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The Fall (and Rise) of Public Housing

Paul S. Grogan and Tony Proscio

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Abstract

The authors argue in this paper that the reengineering of failed inner city public housing projects that is underway is one of the most important and positive developments in urban America in many years. It is its own distinct story, but it is also linked to a broader process of reforming failed public systems, like welfare and public schools, that have had a disproportionately negative effect on life in urban neighborhoods. The early evidence is that the newer developments, which in many cases are replacing high rise projects for the poorest of the poor with mixed income developments, are not only better for the residents but are opening up larger redevelopment opportunities that were formerly unthinkable.

This paper is part of a book, *Comeback Cities: A Blueprint for Urban Neighborhood Revival* to be published by Westview Press in October 2000. *Comeback Cities* shows how innovative, pragmatic tactics for ameliorating the nation's urban ills have produced results beyond anyone's expectations, reawakening America's toughest neighborhoods. In the past, big government and business working separately were unable to solve the inner city crisis. Rather, a blend of public-private partnerships, grassroots nonprofit organizations, and a willingness to experiment characterize what is best among the new approaches to urban problem solving. Pragmatism, not dogma, has produced the charter school movement and the police's new focus on "quality-of-life" issues. The new breed of big city mayors has welcomed business back into the city, stressed performance and results at city agencies, downplayed divisive racial politics, and cracked down on symptoms of social disorder. As a consequence, America's inner cities are becoming vital communities once again. There is much yet to be done, but Grogan and Proscio base their optimism on a number of trends that could dramatically multiply the impact of the grassroots community development industry. The authors point to unprecedented access to capital and credit, astonishing reductions in violent crime, and substantial overhauls of public housing, welfare, and public schools already underway as harbingers of an inner-city revival. Through a mixture of analysis and storytelling, Grogan and Proscio argue convincingly that the conditions are ripe - the infrastructure is in place - to turn a source of national shame into a source of national pride.

The Fall (and Rise) of Public Housing

by

Paul S. Grogan and Tony Proscio

*Most of you are afraid of our neighborhood.
But did you know? So are we.
But we are here, you see
Not because we want to be.*

— *from an anonymous poem, posted in a building at Cabrini-Green, a Chicago public housing complex, 1981*

“Chicago Mayor Jane Byrne,” opined the *Cincinnati Enquirer* in March 1981, “is a lady with a lot of guts. She’ll need them where she is going.”

Where she was going, in the tactful language of a *Chicago Tribune* page one story, was the “troubled North Side [public housing] project” known as Cabrini-Green. On March 21, 1981, the diminutive mayor and Doris Day lookalike told a stunned Chicago press corps that she was moving in to one of the most feared addresses in America, a place where even Chicago’s Finest were known to huddle in the shadows and pray for their lives.

It was a half-mile-square war zone: 3,500 apartments in twenty-three slab-style buildings rising as high as nineteen stories, plus forty-four ramshackle row houses, all stuffed into a space half the size of the National Mall in Washington. Nearly every building bore the scrawl of one or another of the ruling drug gangs, which collected up to \$30 a month in protection money from every tenant. “People who don’t live or work there avoid it like a leper colony,” wrote *Tribune* reporter Stanley Ziemba. “Many would agree with one tenant who described it as ‘hell on earth.’”

At practically the same moment as Byrne’s press conference, federal agents were forming a task force to combat the illegal arms trade at Cabrini-Green, where the reigning Black Gangster Disciples and Cobra Stones were armed like dueling Balkan republics. “We’re seeing high-powered rifles and automatic weapons in the hands of children,” said an agent of the U.S. Bureau of Alcohol, Tobacco, and Firearms. The latest wave of carnage at the complex had produced ten corpses and more than forty injuries in just the past two

months. Drug sales were rampant, robbery and burglary had become routine; rapes and stabbings each were numbering around ten a week. In some buildings, garbage in jammed trash chutes was backed up all the way to the ninth floor.

“Something has to be done,” the mayor told a mob of reporters in the living room of her tony Gold Coast apartment, barely a mile from the looming colossus police called “The Rock,” which would soon be her new home. “I truly believe,” Byrne said, brows knit, “when a mayor is there, everything works better.”

From that simple, daring act of faith sprang one of the twentieth century’s more intriguing—if occasionally bizarre—experiments in the limits of power.

If Byrne hoped that everything at Cabrini-Green would work better for the mayor, she soon found that matters would not be so cooperative for the mayor’s husband. Riding up to inspect their new fourth-floor apartment, Byrne’s political adviser and First Spouse Jay McMullen got stuck for fifteen minutes in a stalled elevator. (The couple was also considering a sixteenth-floor unit, but after the elevator episode, that plan was scrapped.) When he eventually arrived, he discovered that a last-minute barrage of insecticides had not been enough to clear out the fourth-floor cockroaches. Hundreds were unexpectedly on hand to welcome the new tenant, and most never got around to relocating.

Byrne had planned her move to coincide with a full-scale assault on the complex’s chronic problems: Beefed-up police patrols under elite command; a flurry of eviction notices; sweeping renovations and repairs; and an Armageddon of pesticides. But things got off to a bumpy start.

The retired general and former Green Beret whom the mayor tapped to head the anticrime team promptly told the newspapers that he wasn’t sure he had the stomach for the job. A dramatic late-night gun raid, in which 150 uniformed officers swarmed over 235 apartments, basements, rooftops, and laundry rooms, ended up yielding one shotgun barrel, a load of drug paraphernalia, and a dog. Most of the first wave of evictions turned out to involve rent delinquencies, not lawbreaking (“They’re throwing out the wrong people!” a distraught resident told the *Tribune*). The NAACP immediately threatened a Civil Rights action.

