From Public Housing to Public-Private Housing

75 Years of American Social Experimentation

Lawrence J. Vale and Yonah Freemark

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Problem, research strategy, and findings: American public housing since 1937 is often viewed as a single failed experiment of architecture, management, and policy. This view masks a much more highly differentiated experience for residents and housing authorities, rooted in a long-term moral and ideological struggle over the place of the poorest residents in American cities. This article reframes public housing history as a succession of informal social experiments: initial public efforts to clear out slum-dwellers and instead accommodate barely poor working-class tenants or the worthy elderly; a 30-year interlude, where public housing authorities consolidated the poorest into welfare housing while gradually shifting responsibility for low-income housing to private landlords, private developers, and private investors; and a series of partnerships since 1990 that reserve more of this public-private housing for a less-poor constituency. Empirically, this article provides an unprecedented graphic glimpse into the ways that the overall mode-share of public housing has shifted and diversified. Ultimately, this article reveals that the reduced role of the public sector has curtailed the growth of deeply subsidized housing provision to the lowest-income Americans.

Takeaway for practice: As various initiatives continue to redevelop conventional public housing, this article asks practitioners to consider larger historical and policy questions about which of America's poorest citizens should be served, and to rethink the naming and definitional boundaries of what constitutes public housing.

Keywords: public housing, housing vouchers, project-based housing, poverty, public-private partnerships

Public housing in the United States is more than the stereotyped federal public housing program of the 1950s and 1960s, with its series of frequently vilified superblock neighborhoods and discredited policies. Rather, the ever-expanding notion of public housing since the 1930s provides windows into evolving attitudes about which of the American poor ought to be housed with assistance, either direct or indirect, from the government. Each window reveals a different brand of social experimentation, either with the intended target population, or with the partnerships needed to produce deeply subsidized housing. Over time, the initial idea behind conventional public housing (i.e., housing financed, owned, and operated by the public sector) has undergone so many changes that it makes increasingly little sense to describe all of it with the same name (Marcuse, 1995). There have been informal social experiments that limited public housing to the upwardly mobile working poor, and experiments that asked public housing to shelter only the poorest. There have been experiments that targeted public housing chiefly to young couples with children, and other experiments that shifted public housing production to focus on veterans or to assist the elderly. In various eras, there have been architectural and site planning experiments that favored row houses, or barracks-style walk-up slabs, or towers arrayed in vast superblocks. There have been experiments in delivering public housing into large projects, and experiments that tried to make public housing as invisible as possible.

In seeking to maximize invisible alternatives to the perceived stigma of failing projects, there have been experiments that scattered public housing into small pieces of neighborhood infill. Starting in the 1970s, for example, Tucson's housing director, Cressworth Lander, shifted the city away from project-style housing and instead dispersed the residents onto 400 scattered sites, some of them no

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more than a single house. Lander liked to brag about the resultant indiscernibility: "When we had 1,500 units and the mayor didn't know where they were, then we didn't *have* public housing—unless the people living in it told the people next door that they were living in public housing" (Lander, personal communication, November 11, 2010).

Clearly, we are using the term *social experimentation* rather loosely here. American efforts to develop and alter low-income housing policy have rarely been carried out in anything that resembles a structured, evaluative manner, and even when there has been such testing, few policy shifts seem motivated by findings generated by researchers.[1] Instead, judgments about them have shifted with the winds of national politics and broad trends in social cognition, rather than because of definitive evidence-based critiques.

In addition to the experimentation with different types of residents, buildings, locations, and rationales, all of which already argues against any coherent notion of public housing as a single program, the basic public-ness of the housing also began to blur. Starting in the 1960s, all manner of private and not-for-profit entities have entered the fray. Many public housing authorities engaged in large-scale experiments to reconceptualize public housing as tenant-based vouchers dispersed across a landscape of private landlords. Other social partnership experiments kept this housing in project-based form but declined to saddle those particular projects, which were publicly subsidized but developed and managed by the private sector, with the public housing name. There have also been social partnership experiments that offered somewhat less deep housing subsidies through the tax code, and, thereby, engaged both investors and a variety of nonprofit organizations and financial intermediaries. Imperceptibly, but incontrovertibly, what once could be confidently described as public housing became transmuted into a continuum of public-private ventures.

Just as council housing in the United Kingdom has been recently rebranded with the more inclusive label of *social housing* to acknowledge that public-sector councils have increasingly had their role usurped by housing associations and other registered social landlords, so, too, American public housing may be more aptly described as *public-private housing*. With public-private partnerships (PPPs) proliferating across nearly every domain of urban development, from wastewater and sewage treatment works to schools, airports, subways, government offices, fire and police stations, hospitals, and prisons, to telecommunications infrastructure, toll roads, bridges, and tunnels, it is hardly surprising that the phenomenon has come to encompass public housing as well (Sagalyn, 2012).

Our goal here is to integrate the saga of American public housing into a larger cultural narrative of housing initiatives. Housing scholars and planning practitioners typically draw sharp and tight boundaries around what counts as public housing, treating it as an entirely separate genus from programs that utilize vouchers or that deploy federal subsidies to assist rental housing that is privately owned. This taxonomic separatism can be weakly justified on the grounds that these other programs are public in some ways but not in others; yet, all of them have rapidly evolved and descended from a common ancestor, the Housing Act of 1937. We argue that they ought to be included within the broader ambit of public-private housing, defined to encompass all forms of publicly assisted deep subsidies intended to help the poorest Americans afford their housing.

Just as public housing now incorporates a wide variety of built environments, fiscal programs, management regimes, and social constructs and is itself public in some ways but not in others, those alternatively named governmental policies that were designed to spread housing affordability through tenant- or project-based vouchers or loans to private developers were developed as evolutions of the initial public housing program, not as dramatic departures from it. Conventional public housing is no longer so conventional, and the U.S. Department of Housing and Urban Development (HUD) has made its public housing units increasingly fungible with deeply subsidized housing units funded through other programs. At a time when public housing has been unprecedentedly privatized and the private housing sector increasingly embraces public subsidies, a hybrid term seems warranted. It is time, we argue, to have a single term that describes the larger American phenomenon of deeply subsidized housing. Many in Europe and elsewhere rely, often with some misgivings, on the term *social housing*. Social housing is not a model of clarity but at least it permits succinct discussion of dwellings for people whose "needs are not met by the market" and "where considerations of profit and ability to pay are irrelevant or at least subordinated to the criterion of need" (see Malpass & Victory, 2009, p. 5). What we are calling, *public-private* housing is social housing, American style.

Public-private housing for low-income households comes with a subsidy that may be defined as either deep or shallow. Public housing, as the original deep subsidy program for low-income Americans, shares several important characteristics with the newer public-private forms of deep housing subsidy that have come to supplement it. At base, a deep subsidy links the size of rent payment to a percentage of household income (typically 30% at present).[2] The subsidy covers the difference between this percentage of

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tenant income and the fair-market rent for that unit. By contrast, shallow subsidy programs also charge below-market rents, but those rents do not vary according to the income of the tenant. Our principal focus here is on the deeply subsidized portion of the public-private housing stock.[3]

Looking across 75 years of experimentation in public housing and its public-private offspring, the federal government has launched many different kinds of policies that subsidize a small fraction of the nation's poorest households. Cumulatively, despite the terrible public reputation that public housing has held for decades, the nation's overall commitment to deeply subsidized housing rose steadily for five decades, even though it assuredly remains well short of the actual need. Since the early 2000s, however, the stock of deeply subsidized housing has stopped growing, and has actually lost considerable ground, given that the national population has risen by about 10% during this same period. Figure 1 reveals the place of the public housing program in the larger realm of federally sponsored efforts to generate deep subsidies for low-income families through public-private housing. The clear message, here, is that conventional public housing, while certainly the pioneer program, has long since been eclipsed by other efforts that have grown larger. Public housing, it seems, stands out far more starkly in peoples' minds than it does in the world of actual housing supply.

Its lingering hold on the public imagination, undergirded by an enormous scholarly literature coupled with a much larger presence in popular media, is due both to its distinctive visibility on the urban landscape and because it is the nation's most noticeable reminder of persistent urban poverty in a wealthy nation (Figures 2–4). Public housing makes evident the tensions of race, ethnic, and gender

