

## Best Management Practices in U.S. Public Housing

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### *Abstract*

Traditional public housing management in the United States focuses almost entirely on physical plant maintenance and financial management, even though public housing residents' needs extend far beyond bricks and mortar. Crime, socioeconomic disparity, deteriorating physical conditions, and the absence of any linkages to other communities require a new approach to management and a revised allocation of resources.

Resident involvement, increased reliance on public and private assistance, provision of supportive services, and a restructuring of the existing socioeconomic mix of public housing developments and their neighborhoods must be instituted and incorporated into planning for public housing communities.

**Keywords:** Low-income housing; Management; Services

### **Introduction**

To address the problems of public housing today, radical changes in public policy concerning housing, welfare, human services, and community development are necessary, along with improved management practices. Over the past 50 years, public housing in the United States has evolved from transitional housing with strict administrative oversight to housing that warehouses destitute people, is isolated in poor communities, and is administered with little attention to rules and regulations. Well-intended but misguided public policy has fostered poor fiscal and operating management practices. These practices have led to deteriorating physical conditions, and public housing has become a permanent residence for persons cut off from opportunities available in the broader community. Their isolation has been not only physical, but social, cultural, and economic as well.

The National Association of Housing and Redevelopment Officials (NAHRO) estimates that the average public housing resident had a household income of \$6,539 in 1988, or about

25 percent of the national mean (NAHRO 1990). Forty-one percent were welfare recipients, and 24 percent were dependent on Social Security. Only one in four residents could be classified as members of working households, and more than 80 percent were members of racial or ethnic minorities.

As the resident population in public housing has evolved from working families in the early years to a disproportionate number of low-income, unemployed single parents today, the need for supportive services has increased substantially. Simply managing units is not enough; providing social services is mandatory as the population becomes increasingly dependent on limited government assistance that does not cover the basic costs of living.

### **Brief history of public housing in the United States**

The National Housing Act of 1937 created the first public housing program in the United States. The act had three goals for public housing: (1) job creation and economic development, (2) slum clearance, and (3) affordable housing production.

The order of priorities in this New Deal legislation partly explains the dilemma that faces big city public housing authorities today. In Chicago, most public housing developments have more than 500 units, and those built in the late 1950s have 1,000 to 4,000 units. Constructing these units created jobs, and slum clearance was the reason for the selection of many of the inner-city sites for public housing complexes. The slums that were cleared were often near industrial sites, railroad tracks, and dumps. For example, America's largest concentration of high-rise public housing is adjacent to the Rock Island Line railroad tracks on the near south side of Chicago. Robert Taylor (4,419 units built in 1962) and Stateway Gardens (1,644 units built in 1958) were built on land previously occupied by old one- and two-story low-density structures in poor condition, although almost 100 percent of the residents were working poor African-American families in an otherwise stable neighborhood setting.

Public housing was first conceived as transitional, allowing residents to control their housing costs while going to college or saving for a home. In the early years, the federal government supplied the money for construction, and rents from tenants were to cover operating costs. A major flaw in this policy was the lack of reserves for replacement of major systems and equipment.

During the 1940s, operating expenses rose faster than incomes, because families who achieved higher incomes moved out, only to be replaced by lower income families. During the years following World War II, tenant incomes fell from about 64 percent of the national median in 1950 to 25 percent in 1988. It was an ironic twist that the program did help people move out, but the incomes of those families forced to stay in public housing were not sufficient to pay rents that covered operating costs. Public housing's original financing plan was shortsighted and responsible for many of the deteriorated conditions that exist in such housing today.

In large cities during the 1950s and 1960s, the construction of expressways in lower density, low-rise neighborhoods, in addition to urban renewal, displaced many lower income families. As replacement residences, high-density high-rise structures were then created in these poorer communities. In Chicago, this phenomenon resulted in intense socioeconomic and racial isolation of the poor. Political corruption and racial steering were the rule of the day, as contracts were awarded to favored developers, architects, and general contractors by a white-controlled city council and administration whose interests, while perhaps well intentioned, turned out to be shortsighted and self-serving.