Nothing new there. Much of the history of public housing, especially in Chicago, is written in the stilted euphemisms of legal action. Thanks to volumes of court decrees and

judicially-concocted tenant entitlements, it had become nearly impossible to evict anyone from Chicago public housing. Practically any applicants, no matter how manifestly antisocial, were entitled to move in, if they simply waited their turn on the 13,000-member waiting list. “A family has to have an awful bad record—so bad, really bad—before we won’t let them into Cabrini-Green,” the building’s manager told the *Washington Post*.

Yet even without changing the project’s disastrous concentration and incendiary tenant mix, the mayor’s move and the accompanying cleanup programs did have some effect. Rival drug gangs called a truce the day before she moved in. In the three weeks following, police made some 360 arrests and seized forty-one guns. Some windows and doorways were repaired. And with sixty-seven full-time officers, teams of reporters, and a mayoral entourage crawling all over their turf, the teenage mobsters had to move their retail operations underground, or divert them off-site. One month later, declaring herself pleased with the “improvement” in the complex, Mayor Byrne moved back to the Gold Coast.

Despite some cynical press coverage a year or so later (“Fear Returns to Project Where Mayor Stayed,” intoned the *New York Times*), the fact is that Jane Byrne did make a difference at Cabrini-Green. As the anniversary of her temporary relocation approached in 1982, homicides were down 25 percent, aggravated battery down nearly 40 percent, and robberies (at least the reported ones) had fallen nearly three-quarters. The trash chutes were still jammed, the halls still reeked of vomit and urine, and many of the new windows were smashed again. But life was statistically safer.

Unfortunately, too few tenants at Cabrini-Green were statisticians. “The gangs are back,” said Jesse White, a state legislator and head of a community center near the project, ten months after Byrne’s departure. “They are extorting and intimidating as they did in the past, although not to the degree they did back in the summer.” The assistant principal at the local elementary school reported that fewer of her students had been shot in recent months, and reports of gang rumbles were down. Still, she said, gang activity was so prevalent in the school that “the boys must go to the washroom in groups escorted by a teacher.”

In other words, after the intervention of federal law enforcement agencies and scores of uniformed Chicago police, plus many more undercover officers and detectives, after hundreds of evictions and the opening of a whole new courthouse just to prosecute those arrested at Cabrini-Green, after the mayor herself moved in amid a cloud of bodyguards and

drivers and aides and reporters, after the full exertion of all the official power available to the city of Chicago and its chief executive, the end result was that people were still gunned down in the place where they lived—but in smaller numbers.

Protection and drug rackets still flourished. Children were still conscripted into gangs. Whole families were still compelled to wear only those colors approved by the local hoods. Girls aged six and seven were taught precautions for reducing the risk of rape. That is what life amounted to *after* Cabrini-Green had been massively—and *palpably*—“cleaned up.”

In 1981, Cabrini-Green achieved its fifteen minutes of fame. But it was far from the only (or even, by many standards, far from the worst) public housing disaster in America. More than six years earlier, the country’s then-most-notorious public housing complex, the St. Louis leviathan known as Pruitt-Igoe, was deliberately imploded on national television—largely because no one could see any reason to leave so grotesque a failure standing.

Yet what were the consequences of the spectacular destruction of Pruitt-Igoe? On the national level, what difference did it make that St. Louis felt no choice but to blow up \$36 million worth of federally subsidized housing? About as much difference as Jane Byrne and the mobilized authority of the city of Chicago made at Cabrini-Green. A few things changed on the surface, heads wagged and hands wrung, but otherwise everything went on as before. Federal public housing policy, even under the cinematically indignant Ronald Reagan, remained essentially unchanged.

Meanwhile, despite thousands of decent projects and several good citywide systems (including the hugest of them, in New York City), the majority of big inner-city public housing developments had become a social Chernobyl, stifling the lives within and radiating blight on the neighborhoods beyond. Nearly everything about them seemed engineered for self-destruction: irrational tenant selection and eviction rules, hideous design, neglectful maintenance, and a deliberate concentration of poverty that Blaine Harden of the *Washington Post* described as “stacking poor people in human filing cabinets.”

“Cabrini is an isolated, strange place,” said Janice Todd, assistant principal at the nearby elementary school. “You are hard-put to find black persons who are successful by any yardstick. And this makes it hard to back up what you tell students about the possibility they may do well by staying in school.”

Looking through Mayor Byrne's fourth-floor window at Cabrini-Green, it would have been impossible to envision how public housing could ever form part of the solution for Chicago's (or any city's) neighborhoods. Yet not so many years later, that is precisely the prospect suddenly before American cities, thanks to a steady accumulation of public outrage and, albeit belatedly, an unexpectedly smart government response. To understand how this happened, it helps to scan the missteps and false starts that characterize the last thirty years of federal public housing policy.

But first, to get a preliminary glimpse of the revolution now under way—a transformation that one public housing director compared to the fall of the Berlin Wall—look no farther than, of all places, Cabrini-Green.

In 1995, Housing and Urban Development Secretary Henry Cisneros seized control of the Chicago Housing Authority and turned over its management to Joseph Shuldiner, a veteran manager who had run far better authorities in New York and Los Angeles. Shuldiner in turn took advantage of the first stage of the federal government's far-reaching public housing reforms, HUD's "Hope VI" revitalization and restructuring grants. Fifty million dollars from Hope VI would ultimately go to Cabrini-Green alone.

At about the same time, Congress's new Republican leadership began imposing a tough "viability test" on public housing authorities where 10 percent or more of the apartments were vacant. Show us, Congress said in essence, how renovating and operating these derelict apartments would be less expensive than simply giving people vouchers to move out into private apartments. Otherwise, call in the wrecking ball.