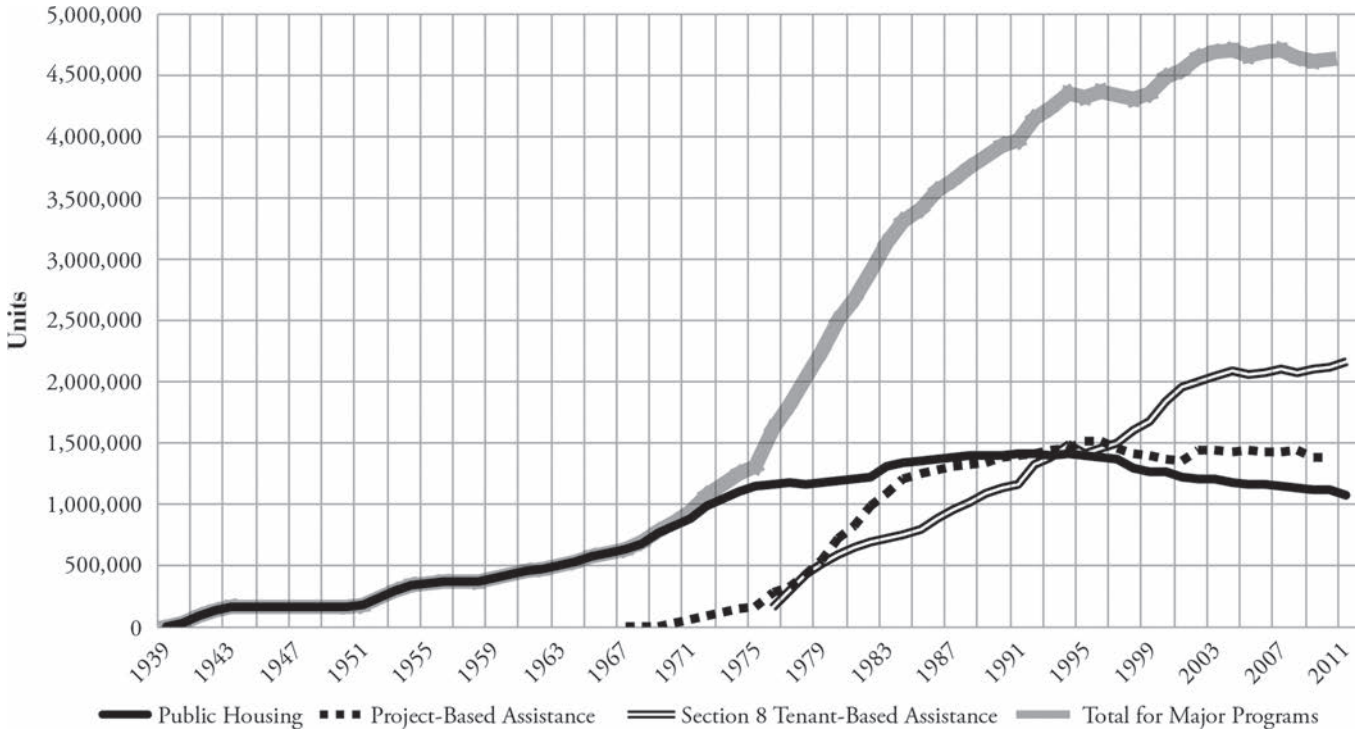

Figure 1. Public housing and beyond: Trends in deep subsidies for federally assisted rental housing. Overall, these subsidies expanded significantly over several decades, but have slowed dramatically during most of the last twenty years, in tandem with a decreasing reliance on the conventional public housing program.

Note: Project-based assistance includes project-based Section 8 (counting units also assisted by Sections 236 and 515), Section 202 supportive housing for the elderly, Section 811 supportive housing for persons with disabilities, and Rent Supplement (including units also assisted by Section 236) programs. Because of lack of reliable information, the figure excludes Sections 202 and 811 programs (pre-2002), HOME tenant-based assistance, homelessness programs, Housing Opportunities for Persons with AIDS, CDBG Rental Housing, and the Indian Housing Block Grants program (post-1997). Low Income Housing Tax Credit and Sections 236 and 515 without Section 8 assistance are not included as they are not designed exclusively for households with very low incomes.

Sources: Bratt, 1989; Olsen, 2011; U. S. Department of Housing and Urban Development, 2002, 2005, 2008, 2010, 2011a.

Figure 2. Public housing by the trowel, and by the superblock. During the 1940s and 1950s, large cities invested heavily in public housing, often on the site of cleared slums.
Source: Reproduced by permission of Chicago Housing Authority, 1956.

(Color figure available online.)

relations, and both strains and clarifies disputes over class by revealing how self-definitions of poor and middle class are constructed in the American city. In doing so, moreover, it demonstrates the power of private markets to shape even that which is explicitly termed public. In what follows, using examples from Chicago and other cities, we argue that public housing has been subjected to three major phases of social experimentation in tenancy, with associated changes in the role of the private sector.

Public Housing as Social Experimentation

Public housing is too often conceptualized as a single failed program that tragically concentrated deeply impoverished single-parent minority households in ill-designed and publicly mismanaged slums. Such a viewpoint does little justice to the evolution and contingencies that motivated the growth and directions of the multiphase and multifaceted history of federally supported public housing and public-private housing. Taking a longer view, the concentrated poverty welfare phase of public housing may actually be seen as an aberration, a relatively brief interlude between about 1960 and 1990. This phase, we argue, was out of step with the larger pattern of policy preferences for housing the poor, both before and since. In turn, resistance to the welfare housing version of public housing sparked urgent efforts to experiment in different settings involving more private-sector involvement. By deconstructing the history of public housing, it becomes possible to re-envision it as a series of social experiments that reflect the American polity's enduring struggle to conjoin the provision of housing assistance with the perception of moral worth, while expanding the involvement of the private sector.

Seen this way, American public housing is a) a 25-year series of efforts to accommodate the upwardly mobile working class between 1935 and 1960, and thereafter the worthy elderly; b) a 30-year consolidation of the poorest into welfare housing between 1960 and the mid 1980s, coupled by efforts to introduce direct private-sector involvement in public housing and other programs; and c) a series of programs and policies since the mid 1980s to return more of public housing to a less-poor constituency, while furthering growth in other kinds of both deep and shallow subsidy programs through mixed-finance projects and tax-code intervention.

Seeking Out the Barely Poor

In the first social experiment, conducted between the 1930s and the early 1950s, local and federal officials, embracing the high modernist hopes of the mid-20th century, replaced slums and slumdwellers with carefully chosen communities of the upwardly mobile working class. This first public housing served as a reward for good citizenship and focused admission on two-parent households with stable employment, usually arraying them into developments that were wholly segregated by race. Despite the segregation, these communities carried none of the stigma that would later shroud these benighted places.

As former U. S. Housing Authority (USHA) administrator Nathan Straus put it in 1944, the USHA sought to aid those "having considerable means, yet with insufficient income to afford the rents charged for decent housing in the community (pp. 133)." By contrast, he ridiculed the notion (championed by the National Association of Real Estate Boards) that federal policy ought to provide direct rent subsidies to families rather than construct subsidized housing. Straus made clear that "public housing is not relief and it is not charity (pp. 143)." Friedman (1968) has framed it best: Early public housing targeted the "submerged and potential middle class which was lower class in income but middle class in values or aspirations (p. 131)."

In Chicago, for example, the Chicago Housing Authority (CHA) screened 28,000 families to select 2,424 for its first three projects. The CHA's "steps in investigating applicants" included an "office interview by a qualified social worker"; "verification of employment, clearance with Social Service Exchange, and police record"; a home visit "by an investigator experienced in home interviews"; and a

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Figure 3. Loomis Courts Outdoor Gallery, Chicago, 1952. Initially, even the dubious premise of "sidewalks in the air" offered some desirable play space for young families.
Source: Reproduced by permission of Chicago Housing Authority.

careful "scoring" of the applicant's overall desirability as a tenant by a "person well-qualified to weigh the accumulated facts." Above all, the CHA sought assurance that, while suitably low-income, "the family will be able to carry the rent in the project." Eschewing "childless couples, except aged couples on pensions," the CHA gave preference to families with children who could provide "evidence of thrift, good credit risk and [a] good employment record" (CHA, 1940, pp. 26–28). Faced with thousands of poor people to choose from, the gatekeepers rebuffed those who came from the wrong race, had the wrong size family (either too big or too small), lacked proper U.S.

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Figure 4. Chicago's State Street corridor public housing. During the 1960s and 1970s, the Chicago Housing Authority completed construction of a series of projects along State Street including Robert Taylor Homes, making for the longest contiguous expanse of public housing in the United States. Source: © Alex S. MacLean/Landslides 2012 (www.alexmaclean.com), reproduced with permission.

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citizenship, or seemed financially too unstable to be reliable rent-payers. Moreover, during World War II many public housing developments gave preference to higher-income war workers and, after the war, offered highest priority to returning veterans.

Proponents of the early projects often claimed that they would reach (and reform) those of the lowest earnings, but the income requirements and screening processes required for admission meant that they never even came close to doing this. In 1950, public housing residents earned about 57% of the national median income, marking them as what we would today call low-income (50–80% of area median income [AMI]) but not very low-income (30–50% of AMI) or extremely low-income (below 30% of AMI; Nenno, 1996). Given such policies and aspirations, it is hardly surprising that the new public housing accommodated very few of the slum-dwellers purged to create it. In Boston, for example, fewer than 12% of the families displaced by the construction of the city's first four projects were rehoused within them; similar figures from New York City show than only 18.1% of such displaced residents found new homes in public housing during the first two decades of the program (Bloom, 2009; Vale, 2000).

Even at the times when Congress passed the major legislation in 1937 and 1949 that placed public housing at the center of the nation's low-income housing policy, it was advanced only thanks to the support of the building trades, which saw new affordable housing construction as a "counter- cyclical program" (Winnick, 1995, p. 102). By the mid-1950s, buoyed by a booming economy, the Eisenhower administration directly questioned the future of the program. A presidential committee recommended further public housing construction, but argued for policies that would "steadily lessen the need for direct subsidies" and optimistically predicted selling off public dwellings "when no longer needed for low-income families" (President's Advisory Committee on Government Housing Policies and Programs, 1953, pp. 15–16). President Dwight Eisenhower (1959a) remained committed to the funding of new public homes, shying away from conservative accusations that the program advanced "socialism," but he reduced spending compared to the 1949 Act's initial provisions and warned against "great big public housing programs," vetoing legislation that would have expanded the availability of such units (Eisenhower, 1959b). He emphasized the limited competency of the government to provide a consumer good efficiently at a reasonable price. He recognized, however, the private sector's past failures to provide for the adequate housing needs of underserved groups. The purpose of this first generation of public housing was to fill that gap, but do nothing more (Hunt, 2005).

Seeking Out the Elderly

During the mid-1950s, once the constituency seeking family public housing started to shift away from the White working class, policymakers sought new ways to serve other portions of the poor judged to have particular worth. Instead of a program designed to support young two-parent upwardly mobile working-class households, public housing quietly shifted into a social experiment in housing the elderly and disabled. The Housing Act of 1956 redefined public housing eligibility to include the single elderly, and both this legislation and the Housing Act of 1961 offered local housing authorities an annual premium for each elderly household housed in its developments. By the 1960s and 1970s, Eugene Meehan comments (1979), the elderly poor were "the favored darlings of the public housing program." Today, those over age 62 head fully one-third of public housing households, mostly located in buildings specifically constructed to house them (Schwartz, 2010).[4] From the 1950s onward, the availability of needy seniors tempted many big-city housing authorities to reorient their tenancy. Faced with the inability to site new family projects (often due to neighborhood resistance linked to racism), they could instead focus new development attention on projects devoted to seniors. These had many advantages: They were often built as elevator high-rises that eliminated the need for elderly to climb stairs; they delivered many more units per building because the apartments were small; they came with extra federal subsidies; and they served the least objectionable political constituency. In many cities, such as Boston and Chicago, housing construction for seniors simply supplanted construction intended for families (Figures 5 and 6). In Chicago, especially, this decision is becoming highly visible for the first time now that the CHA has demolished the majority of its family public housing while reaffirming its commitment to seniors.