The federal War on Poverty, which began during the Lyndon Johnson administration and continued through the Carter years, also brought along with it well-intentioned but devastating public policy that worsened life in public housing in several ways:

1. The welfare policy created two standards in America: one for most Americans and another for minorities and the poor. The standards were inherently different and unequal.
2. The welfare policy encouraged the breakup of the nuclear family and helped make people dependent on government for their survival. The system forced unemployed fathers out of the family and asked nothing of welfare recipients in return for federal assistance.
3. National housing policy promoted socioeconomic and racial segregation of public housing through the construction of massive public housing complexes, many of inferior construction and amenities, located in racially isolated areas. Family income limitations (below 50 percent of the national median income) ensured that the resulting communities would become poorer and poorer.

4. Federal legislation, referred to as the Brooke Amendment, sought to allocate scarce federal resources to house the neediest and to cap the amount of a family's income allotted for rent by limiting rents to 25 percent (now 30 percent) of income. Unfortunately, with no ceiling market rent established, upwardly mobile families whose rent (based on 25 to 30 percent of income) exceeded the market rent of the unit moved out and were replaced by what are now typical public housing families: nonwhite single female heads of household with children and on welfare. As of 1990, 81.7 percent of all public housing authority (PHA) heads of household were nonwhite, and 42.9 percent were single parents (see table 1).

*Table 1. Resident Characteristics by Size of PHA, United States, 1990 (Percent)*

	Households Headed by Nonwhite	Households Headed by Single Parent	Households with Single, Elderly, or Disabled	Population Less than 18 Years of Age
Small PHAs (1-499 units)	42.8	29.9	41.0	37.3
Medium PHAs (500-1,250 units)	60.4	43.1	32.2	46.0
Large PHAs (1,251-2,500 units)	66.4	45.1	38.0	46.7
Very large PHAs (2,501-9,000 units)	77.3	43.1	28.5	50.7
Largest PHAs (over 9,000 units)	90.0	42.8	29.5	39.4
All PHAs	81.7	42.9	30.6	43.6

*Source:* NAHRO (1990).

In 1969, Congress finally acknowledged that expenses had gone past the point where they could be covered by public housing's unique tenant population when it introduced operating subsidies for public housing. A formula basis for allocating these operating subsidies, the Performance Funding System (PFS), was established in 1975. Federal provision of operating subsidies and creation of the PFS represented a recognition that PHAs needed government support to operate and manage their developments successfully.

Unfortunately, the PFS formula has not adequately addressed operating subsidy needs, particularly today, when expenses for public safety are escalating rapidly. For instance, in 1988, the Chicago Housing Authority (CHA) was spending \$6 million on public safety. By 1993, \$70 million, or 38 percent of CHA's annual operating budget, went for such costs (Vitella 1992).

Into the 1970s, federal housing policy continued to impair housing managers' ability to plan and execute improvements while it isolated poor persons living in public housing from the surrounding communities. For example, in 1981, admission to public housing was limited to those earning 50 percent or less of median income, and in 1989 the U.S. Department of Housing and Urban Development (HUD) introduced federal preferences, which required that PHAs give preference in their tenant selection policies to people who were homeless, paying more than 50 percent of their income for housing, or living in substandard housing. These policies and those established before them have made public housing in America the housing of last resort.

## **Conditions in public housing today**

### *Characteristics of public housing residents*

Economic and demographic statistics point to the concentration of disadvantaged and minority populations in public housing, in both Chicago and the United States as a whole:

1. Public housing has experienced a marked increase in households with incomes below 10 percent of the local median. In 1981 this group constituted only 2.5 percent of the total public housing population, but in 1991 this figure had increased to almost 20 percent (Vale 1993). The median income of nonelderly public housing households is 16 percent of the local median. The national average income of nonelderly public housing families is less than \$7,000.
2. In most large PHAs today, approximately 80 percent of nonelderly households live below the poverty level, and most households have incomes below 20 percent of the local median. The Council of Large Public Housing Authorities (1995) analyzed HUD demographic data as of May 1994 and calculated the average incomes in selected cities (table 2).