Shuldiner saw a historic opportunity in that threat, and he seized it. Nearly 16,000 apartments in Chicago's public housing inventory failed the congressional test. But instead of simply printing vouchers—on a scale that the private market would be unlikely to absorb in a short span—the newly visionary Chicago Housing Authority came up with a better plan.

Let us go ahead and demolish 11,000 units, the Authority proposed, but also revolutionize the ones that remain and build replacement developments that are smaller, economically integrated, and aimed at helping tenants move up out of poverty. And the model for this transformation will be Cabrini-Green.

In the former no-man's-land around Jane Byrne's temporary dwelling, half the new units will now be privately-owned housing, 30 percent renovated apartments for traditional

public-housing tenants (screening out those likely to be disruptive), and the remaining 20 percent affordable homes for low-income families that are not quite as poor as those now in public housing. For those current tenants who can't be accommodated in the new mix, the Authority will issue rent-subsidy vouchers. Although the plan is thoroughly consistent with what is now federal policy, it took Washington two years to approve its far-reaching provisions.

Up to this point, the story might simply amount to a bit of unaccustomed good news for a few thousand terrorized tenants. But look at what the news has meant *beyond* Cabrini's walls: Practically from the day the plan was announced—even well before any demolition had begun—new development was starting to stir on the project's periphery. Dozens of new homes and a planned grocery store provided an instant market reaction to the elimination of Chicago's most famous eyesore.

The plan became one piece of a nationwide reform effort, finally embodied in a landmark 1998 compromise between congressional Republicans and the Clinton administration. The '98 act allows housing authorities not only to demolish units, issue vouchers, and restore a mixed-income tenancy, but also to contract out the management of public housing to community groups or private management companies—or even sell it to experienced landlords who agree to operate it in accordance with local and national rules.

The approach, to be sure, raises important questions about where and how the families with vouchers will live, and about the long-term availability of housing for the poorest of the poor. Those are honest questions, and they have yet to be sorted out adequately. Not every problem has been solved here, and some will continue to haunt Chicago and Washington and plenty of other cities still searching for better ways to aid the poor.

But there is little dispute that the future of Cabrini-Green and the rest of Chicago's miserable public housing—indeed, the future of all of the worst public housing in America—is one of radical change from this point forward. The debate has shifted, as it had to, from naive tinkering with maintenance and management rules to a complete reconfiguration of a failed vision. Under Hope VI, the Clinton administration undertook to demolish 100,000 units of derelict public housing—more than 7 percent of the total 1.4 million units nationwide—and replace it with mixed-income and mixed-use developments managed, in many cases, by community organizations unfettered by public housing's calcified national bureaucracy.

For decades, public housing was one of the grim immovables—entrenched barriers to revitalization, surrounded by moats of federal law and regulation that no amount of rational argument or advocacy could bridge. It imposed what seemed a permanent ceiling on local property values and a stern warning against any hope of mixing incomes and housing styles, integrating better shopping and recreation, or accommodating new populations and shifting residential preferences—a fortification, in other words, against change.

Now, all at once, public housing itself is changing, and in ways that seem capable not just of allowing neighborhood improvement, but actually contributing to it. “This is an unprecedented moment,” former HUD Secretary Henry Cisneros said in 1998, speaking of the Clinton administration’s overhaul of public housing. “Both the ideas and the money are there to do something for the first time in decades.”

How that can happen, and the odds of its really happening, are among the most important questions facing both American housing policy and America’s urban neighborhoods. But to appreciate how difficult and how supremely necessary all this will be, it is best to start with the depths to which public housing policy first had to sink before the “unprecedented moment” of reform dawned in Washington.

The case against public housing, as it arrived at the end of the twentieth century, had grown so fundamental and far-reaching that a great deal of persuasive writing on the subject ended up simply arguing for abolition: an end to all government-owned housing through a combination of privatization and demolition. To cite just one recent example, in a carefully reasoned article in the *Public Interest* in 1997, Howard Husock of Harvard’s Kennedy School of Government concluded that

Six decades after embarking on our first Federally funded housing projects, our goal should not be to save public housing, but to acknowledge its essential flaws: Those with enough income do not need it and will avoid it; and those with little income are ill served by it—both because public authorities make bad landlords and because public ownership undermines the sort of social fabric that the poor need if they are to advance. ... Our continued efforts to save public housing have failed: We have simply created new and worse slums. The time has come for us to let people build the best communities they can, for themselves.

Like most of the public-housing abolitionists, Husock stands on the conservative end of the political spectrum, a goodly distance away from center. Yet the national exasperation with public housing comes not just from hardened opponents of all government social investment, but more and more from people who would have preferred to be supporters, and at other times have been: enterprising mayors and neighborhood leaders, some advocates of the poor, and even many people who have themselves worked or lived in public housing. If the recent outpouring of contempt for government-owned housing in the 1980s and '90s was a depressing overreaction—and it surely was—it was nonetheless a broad-based and well-informed one, and it continues to deserve a careful hearing.

To be sure, public housing had its defenders even in the worst of times. And among the most common defenses of the program, one is indisputably valid and, in a way, genuinely amazing: In a system so hamstrung by bizarre federal rules and impossible revenue structures, a surprising number of local public housing authorities have operated with efficiency and integrity. As recently as 1992, President Bush's National Commission on Severely Distressed Public Housing found that an impressive 94 percent of the nearly 14,000 public housing developments in the United States were providing "decent, safe, and sanitary housing at an affordable price."