Seeking Out the Most Needy: A Contested Interlude

Seniors, however, were hardly the only new population seeking public housing. In the third social experiment, conducted between the late 1950s and 1980s largely as a reaction to the pressures of the Civil Rights movement and the Second Great Migration, the leadership of most large American cities gradually re-tenanted the projects with the least advantaged and most economically desperate urban dwellers. In 1960, the average public housing household still earned 41% of the national median income, but, by 1970, this had dropped to 29% of median, and it continued to plummet further, sinking well below 20% of the median by the early 1990s (Nenno, 1996).

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The gradual impoverishment of public housing had many causes, and only some of these can be considered deliberate policy experimentation. At base, public housing in most large urban centers changed because much of its initial White working-class constituency chose to leave it behind for other housing alternatives, and because those same opportunities kept other upwardly mobile Whites from joining the waiting lists to replace them. Meanwhile civil rights activists and attorneys pointedly questioned tenant screening practices that sought to exclude single-parent households or families whose principal source of income came from welfare payments rather than from earned wages. By the mid-1970s, for example, the CHA (1975) lamented the prevalence of "very poor, welfare, and broken families," yet could not rationalize denying its many vacant apartments to "families who have nowhere else to go." As the War on Poverty swelled and faded, public housing came to serve as its battlefield hospitals.

In the late 1970s and 1980s, moreover, federal admissions rules really did turn this phase of welfare housing into a deliberate social experiment. By 1987, Congress had enacted explicit preferences for a broad array of disadvantaged applicants, encompassing the homeless, the disabled (including the mentally ill), and those paying more than 50% of their income in rent. The Reagan Administration defended these policies as a necessary recognition of the broader trends toward greater impoverishment and the need for housing assistance (Schill, 1993; Vale, 1992).

By the end of the 1980s, policymakers and academic analysts increasingly decried this phase as a dangerous concentration of poverty. In this version of the public housing social experiment, federal and local officials treated it as a coping mechanism and containment vehicle for all of the nation's urban ills. Instead of resisting the poorest, public housing consolidated them. Nearly everyone agrees that this proved to be a dangerous and tragic failure, especially in many large cities.

As public housing was systematically turned into housing of last resort, federal policymakers sought to reform the method by which it was financed and built and began to expand the role of private sector actors beyond the construction phase. This evolution inexorably moved the American commitment to deeply subsidized housing toward public-private housing, taking it well outside the bounds of conventional projects built, managed and maintained by local housing authorities. The period from the early 1960s to the mid-1980s (from the Kennedy Administration to the heart of the Reagan revolution) marks a

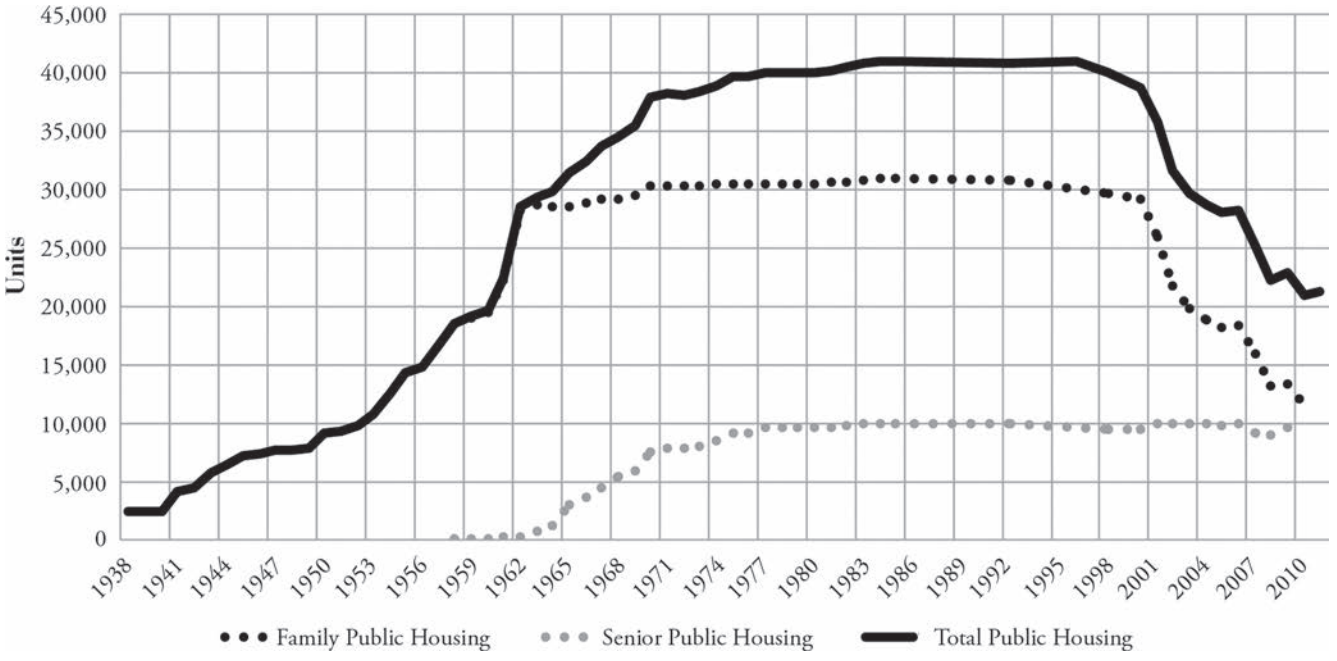

Figure 5. Serving families and seniors in Chicago's public housing. Chicago's overall public housing stock increased substantially between 1940 and the mid-1970s, before leveling off and then declining beginning in the late 1990s. Family public housing construction mostly stopped by the early 1960s, with most subsequent units designed for seniors or disabled people. Chicago's Plan for Transformation, introduced in 2000, has led to the demolition of more than half of the authority's remaining family public housing units (and, in most cases, converted them to vouchers, as seen in this figure), with little change in the senior stock, which currently constitute nearly half of all apartments.
Sources: Chicago Housing Authority, 1985, 1992, 2003–2012; U. S. Department of Housing and Urban Development, 2012.

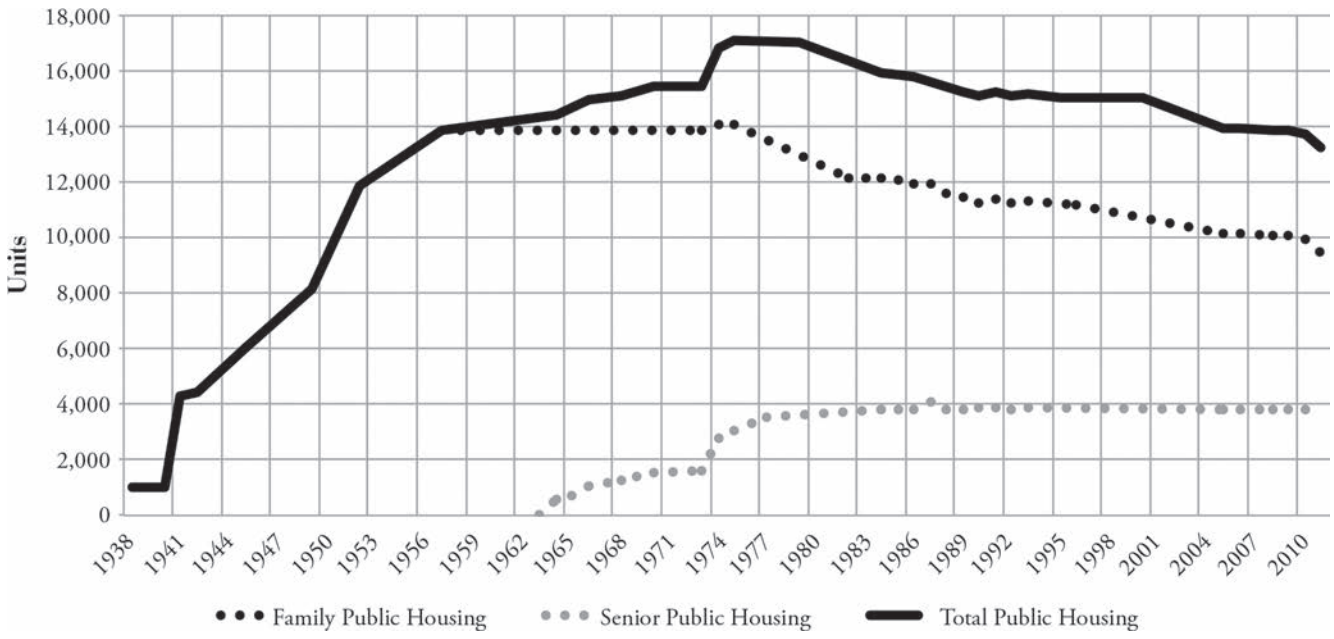

Figure 6. Serving families and seniors in Boston's public housing. Boston's family public housing stock, which includes a large number of state-funded units, remained steady at around 14,000 units between the mid-1950s and the late 1970s, even as construction on senior and disabled units occurred in the 1960s and 1970s. The redevelopment of public housing developments over the past 30 years has significantly reduced the number of family units, while most senior units have been preserved.

