklyn's Red Hook projects) and in Alex Kotlowitz's book chronicling life in the Chicago projects, [*There Are No Children Here*](#). As they portray it, public housing has become more a trap than a ladder.

Were public housing's troubles inevitable?

During the Depression, public housing began as an ad hoc public-works program to create jobs. From the program's formal legislative inception in 1937, it was aimed at providing housing for the "submerged middle class" who could not find suitable housing in the private market, but not the very poor with no means to pay rent. Senator Robert Wagner of New York, principal author of the Housing Act of 1937, declared. "There are some whom we cannot expect to serve: those who cannot pay the rent." Rents originally covered all operating expenses except debt service. The principal and interest on bonds floated by local housing authorities to construct the buildings were paid by the federal government.

For years, this arrangement worked. Vincent Lane, chairman of the Chicago Housing Authority (CHA), remembers when public housing was new. Four decades ago, Lane's family moved from the South to a cold-water flat opposite the CHA's Wentworth Gardens development. It boasted broad playgrounds, heat, hot water, and basketball courts. "I envied the kids in public housing," Lane recalls. "The best housing in the community was Wentworth Gardens."

By 1942, 175,000 public housing apartments – most in two-to-four-story buildings – were constructed in 290 communities. By 1946, another 195,000 units of "permanent" housing were built in areas where war industry or military bases had created new demand for housing. After the war, recognizing the pent-up demand for housing and fearing competition from public housing (which it claimed was an opening wedge for socialism), the real estate industry sabotaged the public housing program by pressuring Congress to limit it to the very poor. That new rule, embodied in the 1949 Housing Act, was the beginning of the decline of public housing.

From 1944 to 1951, minorities represented between 26 percent and 39 percent of all public housing tenants. By 1978, the figure reached over 60 percent. From 1950 to 1970, the median income of public residents fell from 64 percent to 37 percent of the national median. By 1988, the average income of public housing households was \$6,539, one-fifth of the national average (\$32,144). Today only about 40 percent of non-elderly households in public housing have a wage earner. Among big cities, the percentage of working poor is highest in New York City – about 60 percent – which perhaps explains why, with some exceptions, its public housing projects are among the best in the country.

The look of public housing, cheap and proud of it, contributed to the isolation of its residents. By constructing buildings often compared to warehouses, the program stigmatized "government housing," rendering it unattractive to even the lower middle class, who would rely instead on private builders for the American Dream.

High-rise designs, reflecting the need to minimize land costs, contributed to the rise in crime.

One study found that in New York the difference between high-rise and low-rise projects was much more significant as an explanation of crime rates than was the ratio of welfare families. The study showed that the number of robberies in a housing project rose proportionately with its height.

Despite the popular stereotype, high-rises account for only 27 percent of public housing buildings (32 percent are garden apartments, 16 percent low-rise walk-ups, and 25 percent single-family homes or townhouses). But high-rise projects, most of them in the largest cities, account for many of the problems. Congress ended the construction of high-rises in the mid-1970s, except those built for the elderly.

Conservatives and the real estate industry also fought to ensure that participation by cities was voluntary and administration was local. Decisions about whether, or where, to build developments were left to local officials, often dominated by private real estate interests. Few units were built in affluent areas. As public housing became the home of blacks and other minorities, local control by white politicians contributed to patterns of racial segregation.

Since the 1960s, fast-rising operating expenses have far outpaced tenants' incomes. As a result, local authorities have lacked the income to provide day-to-day maintenance, deferring repairs and capital improvements. Rising energy costs in the early 1970s further strapped residents. Faced with a decaying stock of public housing, Congress appropriated additional subsidies so that tenants would pay not more than 25 percent (since Reagan, 30 percent) of their incomes on rent. But the additional funds were inadequate to meet operating expenses, so even the best-managed projects continued to deteriorate physically. Cutbacks during the Reagan era merely made a bad situation worse. A 1987 Abt Associates study estimated a \$21.5 billion backlog in basic repairs and capital improvements for the nation's public housing stock.

Shared Mistakes

Looking back, it is fair to blame conservatives more than liberals for these policy mistakes. Conservative

and real estate industry support was paid for with legislative compromises assuring that public housing, originally designed for the working poor and young families starting out, would instead be permanent housing for the very poor. As such, public housing became more unpopular politically, leading to a cycle of government neglect and underfunding which, in turn, led to poor construction design, inadequate maintenance, racial segregation, stigmatization, and further concentration of the very poor.

But liberals sometimes let public housing down, too. In the New Deal coalition, defenders of traditional public housing – mayors, building-trades unions, local civil servants – were often too tolerant of incompetent and paternalistic public housing management that increased tenant dependency and undermined community. Tenant management, as a remedy, entered the debate only in the late 1960s and never became the policy favored by HUD or by most local housing authorities.

At the same time, some of the most vocal advocates for the poor, including housing activists and poverty lawyers, became unwitting allies of conservatives. In a climate of declining resources, many anti-poverty activists demanded that public housing give priority to the very poor and also turned mainly to the courts to protect tenant rights – often at the cost of further isolating the poor and undermining any management authority to bring order to public housing neighborhoods. Thanks to a new set of rights, disruptive residents were not disciplined. Tenants who could leave moved out; law-abiding tenants without other options became demoralized.

By the 1970s, many of these neighborhoods fell between two schools. Neither were they viable, self-governing communities, nor were they any longer governed by an externally imposed set of norms. This identity crisis played into the hands of private developers, who wanted a piece of the government-funded, low-income housing action. By the late 1960s, the housing industry convinced Congress to replace public housing with privately owned, subsidized housing (Known by their statute numbers: Sections 236, 221d, and 8) that gave private developers tax breaks, low-cost mortgages, and rent subsidies to house the poor. These inefficient and costly programs led to widespread political abuses and eventually to the HUD scandals of the 1970s, which were repeated in the 1990s.

Salvaging public housing will not, on its own, solve our housing crisis. Less than one in five low-income households receives any kind of federal housing assistance – the lowest level of any industrial nation. Just providing rent subsidies for all of them would cost over \$25 billion a year. Providing the resources that will give the residents of these developments a greater voice in management and the skills to make their environment more livable will be a major step forward in helping the poor to help themselves. Admittedly, this will not substitute for a macroeconomic program to eradicate poverty. Admittedly, too, it will touch only a small percentage of America's 36 million poor, leaving the majority to fend for themselves in the private housing market. But if it works, it will help restore the public's confidence in activist government and in public and community enterprise.

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