Impressive as that finding is, reasonable people could disagree about its implications. For starters, it counts developments rather than units—Cabrini-Green counts as one development and so does a tidy, twenty-five-unit enclave in rural Vermont. The commission's number also includes all the special-purpose public housing developments that accept only elderly tenants—nearly 40 percent of the total—where maintenance costs tend to be lower, social problems fewer, and disruptions necessarily less threatening than in housing for families. Then, of course, there is the question of relative standards.

It's a good deal easier to find these complexes "decent" and "safe" if you do not live in or near them. A scorecard compiled by community or tenant organizations in Chicago, Washington, Philadelphia, Detroit, and other big cities might have produced a considerably lower percentage. The fact is that, especially in large central cities, even decently maintained public housing tends disproportionately to be poorly designed and, in the parlance of the trade, "functionally obsolete"—too small, dense, or cheaply built to pass muster by today's standards.

It is simply not responsible to make any case for saving public housing without first acknowledging the essential accuracy of its critics. To begin with, as Husock put it, many public authorities *do* make bad landlords. Operating a disciplined, efficient apartment-management program in a civil-service environment demands extraordinarily sophisticated leadership and exceptional labor relations—demands that seem far beyond the capacity of a great many local governments. (Though not all; New York City’s housing authority, for instance, managed for decades to resist the barrage of federal regulations that bankrupted and destroyed public housing in other cities, and continued operating a balanced, widely respected program. Today low-income New Yorkers will wait years for the privilege of paying slightly *more* for a housing-authority apartment than for their current housing—partly because they find the management more responsive and the property better maintained than much of the housing available on the private market.)

And when public housing is poorly managed, it *does* undermine the social fabric of the luckless communities on which it encroaches. This is perhaps the most damning thing that can be said of the worst public housing: It doesn’t simply make life miserable for the unhappy tenants. It corrodes the surrounding neighborhood as well, where those who have alternatives move away, and the rest wall themselves off from the government-sponsored blight in their midst.

The result is divisiveness for the neighborhood and isolation for those in the “projects.” In far too many neighborhoods, public housing tenants and other neighbors hardly ever interact, eyeing each other from a distance and warily, if at all. The reasons aren’t mysterious to anyone strolling past the worst of these projects: The general atmosphere of indifference and disorder tends to waft over the surrounding neighborhood like noxious gas. Those in the complex, surrounded by crime and chaos, dare not venture too far out of their units. Those beyond are likely to wander in only when looking for trouble.

Public housing’s corrosive effect on neighborhoods isn’t universal, but it is by no means limited to the biggest and meanest projects of the worst big-city housing authorities. Amid the generally well-managed public housing of Richmond, Virginia, for example, residents of the Blackwell neighborhood can tell a story that sounds in many ways like a miniature version of those in Washington, Philadelphia, or Chicago.

When public housing came to Blackwell in the late 1960s, the Richmond Housing Authority already knew enough to avoid the high-rise monstrosities popular in other cities over the previous two decades. Richmond demolished enough run-down or vacant housing in the Blackwell neighborhood to build some 440 units of new low-rise public housing on several sites, with even a few privately-owned properties scattered among them. There was no discernible boundary between the public housing and the remaining 560 or so conventional houses in the neighborhood. So far, so good.

The design, unfortunately, was still the deadly slab-style architecture that drained the soul out of government housing for more than twenty years (more about that in a minute). And worse, federal tenant selection rules required Richmond, like virtually all public housing authorities, to accept only the poorest and least independent tenants—a responsibility that turns public housing management into perpetual crisis management. As a result, the Richmond Authority had neither time nor resources to devote to the courtesies of being a good neighbor in Blackwell.

The problem, significantly, was not about race. Blackwell was already a mostly African-American neighborhood, and it had its share of poverty. But the new residents—who eventually constituted more than 40 percent of the neighborhood—were far less likely to be employed, to have stable families or well-supervised children, or for that matter, to share the local home owners’ sense of responsibility for tranquillity and safety in the neighborhood. It was not their neighborhood, after all; it was someplace the government put them.

Nor did most housing authorities in those years regard it as their responsibility to be concerned about these issues—to worry about employment or day care for residents, to participate in surrounding neighborhood organizations, or generally to build bridges between public housing tenants and other residents of the community. Neither they nor the majority of their tenants were functioning at that level of social nicety.

Richard Gentry, who ran the Richmond Housing Authority through much of the 1990s, says that the Blackwell project “created negative economic value in the neighborhood.”

It was decent, safe, and sanitary—the usual standard you hear all the time. It was decently well managed, but because it was developed the way it was, so ugly, so badly designed, and because it was a poor neighbor, it decreased the property values between and around the public housing. When a

neighborhood declines, first, people stop keeping their houses in good condition, and second, when they leave, the property becomes abandoned because nobody wants it. That's what happened in Blackwell from the late '60s to the late '90s. Residents of Blackwell from way back when still complain today that public housing destroyed their neighborhood.

How did it get this way? When public housing was created, in the second wave of Franklin Roosevelt's New Deal, it was meant as a weapon against the Great Depression, putting unemployed builders to work and offering some temporarily destitute families a place to live. The federal government paid only for capital costs—the buildings' operating expenses had to be covered by tenants' rents. As a result, most public housing tended to be a way station for working- and middle-class families who had fallen, like much of America, on momentarily hard times.

That began to change after World War II, when the federal government set off on a two-track housing strategy that has lasted nearly the entire balance of the twentieth century. On one track were federal programs like the Federal Housing Administration, the Veterans' Administration, and the giant mortgage institutions like Fannie Mae (which began as a government agency but is now a private corporation operating with an implicit government guarantee). These programs helped middle-class and upwardly mobile families buy new homes—most often in new suburban developments, where they could escape city life and the company of their poorer neighbors.