Sources: Anand, 1996; Aucoin, 1995; Barnicle, 1977; Boston Housing Authority, 1957, 1964, 1967, 1981–1993, 1989; Ebbert, 2000; internal Boston Housing Authority data, as of April 2011, courtesy of Lydia Agro; "Rebuilding Public Housing," 1979; U.S. Department of Housing and Urban Development, 2011 [http://www.huduser.org/portal/].

crucial ideological battleground over the nature and direction of the national obligation to deeply subsidized low-income housing. Although it is certainly correct to regard the Nixon Administration moratorium on new federal housing finance announced in January 1973 as a watershed moment in U.S. public housing history, and correct to view the Housing and Community Development Act of 1974 as a significant move away from production-oriented approaches (such as the conventional public housing program) and toward consumer-based housing vouchers, much of this shift had occurred years earlier.

Although both Presidents John F. Kennedy and Lyndon Johnson called for the expansion of the conventional public housing program, both administrations pursued reforms that encouraged private investment in public housing and in housing that served those with somewhat higher incomes. In the Housing Act of 1961, Section 221(d)(3) provided insurance and subsidized interest rates for mortgages on multifamily units for moderate-income households constructed by nonprofit and limited-profit developers, thereby permitting subsidized rents. Throughout the 1960s, state governments, beginning with New York, created housing finance agencies that worked with developers to coordinate federal subsidies, reduce borrowing costs (in some cases by taking advantage of low government interest rates), and streamline the approvals process (Betnun, 1977). During the Great Society, the effort to engage private groups in the public housing production process also sped up; "We are striving… to get private business to take on some of this development," President Johnson averred in 1966 (Johnson, 1966). Developers would be able to design and build public housing projects and then sell them to housing authorities under the Turnkey system, or do so in later years through acquisition. At the same time, the Rent Supplement Program, introduced in 1965, allowed local authorities to distribute low-income households into privately held units (particularly those subsidized by Section 221(d)(3)) and restrict their rental payments to a low percentage of their incomes, while making up the rest via federal grants. Meanwhile, authorities focused on providing as many units as possible would be able to lease some existing private apartments under the new Section 23 program, and then turn them over to the poor, who would pay rents as if they were living in conventional public housing. Local housing authorities referred to these units as yet another form of public housing, an appropriate appellation considering their place in the federal program, but clear evidence that the program had evolved past the conventional financing and ownership paradigms of the past (Orlebeke, 2000).

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In 1968, Johnson's ambitions further expanded as he signed into law a 10-fold expansion in funding for low- and moderate-income housing through a bevy of new subsidies for public housing and other financing programs. The new Section 236 program, which replaced Section 221(d)(3), provided a major boost to moderate-income housing construction; when combined with the Rent Supplement program, it allowed provision of a limited number of deeply subsidized units for low-income households since those tenants needed to pay only 25% of their income in rent (later increased to 30%). The president's aim was not only to make more housing, but to do so "to enable private industry" in a "vast expansion and redirection of assistance for private rental housing for low and moderate income families" (Schwartz, 2010, p. 159; Johnson, 1968a, 1968b; see also Johnson, 1968c). The members of the Kaiser Committee (1968), appointed by Johnson to study the nation's housing, suggested that "private enterprise can best provide the muscle, the talent and the major effort" (p. 1). For the Committee, public housing had moved past its former definition as being developed, owned, and managed by government; now "even the old Public Housing program has been transformed by so many variations" that they could imagine a situation in which "the Federal Government could develop a single housing subsidy technique" incorporating both public and private housing (Kaiser Committee, 1968, p. 72).

President Richard Nixon followed through on the 1968 bill's funding promises, at least at first. In his first term, the government produced the largest investment in new federally subsidized low-income housing ever, building more in four years than had been produced by the 1949 Housing Act. HUD transformed what "public" meant when it came to public housing, financing three-and-a-half times as many units of turnkey, acquisition, and leased housing as conventional housing (HUD, 1973). In the process, it showed that effective public housing could come in a very private form (Figure 7). The mold was set. The success of these alternative approaches in providing more units serving low-income households at a decreased cost emboldened conservatives, even as traditional public housing complexes began to struggle under the weight of their welfare mission. If private construction of new public housing worked, why not simply rely entirely on the private market? Housing authorities could negotiate with developers to allow leasing of an adequate number of units for low-income people. Some even suggested providing direct vouchers to individuals. Disenchanted by the progress of the expanded housing programs and concerned by violence and incivility at places like St. Louis' Pruitt-Igoe complex, HUD Secretary George Romney had, by 1972, been convinced. "We can no longer afford $100-billion mistakes," he stated (Hebers, 1972, p. 22). The media and the executive branch increasingly publicized problems with federal housing programs, but congressional paralysis and disagreements about the value of programs like public housing made reform of the 1968 Housing Act virtually impossible (Herbers, 1972). In January 1973, with some ambivalence, Romney announced the complete moratorium on new funding for federal housing subsidies and subsequently resigned (Orlebeke, 2000). Nixon (1973) himself called public housing investment "boondoggling" and suggested that housing programs "have been turning the federal government into a nationwide slumlord."

In late 1973, the President proposed ending traditional federal housing programs and replacing them with either housing allowances or cash allowances based on income, the latter a goal he had been developing under his welfare reform program since 1969. Congress did not go that far but eventually passed the Housing and Community Development Act of 1974, dramatically reducing funding for the construction of new conventional public housing (decreasing the six-year total subsidy to just 30,000 new units). The Section 8 construction program, designed to distribute the poor across neighborhoods with 400,000 new or rehabilitated private units by 1981, would provide most new low-income housing. Meanwhile, thousands of rental certificates would go directly to households, letting them choose apartments in existing buildings, a demonstration program that Nixon wished to expand.5 This method of subsidizing the poor, focusing on choice and private initiative rather than public service provision, fell in line ideologically with conservatives in the Nixon and Ford administrations (Ford, 1974). It also addressed the sense that the most significant housing problem facing American low-income families was no longer building quality (overcrowding and dilapidation had declined substantially since the 1940s), but affordability (President's Commission on Housing, 1982). With public housing now seen as ghettoized projects that degraded the poor rather than as aspirational living environments for the upwardly mobile lower-middle class, both major parties favored superseding a program that had relied almost entirely on public initiative for funding and management with one that incorporated significant private involvement.

Seeking Private Landlords

Proponents of the new rental certificate program did not dare adopt a name that bore any obvious relationship to public housing, even though the program had emerged from the original public housing legislation and even though it resembled the Section 23 leasing and rent

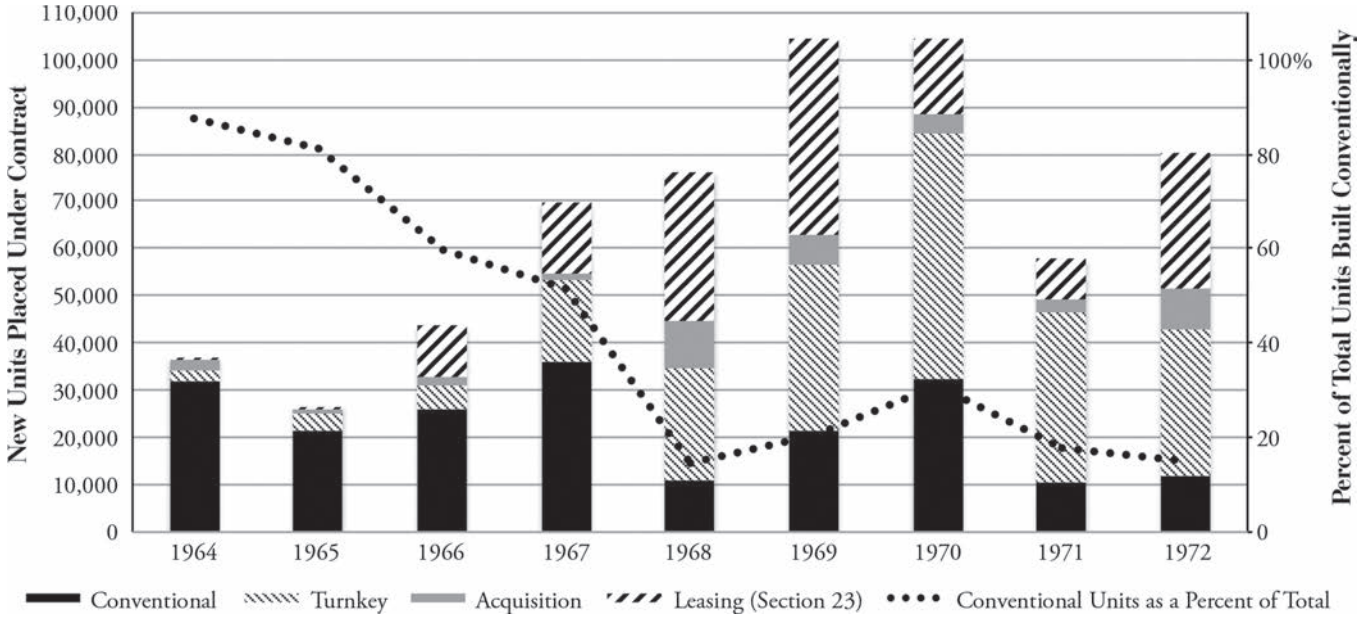

Figure 7. U.S. public housing, 1964–1972: Privatization precedes Section 8. Beginning in 1965, the public housing program became increasing private in spirit. During the first term of the Nixon Administration, 76,035 units of conventional public housing units entered into contract while three and a half times as many, 270,908 units, were added through other mechanisms. Section 23, part of the public housing program, allowed housing agencies to lease housing in privately owned buildings and then provide the units to lower-income families. HUD phased out the leasing program in the late 1970s and converted expiring or terminated contracts to Section 8. See Dubinsky, 1979.
Source: Data from U. S. Department of Housing and Urban Development, 1973.