The other track was for the poor, and especially for minorities. The Housing Act of 1949 transformed public housing from a mainstream support for the temporarily down-and-out into a slum-improvement program, where residents of the poorest and most run-down urban neighborhoods—especially the waves of African-American immigrants from the rural South—could escape the squalor of tenement life and live decently at low rents. The act required, among other things, that cities building new public housing demolish one “slum dwelling” for every new unit of public housing they built.

At best, many cities saw this as a way of transforming the poorest neighborhoods into “modern” environments that would somehow uplift and improve poor families' lifestyles (even as they set about razing the social and economic anchors of community life, like shops and restaurants, social clubs, and churches). At worst, as in Chicago, cities used public housing, in tandem with the Urban Renewal program, as a way of bulldozing black

neighborhoods and concentrating their residents into tidy new ghettos, where federal subsidies would, in effect, pay them to remain.

Meanwhile, beginning in the 1940s and '50s, new fashions in architecture were wafting in from Europe, most famously the severe skyscraper slabs championed by Swiss-born modernist Le Corbusier. The vision of a “contemporary city” full of “vertical neighborhoods” spread like a biblical plague through the public housing boom of the 1950s. Quite apart from the style’s European cachet, federal planners saw in it an appealing (if simplistic) thrift: Cramming hundreds or even thousands of units into a single construction project, they reckoned, would surely offer enormous economies of scale. (Wrong. As bitter experience would prove, they were more expensive than lower-rise projects at every stage, from construction, through operation and maintenance, even up to their often merciful demolition.)

As if their grim design and costly construction weren’t bad enough, the proliferation of these gargantuan projects coincided with a period of increasingly garbled public policy and merciless cost inflation. Historian Alexander von Hoffman gives this summary:

When Federal authorities held down unit costs [in the construction budgets of public housing], local housing authorities compensated by increasing the number of apartments in high-rise complexes. ...To make matters worse, landholders, contractors, and unions progressively inflated their charges in every large project. Caught between stingy Federal unit-cost ceilings and skyrocketing project costs, the authorities skimped, eliminating such basic construction and safety elements as insulation for heating pipes. ...The open spaces [designed as playgrounds and “communal areas” among the modernist high-rises] evolved into dangerous no-man’s-lands.

Even then, not all had been lost. If the social philosophy of this phase was patronizing at best and segregationist at worst, and if the esthetics were frequently execrable, at least the approach to management was reasonably sound. Rents still had to cover operating costs, and federal regulators still required local housing authorities to include a “socioeconomic cross-section” of the eligible population on their rent rolls. That was one way of ensuring that the housing authorities served poor families in a stable social mix, while making certain that average rents were high enough to cover costs. Since most applicants for public housing were among the very poor, this requirement had the effect of giving an edge to those with slightly higher incomes, so as to maintain the required “cross-section” and keep up the average rents.

And in any case, even the poorest families had to meet a minimum rent threshold. In general, the goal of federal policy was for working families to pay between one-sixth and one-fifth of their incomes on rent, depending on family size. Yet many of the poorest families were really paying as much as 40 or 45 percent, just to meet the minimum (there was also a maximum to protect families at the higher end of the payment spectrum). That was hard on the tenants, certainly, but it demonstrated a reassuring command of arithmetic: Operating expenses had to be paid from operating revenues, and if those expenses were not going to be subsidized, then they would have to be met entirely from rent receipts.

But even the iron laws of arithmetic were no match for federal housing policy. In an eminently well-intentioned piece of legislation at the end of 1969, Congress abolished the minimum rents, and with them the elementary equation that for three decades had balanced costs against revenues.

The new law, sponsored by Senator Edward Brooke of Massachusetts, the Senate's first African-American member, mandated that no family would have to pay more than 25 percent of its income to live in public housing. That would have been fine, and for some families a godsend, except that for the next three years Congress failed to appropriate a subsidy to make up the lost revenue. Richard Gentry, who went on to run successful housing authorities in Austin, Texas, and Richmond, Virginia, was working at HUD at the time, and remembers the effect of the Brooke amendment this way:

Suddenly, between 1970 and '75, every public housing authority in the country was bankrupted. With all the best intentions, Congress managed to do something good for the tenants and broke the system in the process. Up to that point, the system had been one of great financial integrity. But beginning in the 1970s, housing authorities went on the dole, and all sorts of problems followed. ... The very first list of "troubled housing authorities" was compiled in 1979. And that was no coincidence.

Among other things, the amendment turned rent into a virtual income tax for tenants of public housing—rent would henceforth be a percentage of household income, rather than a function of family size. For public housing tenants, every new dollar of income would now be taxed not only by the IRS, but by their government landlord as well. Not surprisingly, public housing quickly became more attractive to those with no income than it was to the working poor. "More and more people showed up claiming zero income," Gentry recalls. "The

population began getting more and more poor, so rent receipts plummeted and the need for operating subsidy began skyrocketing.”

The slide into ever-deeper poverty grew steeper and slipperier in the 1980s, when the newly elected Reagan administration made its own contribution—in some ways the deadliest—to public housing’s four-decade March of Folly. In the first great exertion of Reaganomics, the Omnibus Budget Reconciliation Act of 1981, Congress raised the monthly rent to 30 percent of tenants’ income, up from 25 percent, and eliminated the maximum rent altogether. Imagining that this would bring a windfall of new revenue to public housing authorities, the act therefore slowed the growth of operating subsidies in proportion.