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supplement programs introduced a decade before. Instead, they (and the landlords and tenants who implemented the policy) kept its policy wonk identity intact as Section 8, referring to the piece of the Housing Act of 1937 that left the legislation open to future alteration. Section 8 simply provided a convenient way to append a large number of new initiatives. Tellingly, the piece of Section 8 that exploded into the nation's largest public housing program was not even the one most noticed in 1974. During the 1990s or early 2000s, as Figure 8 demonstrates, the housing subsidized by this program quietly came to outnumber conventional public housing units in most large cities (other than New York), sometimes quite dramatically. The certificate program (initially called the Section 8 Existing Housing program) that provided portable rental subsidies for use by tenants in the private market eventually merged with another similar voucher program in 1999, to constitute what are now formally called Housing Choice Vouchers. That terminology, with its explicit emphasis on empowering tenants to decide their own residential location, could be directly counterposed to the presumed entrapment (choicelessness) of the earlier mode of public housing project. Both ways of naming the social experiment, Section 8 and Housing Choice Vouchers, neatly masked the fact that it provided a level of deep public subsidy to tenants that was nearly identical to that of public housing projects. This enabled public housing to expand even during its most stigmatized welfare stage, without actually having to name the new parts of it public housing.[6]

This strategic political choice did not stop landlords from refusing to participate or prevent nearby residents from resenting their deeply subsidized neighbors, but the stealth name and the furtive decentralization of the program still permitted accelerating growth, much faster than the contemporaneous program of scattered site public housing (Figure 9). In 1994, the voucher program surpassed the unit volume of the conventional public housing program itself, and is now about twice its size.

Seeking Private Developers

The other main component of the Section 8 programs introduced in 1974 retained the housing projects piece of the of the public housing concept from 1937, but shifted the ownership of such projects to the private sector, thereby, making it more ideologically palatable. By 1977, Congress favored this new housing production aspect of Section 8, and developers began to master its "lucrative profit potential" (Orlebeke, 2000, p.504). The program enjoyed a brief heyday before the Reagan Administration applied the brakes and stopped it, preferring instead to expand the tenant-based voucher portion of Section 8. Despite the relatively short period of implementation, the Section 8 New Construction and Substantial Rehabilitation program left a lasting impact on the metropolitan landscape: nearly a

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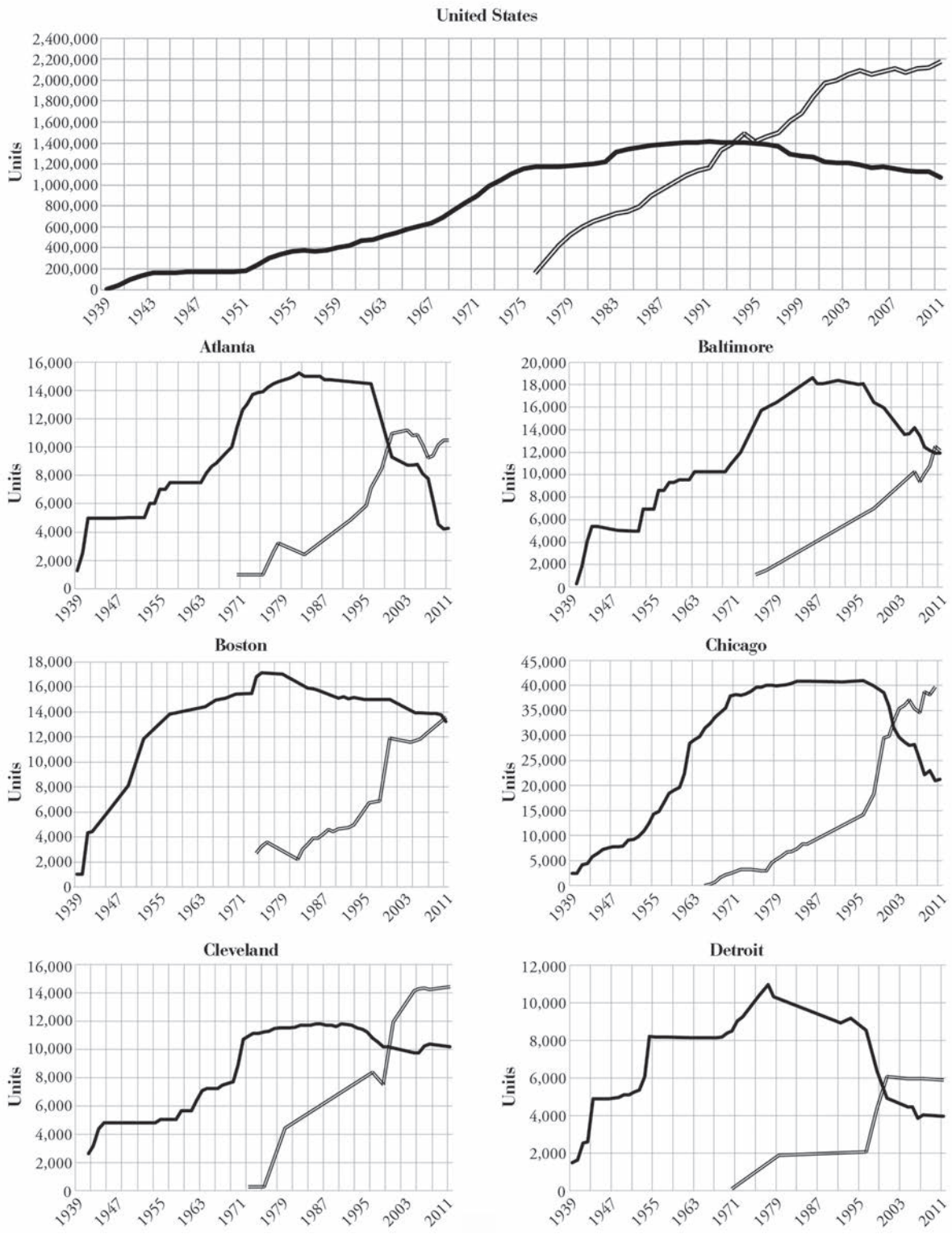

Figure 8. Projects to vouchers: A national public housing transition reflected in most large American cities. In every city studied, with the exception of New York, tenant-based vouchers now aid more low-income households than the conventional public housing program.

Notes:

a.Tenant-based units include apartments reserved for special purposes, such as to house the homeless. Leased housing later converted to Section 8 is also included in the Section 8 category.

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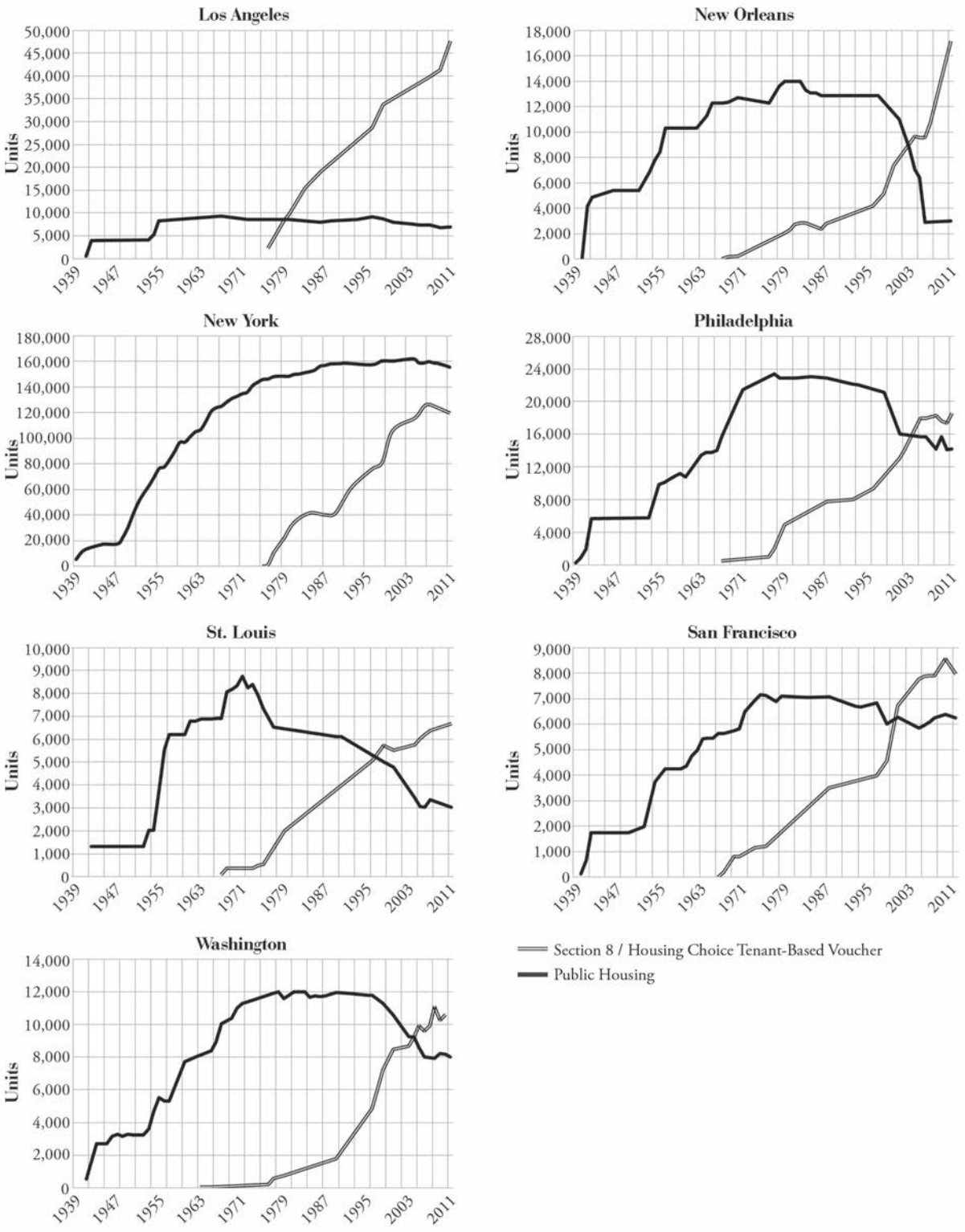

b. Data do not include project-based Section 8 units. Cleveland data reflect units managed by the Cuyahoga Metropolitan Housing Authority; New York data do not include mixed-financed projects; Boston data include state-funded public housing; all other cities reflect units managed by local authorities.

Sources: The charts in Figure 8 are drawn from 225 different sources, mostly from housing authority records and newspaper reports, as well as FOIA requests and direct communication with housing authority officials. For a full list of sources, please contact the authors.

million deeply subsidized apartments. As Figure 10 suggests, the deep subsidies that support apartments in privately developed housing projects are more numerous than conventional public housing in many large cities. Like tenant-based Section 8 units, these project-based units serve a population that is almost entirely extremely low income.[7]

Although some members of the urban public still group these Section 8 projects under the same umbrella of projects, confusing them with those managed by their city's housing authority, to a surprising extent these categories seem to have remained conceptually separate. Whenever there is a violent act or crime in a particular public housing development, for instance, the press is often quick to identify the problem location by project name rather than street address, and to implicate the larger public housing system (Vale, 1995). By contrast, when incidents occur in privately owned but publicly subsidized projects, there is no comparable effort to suggest that something known as the Project-Based Section 8 system might be a source of larger societal blame.

Given that the scale of the project-based Section 8 program is roughly equal to that of conventional public housing, it is startling that there has been such minimal scholarship about these places where millions of Americans live. There is little or no ethnographic writing about these apartment complexes and it is even a nontrivial task simply to get an accurate list of them for most cities, let alone sort out the lengths of their contract terms. Few are overseen by local housing authorities, and they are rarely discussed as a group. To a large extent, they only came into widespread notice among housing and planning scholars once their contracts started to come due, triggering broad concern about problems of expiring use. It may well count as a measure of success that such places aren't worth writing about unless threatened with disappearance as sources of affordable housing.

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Figure 9. Scattering public housing. In the 1970s, housing authorities embarked on small programs of scattered site public housing such as this dwelling on Chicago's West Side. Increasingly, however, housing agencies preferred to provide public housing tenants with vouchers to use with private-sector landlords.

Source: Reproduced by permission of Chicago Housing Authority.

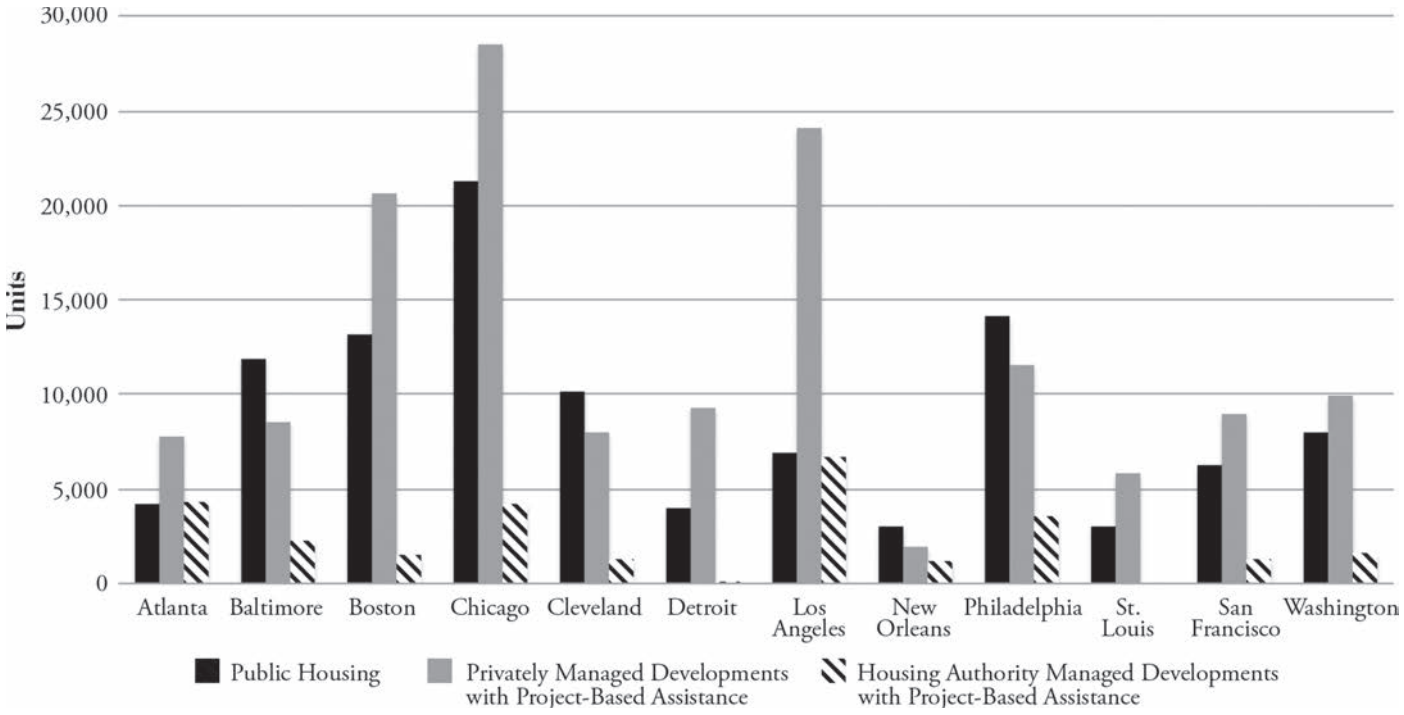

Figure 10. Other projects on the rise: Privately developed public housing. In many large cities, the number of Section 8-subsidized project-based housing units is greater than the public housing stock. The bulk of project-based assistance has centered on the privately developed projects constructed in the 1970s and 1980s, but more recently some housing authorities have also gained the flexibility to convert some of their own public housing to project-based assistance, although many of these units are not owned by the authorities themselves.
Sources: Housing authorities (public housing data and project-based units run by agencies, 2011–2012, including Moderate Rehabilitation units); U. S. Department of Housing and Urban Development, 2011b.

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Seeking Community Partners and Private Invesors

Other important federal initiatives launched since the mid-1970s gained strength during the 1990s and undergirded the important contributions of more than 4,000 community development corporations (CDCs). The approximately 2 million housing units financed or supported as a result of Community Development Block Grants (1974), HOME funds from the Cranston-Gonzalez National Affordable Housing Act of 1990, and Low Income Housing Tax Credits (LIHTC; first introduced in 1986, as part of the tax code), quietly became the nation's largest project-based housing subsidy program, as shown in Figure 11. Housing policy analyst David Erickson (2009) calls this "stealth housing program" (pp. xiv–xv) a "revolution from below" (p. 13), and notes that these projects have frequently been of higher quality and greater political popularity than either public housing or project-based Section 8 efforts. Unfortunately, it is also true that the 1.6 million units constructed with LIHTC subsidies have not reached many with extremely low incomes, except for those that house residents with additional tenant-based Section 8 vouchers. Of LIHTC households without additional rental assistance, only 31.3% are extremely low income, far less than comparable welfare-era public housing or Section 8 project-based programs, although the remaining households are largely very low income (O'Regan & Horn, 2012). In short, most LIHTC units reach the poor, but not the poorest, and they do not provide the deep subsidy that comes with limiting tenant rent to 30% of income. Still, they are surely an important part of the emergent public-private housing landscape.

Erickson emphasizes the vital role of a decentralized low-income housing network of CDCs in conjunction with a variety of new government entities at the state and local levels, capacity-building intermediaries (such as the Local Initiatives Support Corporation and the Enterprise Foundation), new private-sector participants, foundations, and the government-sponsored mortgage enterprises, Fannie Mae and Freddie Mac. Other state and local housing policies provided tax-exempt bond financing and housing trust funds, and some states and counties introduced significant inclusionary zoning policies (Cummings & DiPasquale, 1999; Glaeser & Gyourko, 2008).

These various efforts enacted under Section 8 and the tax code to bring the private sector more fully into the business of deeply subsidized low-income housing did not,