But no new revenue ensued. The higher rents only exacerbated the penalty for working, of course. For a typical mother in public housing, the consequence of leaving welfare and going to work at the minimum wage would have been an immediate rise in payments to the IRS and to her public landlord, and a prompt zeroing-out of her welfare and Medicaid. In all, this amounted to an effective “tax” of 120 percent.

But that wasn’t the end of the 1981 reform. To ensure that public housing served the “truly needy,” OBRA also created three “priority categories” for public housing tenants: the homeless, those paying more than 50 percent of their income for rent, and those living in substandard conditions. The effect was a virtual guarantee that tenants of public housing would henceforth be drawn from the most profoundly troubled hinterlands of American poverty.

However charitable this approach may have been in concept, in practice it upended the sound principle of mixed tenancy that any housing complex requires to keep order. It also put an end, once and for all, to the slowly eroding tenant-screening policies with which public housing had been created and, for most of its history, preserved.

The federal preferences had the effect of opening the doors of public housing to hundreds of very young single mothers who had never lived independently. Meanwhile, working poor families—many of whom had spent years on waiting lists—were passed over for apartments that instead went to first-time applicants in the priority categories. Those who were already in public housing made a dash for the exits. “It didn’t take long for them to figure out,” Gentry explains, “that if they were going to be charged this level of rents, they

probably didn't need to be living in public housing, next door to teenage mothers or other families with severe social problems. So you had a huge out-migration of working families."

Thus did hard-strapped public housing authorities increasingly find themselves trapped in a dead-end (and often factually flawed) debate over "who is most deserving?" and "whom should society care for first?" From the perspective of responsible housing management, the questions are not simply irrelevant but destructive: The concentration of *any* narrow group of profoundly needy people into already densely packed apartments—and then walling them off, literally or figuratively, from the wider community—is simply asking for disaster. Yet for nearly thirty years, more and more housing authorities, prodded by Congress, did precisely that, and got what they asked for.

Until the final months of the twentieth century, it was possible to visit just one public housing project and see the whole panorama of economic mismanagement, bad architecture, skewed tenant selection, slovenly maintenance, and pestilential social consequences encapsulated in one miserable package. Chicago's notorious Robert Taylor Homes, which has finally begun a long-deserved demolition, was for nearly four decades the world's largest public housing project. It sprawls across two miles, with more than 4,300 units in twenty-eight nearly identical sixteen-story concrete slabs.

The sheer, malevolent, brooding massiveness of the place would have embarrassed Mussolini. Yet there it was, gnawing away at one of America's most vulnerable neighborhoods, on Chicago's depressed South Side. Even though construction of these high-density projects ended in the 1970s, more than twenty years later, one out of every seventeen public housing units nationwide is still in a mammoth high-rise like these. And in big cities, where such projects were concentrated, the ratio is much higher than that—as is the incidence of federal receiverships, serial management "restructuring," and finally, at long last, gradual demolitions and redesign. In the worst cases, as at Robert Taylor, the high-rises are lined up like tombstones, barricading huge sections of the city from any hope of redevelopment or community control. The consequences are visible in the eerie wasteland of vacant and abandoned property that grew up around Robert Taylor Homes and other dense Chicago projects of its generation.

One illustrative consequence: In the 1990 Census, eleven of the country's fifteen poorest Census tracts contained a project owned and operated by the Chicago Housing Authority. Of the Authority's 67,000 tenants, 95 percent were African American and the median income was just \$5,000 a year. At Robert Taylor, the census at its peak was 20,000, of which adult men made up only a tiny percentage. The impression that Chicago had rounded up the poorest and most vulnerable black families and corralled them in a subsidized Devil's Island was, if not strictly accurate, practically irresistible.

Congress's 1981 "priority categories," with their deliberate concentration of problem families into public housing, systematically destroyed the sense of common responsibility on which all communities, at all income levels, depend. Yet long before the new "priorities," another equally well-intentioned rule on tenant selection had been working more subtly, and for a much longer time, to prevent public housing from becoming a real community or taking part in the community around it. HUD's "Tenant Selection and Assignment Plan," which dates to the 1960s, had by the 1980s become yet another federal prohibition against selecting tenants for public housing who might actually appreciate and participate in the neighborhood where they were going to live.

The plan started life as a worthwhile outgrowth of the 1964 Civil Rights Act—a necessary ban on assigning public housing tenants to segregated, race-specific projects. Before the Civil Rights Act, most public housing was classified by race, and African-American applicants could safely assume that they would all be sent to the same projects, in predominantly African-American neighborhoods. The act, and the ensuing assignment plan, rightly destroyed that system.

But with typical federal overreaction, the assignment plan then went much further. The plan forbids public housing authorities from even allowing *tenants* to select where they would like to live—apparently out of a fear that too many would self-segregate. (This rule was finally eased in the 1998 Public Housing Reform Act, though a year later HUD had still not approved any alternative assignment schemes.) The result was that, by federal edict, no poor family seeking to live in public housing could request a specific location. If they needed and wanted public housing, then they could say farewell to any tie with a particular community—where relatives live, where children go to school, where church or job or social connections attract them. It would be hard to conceive a more ingenious way to ensure that

tenants will, on average, have little stake or interest in the neighborhoods where they end up living.

The combined effect of these blind assignments and the 1981 selection “priorities” was a sort of poverty gulag: people thrown together at random from disparate backgrounds and localities, with nothing in common except extreme poverty and desperation. (Yet unlike any real gulag, the whole diabolical system grew out of profoundly philanthropic sentiments, with the highest aspirations, in what may have been the most generously-minded era of American government. It’s important, if ironic, to remember the excellent intentions from which all this mismanagement flowed.)