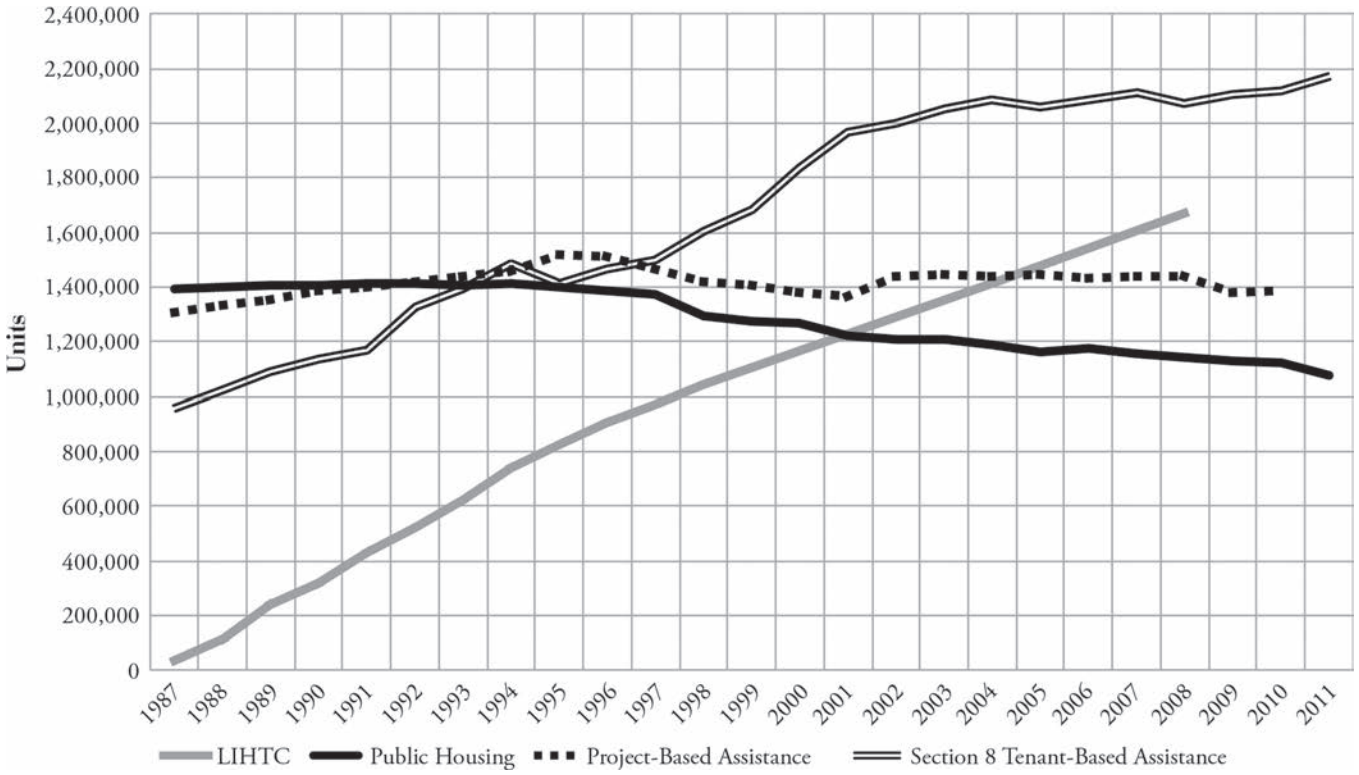

Figure 11. The emergent public-private housing landscape: 25 years of dramatic change. The Low-Income Housing Tax Credit has become the nation's most popular funding mechanism for new subsidized housing, with more than 1.6 million units created in just twenty years. Residents, no matter their earnings, may be charged rents set at 30% of that of families making 60% of the area's median income (more than $13,500 in annual payments in 2012 for a four-person Chicago household, for instance), limiting the program's ability to serve very low-income households without Section 8 vouchers. The increase in Section 8 tenant-based vouchers beginning in 1995 reflects Congress's decision to authorize more than 630,000 of these between 1995 and 2009. But only 25% of these actually served new households; the other 465,000 were issued to assist households being transferred from public housing due to redevelopment, or from other project-based subsidy programs when private owners had opted out of continuing.
Note: LIHTC figures pre-2001 are contracted units, not completed apartments, so the graph overstates their growth to some degree; later figures, however, represent apartments in use. Project-based units include Section 8 project-based, Sections 202 and 811, and rent supplement units. Units that receive Section 8 tenant-based assistance and are funded under the LIHTC program are necessarily counted twice.
Sources: For LIHTC, Olsen (2001) and U.S. Department of Housing and Urban Development, 2011 [http://www.huduser.org/portal/]. For public housing, project-based, and tenant-based units, same as Figure 1.

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however, obviate the need to deal with the existing conventional public housing stock, still caught in the impoverished throes of the welfare housing social experiment.

Seeking the Return of the Worthy Poor

Eventually, as the 1990s began, city leaders and their private-sector counterparts embarked on a new public housing social experiment. They embraced HUD's HOPE VI program and championed other housing finance initiatives in an effort to remove severely distressed public housing, viewed as both a social danger and a political liability. They aimed to replace it with new communities premised upon a broader socioeconomic constituency, while simultaneously expanding the earlier policy initiative to supply more of the poor with portable tenant-based vouchers. HOPE VI came in two guises: a redevelopment program that began in 1992, and a separately administered demolition-only program that lasted from 1996 to 2003. The overall supply of conventional public housing peaked at 1.4 million units in 1991, and has declined steadily ever since. Taken together, the main HOPE VI program has demolished approximately 100,000 apartments while the demolition grants eliminated an additional 57,000 units (Cisneros & Engdahl, 2009). The federal government paid to build a social experiment in working-class housing, and paid, again, when the experiment went awry.

The emergence of public housing's latest social experiment, its reliance on new forms of public-private redevelopment partnerships, is linked to broader policy trends that have coalesced since the early 1990s. Once the Republicans captured the Congress in the 1994 mid-term election, public housing reform and welfare reform proceeded

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in tandem. In 1995, the legislature suspended the federal one-for-one replacement requirement, thereby permitting large numbers of demolished units to be replaced with vouchers.

Then, in 1996, Congress required public housing authorities to conduct a viability test on all properties with more than 300 units that had at least a 10% vacancy rate. If the cost to rehabilitate the property exceeded the cost of demolishing it and providing residents with vouchers, this meant that the project should be considered nonviable. In the very particular housing market of New York City, the New York City Housing Authority's defiant insistence on retaining a range of incomes in public housing, coupled with careful attention to management and maintenance that minimized vacancies, kept the city's vast tracts of high-rise public housing functional to the point where they did not fall victim to this viability test (Bloom, 2009). In Chicago, however, nearly all of the CHA's own high-rises failed, catalyzing that city's broader public housing transformation, illustrated in Figures 12–15.

With the Quality Housing and Work Responsibility Act of 1998 (QHWRA), public housing reform came into full flower. Among many other provisions, QHWRA formally embraced the new reliance on mixed-finance development, permitted housing authorities to issue bonds or otherwise borrow funds for the renovation or redevelopment of public housing (with repayment premised on future receipt of federal capital funds), officially repealed the earlier federal admissions preferences favoring various highly disadvantaged individuals and groups, ended the one-for-one replacement rule, and permitted housing authorities to establish ceiling rents aimed at retaining more of their higher-income tenants. At the same time, QHWRA facilitated (or at least proposed) a significant demographic shift over time, rooted in a belief that the least advantaged working-age families would be better off with vouchers and, correspondingly, that future housing developments would be better off without so many extremely low-income households. By 2001, public housing residents had a mean income equivalent to 23.8% of area median income, still well within the bounds of the extremely low-income category, but a significant increase from the 17% of area median income recorded in the early 1990s (Council of Large Public Housing Authorities, 2006; QHWRA, 1998; Riccio, 2008; Schwartz, 2010; Vale, 1993).

In seeking to serve fewer of the poorest in conventional public housing projects, the new legislation permitted local authorities to give admissions preference to households with incomes from employment. This effectively encouraged housing authorities to skip over those with the lowest incomes to reach higher-income working families (who could still be deemed public-housing eligible as long as they earned no more than 80% of the area's median income; Fleming, 2003). With work responsibility linked to quality housing, even in the name of the legislation itself, after 2000 many housing authorities went so far as to make gainful employment a requirement for entry into any subsidized housing. Although such work requirements also came with exemptions for the elderly and the disabled, the policy intent was clear: Restore as much public housing as possible to the sorts of selectivity and tenant composition that had prevailed at the time of the initial public housing experiment.

Meanwhile, as housing authorities sort through which of the poor they want to assist in which kinds of places, the number of unserved households facing dire housing needs continues to grow. Despite the growth of shallower housing subsidies, such as those supplied by LIHTC units, Figure 16 shows that provision of deeper housing subsidies has entirely stalled for the last two decades, falling further behind population growth.

In the United States, the provision of public housing and, more broadly, the supply of public-private housing, remains far short of demand. Unlike other social programs that have been treated as entitlements for the very poor, such as Medicaid and food stamps (now formally known as the Supplemental Nutrition Assistance Program), housing subsidies have been parceled out parsimoniously. In 2011, HUD reported that 7.1 million American renter households faced worst-case housing needs, meaning that they received no housing assistance despite having an income less than 50% of the median in their metropolitan area and paying more than half of that income for housing, or else lived in a home with severe problems such as missing plumbing or no heat (HUD, 2011c). Despite extensive public housing experimentation in the United States, most of the public has not been invited to take part.

Public Housing: W(h)ither the Public?

Right from the start, American-style public housing was never very public. Real estate interests frequently blamed early public housing for running unfair competition with private interests, but former USHA administrator Nathan Straus noted in 1944:

> Public housing throughout every phase of its production is actually private business… The sites are appraised by qualified private appraisers. The buildings are designed by private architectural firms. The projects are constructed by private building contractors

Figure 12. North Town Village, 2009. This public-private mixed-income development, located adjacent to Chicago's Cabrini-Green development, used some HOPE VI funding to include 87 units of replacement housing for former Cabrini residents.
Source: Lawrence J. Vale.

(Color figure available online.)

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> chosen on a competitive bid basis. The labor employed works under normal conditions of private business… (p.168)

Moreover, after 75 years of experimentation, much of the rest of public housing operations has become completely privatized, as well. In many cities, housing authorities are regularly turning over their conventional housing stock to private managers and often own nothing more than the land beneath their redevelopment endeavors. In this context, even the basic definitional reason for calling some housing "public housing" now comes into question.

In 1999, HUD began implementing the Moving to Work (MTW) demonstration program, first legislated in 1996 and designed to encourage flexibility, eliminate burdensome regulations, and reduce expenditures among local public housing authorities. Families with a working head of household are provided financial incentives and encouraged to increase their incomes while retaining their federal rent subsidies. In addition, participating agencies (there were 33 in 2010, representing 11% of American public housing units and 13% of vouchers) are allocated funds for public housing capital and operating expenditures, as well as Housing Choice Vouchers, but unlike non-MTW agencies, they can move federal allocations freely between those accounts. As such, many MTW agencies have significantly shifted their funding away from public housing (which constituted 53% of their units in 1998) and toward the Housing Choice Vouchers program (which accounted for 71% of their units in 2009), although this change was accompanied by a 47% increase in HUD-subsidized apartments (Cadik & Nogic, 2010). Most recently, under the Obama Administration, HUD introduced the Rental Assistance Demonstration (RAD) program, which has further blurred the boundaries between public housing and project-based contracts.