As the concentration of poverty deepened, and more and more inexperienced, dysfunctional, and sometimes criminal tenants entered the public housing rolls, tenant organizations became less and less effective at representing the needs and values of more responsible, law-abiding residents. Many tenant councils gradually evolved into advocacy organizations for the most disruptive (whom they also recognized as the most desperate). And in some cases petty criminals, con artists, and gangs took effective control of the councils. The executive director of the Philadelphia Housing Authority wrote in 1992 that tenant leaders in his city “really ran the show in the developments and kept the peace. In return, they expected certain perks, jobs for relatives and friends, transfers to better developments, trips to conferences, etc.”

In an environment of organized criminals and delinquents, and a disorganized or neutralized adult community, it was not hard to guess whose rules would predominate. The most committed and responsible tenants—the people who, in most other neighborhoods, would organize crime-watch groups and help keep troublesome youth in line—soon learned that hassling armed teenagers was dangerous to their health, and that no legal authority was likely to back them up. Legal authority, in fact, was on the side of protecting the “tenancy rights” of the most disruptive.

One unsavory little exchange in the mid-1980s, though it didn’t involve public housing, perfectly illustrated the philosophical conundrum that both government housing and homeless programs faced in those bewildering years. After visiting an especially Dickensian New York City welfare hotel in 1984, Mayor Ed Koch was asked by reporters how he could

have allowed conditions for poor tenants to sink to such a level. He answered with a trademark sneer: “Why are you asking *me*? I didn’t piss in the hallway.”

The hotel owner, who arguably bore at least as much responsibility for the building’s deplorable condition as the mayor did, later answered Koch’s rhetorical question: “Why are we asking him? He may not have pissed in the hallway, but he found everyone in New York City who *would* piss in the hallway, and he put them in my hotel.” (The city’s contract with the hotel made it nearly impossible for the owner to evict those who vandalized or misused the property.) The city and the hotelier have since parted ways.

In Miami–Dade County, Florida, as in cities and counties all over the country, this debate over who would house disruptive tenants was replayed in courtrooms week after week, as beleaguered housing authorities brought eviction proceedings against the families of vandals, gang members, and drug merchants, often to no avail. “Where will they go if you turn them away?” misguidedly compassionate judges typically asked. In one especially contentious eviction proceeding in Miami-Dade, a judge in 1992 put exactly that question to then–Housing Director Earl Phillips.

“Your Honor,” Phillips answered, biting back his anger, “our mission is not to harbor those who are so destructive that no rational landlord would rent to them. Our mission is to provide housing for hundreds of poor families who, at this moment, can’t leave their apartments without fear for their safety. Our mission is to maintain decent housing where windows aren’t routinely broken and freshly painted walls aren’t instantly covered with graffiti. We are asking you to allow us to discharge that mission.”

It was a cry for help, but one that all too often just floated off into the ether. “I don’t remember for sure,” Phillips said later, recalling his reply to the judge, “but I think I lost that case.”

It is becoming more and more reasonable, as the 1990s draw to a close, to declare these dark ages of mismanaged public housing effectively finished. After forty years of folly, one makes such a statement only cautiously. But it seems more and more to be demonstrable fact. Quite beyond the Clinton administration’s determination to demolish 100,000 of the worst units, and the careful replacement of those units with better-configured developments,

the really significant change in public housing has been in the gradually vanishing government monopoly over its ownership and management.

Suddenly, a government bureaucracy, with its reams of federal mandates and local political accommodations, isn't the only entity that can own and operate a public housing unit. Not only can community organizations, other nonprofits, or even private developers take a role in public housing, but the residents can own it, too. Suddenly, it is possible for a public housing resident to have a stake—literally as well as figuratively—in the future of the neighborhood where she lives.

One small example is on the Lower East Side of Bridgeport, Connecticut, in the quiet single-family community of Pembroke Green (where, unlike the great public housing “greens” of the past, there is actual *green* on the premises). In March 1999 the *New York Times* spoke to Carolyn Bellamy, who was then moving with her three sons from a dilapidated North End public housing project into a new Pembroke Green duplex, situated on part of what had been the thirty-seven-acre public housing behemoth known as Father Panik Village.

Bellamy told the *Times* not only that she will pay less to own her new home than she used to spend on rent, but that she will be *collecting* rent from the family in the other half of the duplex. Thanks to a mortgage subsidized by the Federal Home Loan Bank, she owns the whole building. The family next door, whose income is a good deal lower than Bellamy's, will have its rent subsidized by HUD, just as in any public housing complex.

In other words, Carolyn Bellamy, former public housing tenant, is now a public housing landlord.

She is not, of course, the sort of public housing tenant for whom judges and tenant councils have been so concerned in the past—the “where-will-they-live-if-not-here” tenants whose behavior made them suitable for no other dwelling. Bellamy works steadily, pays her rent on time, and wants to plant roots in a community she regards as home. At \$35,000 a year she earns less than Bridgeport's median income, and too little to qualify for conventional home ownership. But she is now one of many working adults who are turning the redesigned Father Panik complex into a mix of moderate-, low-, and very-low-income families, where role models for children are plentiful and the landlord is not an agency, but a human being, a neighbor with a huge stake in keeping up the property.

“The entire notion of public housing changes with this program,” Colin Vice, deputy director of Bridgeport’s housing authority, told the *Times*. Change is hardly the word.

In many ways, the showcase of Hope VI and the entire public housing revolution is Atlanta’s Centennial Place, successor to the locally infamous Techwood Village apartments, the mother of all housing projects.

Franklin D. Roosevelt personally dedicated Techwood in 1936, as America’s first public housing and a cornerstone of the New Deal. The adjoining Clark Howell Homes came four years later, a combined development of nearly 1,100 apartments on a massive fifty-seven-acre parcel that abuts the campus of Georgia Tech. It was, for a time, one of the more famous buildings in America, a symbol of hope that later claimed a spot on the National Register of Historic Places.