Figure 13. Old Town Village West town homes, 2009. Looming in the background is one of the last towers of Chicago's William Green Homes, demolished in 2011.
Source: Lawrence J. Vale.

(Color figure available online.)

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RAD allows local housing authorities to convert their public housing apartments to long-term Section 8 rental assistance; it could portend a future in which conventional public housing in the United States disappears entirely.

As housing authorities increasingly reinvent themselves as asset managers, they move more fully into the mainstream of private property practice. Instead of an "owner and manager of public housing," for example, the reinvented CHA now self-identifies as "a facilitator of housing opportunities" (CHA, 2000, p. 4). If public housing is not distinguished by public ownership and management, what basis is still there for distinguishing it from the other kinds of federally assisted deep-subsidy efforts to house low-income Americans? Purists and nervous advocates will wish to retain a firm distinction between the hard units of conventional public housing supported by permanently available public subsidies and everything else. They will note the perennial vulnerability of vouchers (which depend on congressional renewal of funding), the tenuousness of project-based units (which have expiring contracts that may or may not get renewed), and the time limitations of LIHTC units (which may revert to market rates after fifteen years). All true, and certainly worrisome, but no more worrisome than the fact that support for conventional public housing also depends on congressional appropriations, and it is actually these hard units that have been disappearing the fastest. The good news is that decades of aversion to talking about the full panoply of public-private housing as public housing quietly facilitated two decades of significant growth in the nation's stock of deeply subsidized units. Unfortunately, that growth in the deeply subsidized portion of what we call public-private housing has slowed dramatically since the late 1980s. Even more disheartening, much of the remaining deeply subsidized housing stock remains vulnerable and, even worse, a high fraction of the

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Figure 14. From Robert Taylor Homes to Legends South. Under the Chicago Housing Authority's Plan for Transformation that began in 2000, the large projects of the State Street corridor are gradually being replaced with a succession of new mixed-income communities.
Source: Lawrence J. Vale.

(Color figure available online.)

nation's most economically needy households has no access to any of it.

Notes

1. It might also be appropriate to use the phrase "social engineering" to describe this process, although the negativity associated with that term suggests caution. Informal experimentation, rather than formal experiments, seems to be the more accurate descriptor. In the few cases where the federal government has commissioned experimental or at least quasi-experimental research designs in the realm of low-income housing, such as in the landmark, $175 million Experimental Housing Allowance Program (EHAP) during the 1970s, policy decisions have often preceded the findings instead of following them (Winnick, 1995). Moreover, as economist Harvey Rosen (1985) put it when analyzing the EHAP, "Experimental data offer no particular advantages. Fundamentally, this is because housing behavior is so complex and the policy environment so uncertain that simple comparisons of experimental and control groups are unlikely to be of much interest" (p. 72).

2. Although, using this definition, public housing can be considered the first deep subsidy program, it is worth noting that most public housing did not actually employ this precise kind of income-calibrated rents until passage of the first Brooke amendment, in 1969, which set rent for a particular apartment at 25% of its tenant's income (raised to 30% of income in 1981). The Housing Act of 1937 had required that household incomes be no more than five or six times the rent charged for an apartment (depending on family size), but rents were linked to apartments and did not vary with tenant income. By 1940, the U.S. Housing Authority slightly altered this so that income limits gave way to a maximum rent standard in which rent could not exceed 20% of tenant income. Starting in the early 1940s, however, some public housing providers, such as the Chicago Housing Authority, introduced apartment unit rents that did vary by income.

3. Fair market rents vary according to the jurisdictional location and the number of bedrooms in the unit. Rent setting varies according to several

Figure 15. From Ida B. Wells to Oakwood Shores. Through the transformation of Chicago's South Side public housing, the CHA's public-private initiatives seek to create new social and economic environments, not just new buildings.
Source: Lawrence J. Vale.

(Color figure available online.)

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factors such as family size and depends on whether utility costs are included. For shallow subsidies, rents may be set at 30–40% of the maximum tenant income associated with that unit. For tenants earning less than that maximum income, this means that they may be asked to pay more than 30–40% of their income in rent, thereby making it less affordable.

4. This is in addition to a separate program for senior housing, Section 202 of the Housing Act of 1959, not part of the conventional public housing program itself. That program, although still smaller than the number of public housing apartments devoted to seniors, gradually grew to encompass about 300,000 units, reaching about 11% of the eligible population of low-income seniors (Schwartz, 2010).

5. Housing vouchers were then being studied by the Experimental Housing Allowance Program being run by HUD, but "the fact is, Congress enacted the housing allowance's basic legislation before EHAP was launched and was still supplementing the legislation even as EHAP's first raw data trickled in" (Winnick, 1995, p. 96). Formal experiments continued to be outfl anked by informal policy experimentation.

6. Voucher programs continue to reach those with the lowest incomes. Of the nation's Section 8 tenant-based voucher recipients in 2012, 76% have an extremely low income (below 30% of area median income), more than is true for public housing residents (61%). An additional 21% of Section 8 voucher holders, compared to 26% of public housing residents, have very low incomes (between 30% and 50% of area median income). Nationwide, 28% of Section 8 voucher households include at least one nonelderly disabled family member and 19% are elderly, compared to 21% and 31%, respectively, of public housing families (HUD, 2012).

7. As of 2012, 81% of current inhabitants in project-based Section 8 housing are extremely low-income. Average monthly rental payments of households were just $265 in 2012, less than the $294 for Section 8 voucher recipients or $318 for public housing inhabitants. In addition, project- based Section 8 units are oriented toward the elderly (36% of units) and the non-elderly disabled (28% of units; HUD, 2012). It is worth noting, however, that these projects are less likely than conventional public housing to serve families. In 1981, 80% of the program's

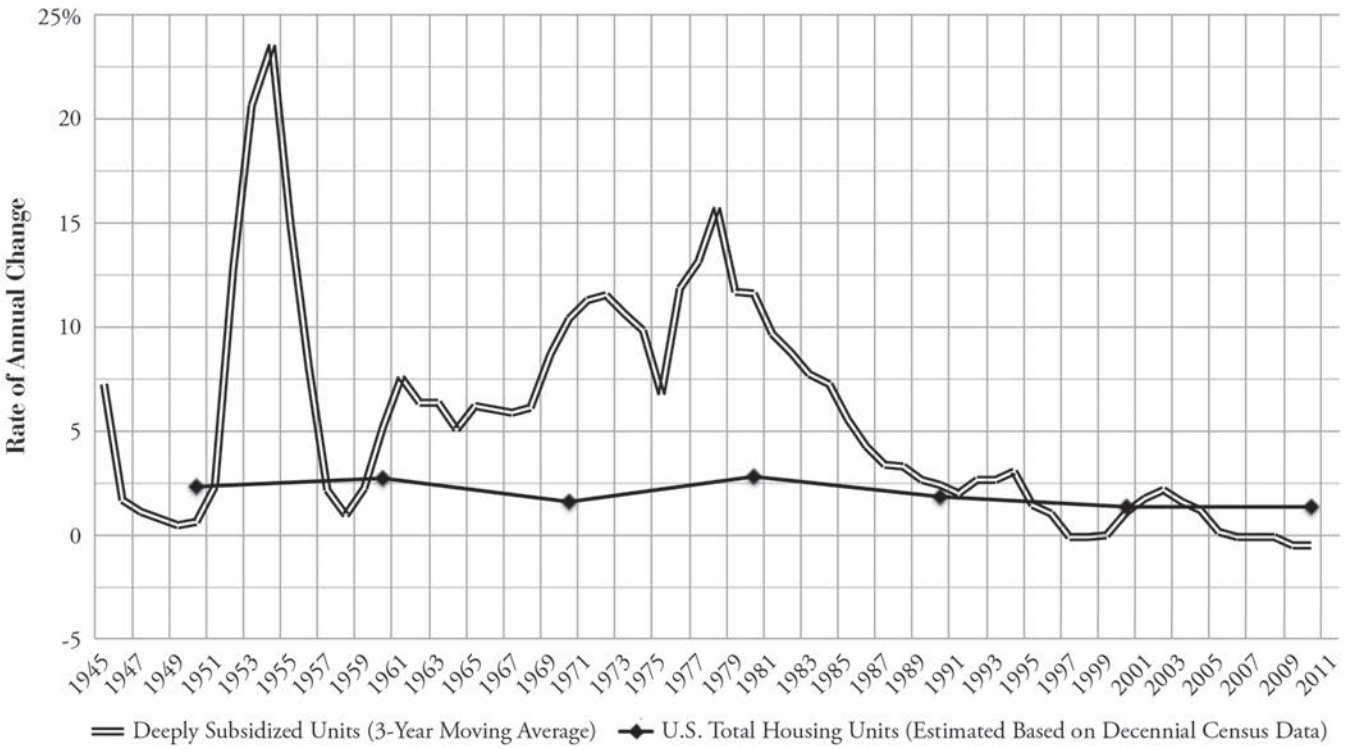

Figure 16. Deeply subsidized rental housing in the United States: A declining commitment? The provision of deeply subsidized housing units in the United States exceeded the growth of overall housing units for much of the period since the Great Depression, especially in the spurts following the Housing Acts of 1937, 1949, and 1968. Since the early 1990s, however, that growth has diminished, with the annual increase in supply ebbing to levels at or below those of overall national housing construction.

Note: This chart does not include LIHTC units, since these usually do not provide "deep subsidies" unless their shallow subsidy is combined with additional programs that reduce the rent for very low-income tenants. In their study of LIHTC data in 10 states, O'Regan & Horn (2012) show that, of extremely low-income households living in LIHTC apartments, 68% are also provided rental assistance, usually in the form of Section 8 tenant-based vouchers, which are already included in the chart.

Sources: For housing unit annual change, U.S. Census Bureau, 2011. For deeply subsidized units, same as Figure 1.

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units were designated for the elderly; in 2012, nearly two-thirds of residents were elderly or non-elderly disabled (HUD, 2012; President's Commission on Housing, 1982).

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