But sixty years after it was built, by the standards of most big-city public housing complexes, Techwood was no longer especially remarkable. Its mass and macabre ugliness, its compact destitution (some 600 families were living on less than \$5,000 a year, and nearly all the rest still fell below the poverty line), and the pervasiveness of teenage single mothers with children, all would have folded nicely into Cabrini-Green or Robert Taylor Homes or Bridgeport’s Father Panik Village.

Techwood returned to the national spotlight in the 1990s not because of its historic pedigree or its latter-day misery, but because it was in the way of a gigantic media event. When Atlanta hosted the 1996 Olympic Games, the Techwood/Clark Howell complex would be a crumbling monstrosity smack in between the planned Olympic dormitories and the competition fields. For hundreds of millions of viewers worldwide, tuned in to watch the Games live from Atlanta, the hulking Techwood would be an unavoidable TV icon, impossible to ignore or to forget.

When the city won the Olympic competition, it set out to reform its Housing Authority and clean up Techwood and a few other public housing eyesores before the media trucks started rolling in. But the city soon discovered what Jane Byrne and many public housing directors had learned years before: It wasn’t so easy to just “clean up” a federal housing project. Getting the money for a significant transformation would be slow and difficult

enough. But the nearly unthinkable challenge would be changing the federal rules under which the housing had gone to hell in the first place.

Evicting large numbers of disruptive tenants, tearing down unworkably dense apartment clusters, mixing incomes, and building defensible spaces—all these were the sensible necessities that any responsible landlord would have considered Job One. Under normal federal practice, though, these things were all officially unchangeable. So in the early 1990s, Atlanta asked HUD for money to renovate some units and bring in additional public services to try to make the complex at least presentable in time for the Games.

But then something nearly unprecedented happened. Going over the city's proposed Band-Aid for Techwood, both the city and HUD came to the same realization: This was likely to be a colossal waste of millions of federal dollars, just as other public housing fix-ups had been. Cisneros and the rest of the Clinton administration, like Atlanta's new housing management, had finally gotten the lesson of decades of paste-and-paint fiascoes in public housing. Truly saving Techwood would first mean destroying it. The lesson of Pruitt-Igoe had finally come to Washington. It had taken a mere twenty years to get there.

In 1994, Atlanta shredded its proposal and started over. In the process, America's first public housing development became America's first genuine public housing rescue. Instead of just buying a load of new cabinets and drywall, the Authority used its \$42 million federal grant to leverage another \$40-plus million in private investment for a complete overhaul. In 1995 Atlanta began systematically demolishing Techwood Village and Clark Howell Homes, and replacing them with a mix of sizes, densities, and incomes that more resembles a real neighborhood. The result became a model for what would happen at Cabrini-Green, Robert Taylor, Blackwell, and dozens of other projects.

The new Centennial Place contains nearly the same number of units as the two predecessor projects (900, compared to a former peak of 1,100), but they are less concentrated, with a three-tier mix of rent levels, including 40 percent of the apartments at unsubsidized market rates. But far more significant is that Centennial Place is no longer just a "housing project"—a mere agglomeration of apartments block after block—but also offers a new elementary school, a state-of-the-art YMCA, a high-tech public library, child-care facilities, and a host of employment and social services to help residents solve problems and

raise their families. It has gone from being a project to being a community, part of a larger social whole.

Like other Hope VI sites, Atlanta has given rent vouchers to the people displaced from Techwood and Clark Howell, and most have found housing elsewhere. Some, it seems, do not do well with vouchers, and in some cities the private market can't or won't accommodate the poorest families. A mixed-income vision of public housing therefore doesn't eliminate the need to develop other kinds of affordable apartments for poor families—a need that constitutes unfinished business all over the country.

But neither do those apartments belong in a 1,100-unit stalag. They didn't represent decent housing for the poor in 1995, and they haven't for decades. Cramming desperate families into a dangerous, unmaintainable ruin is no favor to them, and it is an insuperable obstacle to any other improvement to the Atlanta community. Just how much of an obstacle is now apparent with any visit to the newly constituted Centennial Place.

The streets around the complex are now busy with pedestrians. Centennial Place residents mix with others in the YMCA and the library. Centennial Place and other parents volunteer in the school, and students walk safely to and from extracurricular activities. The project wasn't done in time for the Olympics (the millions of viewers never got to see what may have been the Games' final victory). But it has sparked a national awakening far more significant than any briefly televised image could have accomplished.

Presumably, Centennial Place will weather the decades better than its predecessor, both because it is more responsibly designed and built and because it has ceased to be an island apart from the wider community. But the most important change about Centennial Place is not that it's nicer, or more durable, or more rational. It's that it's no longer a monolith, immovable and impenetrable. It is now several kinds of housing woven together, with different kinds of financing and different systems of mission and regulation. If things don't work well in the future of Centennial Place or the other Hope VI projects, their failure will spell much less of a disaster than did Techwood's. This or that piece of the new project can always be realigned; rules are more pliable now, and no one part of the project has to bear all the obligations of all the other parts. Some of the management of the new Hope VI housing is in the hands of community organizations, some in private hands, and some is by housing authorities. All of it is changeable.

Deregulation, versatility, and diversification are at the core of the federal government's long-delayed success with public housing, and those may be the same elements that are working—much more tentatively, to be sure—to save public education. Compared to the scattered islands of public housing, the nearly ubiquitous failure of inner-city public schools will be a much harder obstacle to move, but just might be movable by the same kinds of levers.