*Table 2. Average Annual Household Incomes of Public Housing Residents in Selected U.S. Cities, 1994 (\$)*

City	Income
Los Angeles	9,525
Newark, NJ	9,348
Boston	9,213
Washington, DC	8,800
Philadelphia	8,097
Baltimore	7,161
San Antonio	5,555
Kansas City, MO	5,520
Pittsburgh	5,109
Chicago	4,665

*Source:* Council of Large Public Housing Authorities (1995).

3. Nearly three-quarters of nonelderly public housing families receive no income from employment; a growing majority of these families receive welfare (Vale 1993).
4. Approximately 60 percent of public housing residents are African American, 15 percent Hispanic, 15 percent white, and 10 percent Asian American.
5. In Chicago, more than 90 percent of the public housing resident population is households on welfare made up of African-American, single women.
6. Ninety-seven percent of Chicago's family public housing units are rented to African Americans.
7. High-school dropout rates for youth exceed 60 percent in some public housing communities.
8. A significant number of America's disadvantaged children live in public housing.

When a community consists primarily of poor minority racial or ethnic groups, it becomes marginalized politically and receives fewer and fewer of the services and resources it needs. The lack of employment opportunities and the lack of incentives built into the welfare system hinder PHA residents moving into the job market. In fact, many of the jobs that are available are in the suburbs and so are difficult for residents to reach.

The concentration of poor people results in an environment that is devoid of role models to reinforce the importance of school, lacks strong linkages with school systems, and lacks resources to

purchase tutoring and other educational services. Schools that serve this population are plagued by inadequate funding, which results in schools without athletic, music, art, and other educational programs routine in middle- and upper-income schools. Additionally, children in public housing communities are often afraid to go to school because of violent gang activity.

A 1994 HUD study of public housing in the United States examined the racial distribution of households in developments where African Americans are concentrated (Goering, Kamely, and Richardson 1994). The findings are summarized in table 3 and below:

1. The higher the percentage of African Americans in a census tract, the higher the percentage of African Americans in public housing located in that tract.
2. The higher the percentage of African Americans in a census tract, the lower the percentage of whites living in public housing in that tract.
3. Tracts that have populations 70 percent or higher of African Americans have public housing developments with tenant populations that are 92 percent African American.
4. As the percentage of African Americans in a tract increases, the density of public housing developments, as measured by the ratio of project households to tract households, also increases.

As shown in table 4, 77 percent of white public housing residents live in projects located in census tracts with populations that are less than 20 percent African American. Only 7 percent of white residents live in areas that are more than 60 percent African American. As shown in table 5, 73 percent of whites in family projects and 62 percent of Hispanics are in tracts with 20 percent or fewer African Americans.

Tracts with low levels of poverty have higher proportions of white tenants, and tracts with high levels of poverty are composed almost exclusively (91 percent) of African-American tenants (table 6). Whites are heavily concentrated in tracts with low levels of poverty, but 30 percent of white residents (and 50 percent of Hispanics and 69 percent of African Americans) live in tracts where 30 percent or more of the population is poor (table 7). Tract poverty rates and percentages of African Americans in projects tend to increase in tandem (figure 1).

Table 3. Percent Tract Black and HUD Developments, All Units

Percent Tract Black	(Percent within Each Row) Heads of Household in HUD Developments That Are						Poverty	Density: Projected Households per Tract Household	Percent of Tract Households
	White	Black	Hispanic	Employed	SFWC*	Elderly			
< 1	71	7	17	26	28	39	53	3	20
1-5	61	16	20	22	26	38	57	4	23
5-10	55	28	14	20	30	34	63	4	10
10-20	43	35	16	23	31	34	59	6	10
20-30	32	54	11	22	40	28	69	7	8
30-40	21	62	13	25	37	27	66	9	5
40-50	17	69	13	24	39	24	69	8	4
50-60	18	67	13	23	35	36	59	12	3
60-70	13	75	9	25	41	25	70	11	4
> 70	5	92	3	23	43	21	78	16	13

Source: Goering, Kamely, and Richardson (1994).

\*Single female with children.

Table 4. HUD Developments and Percent Tract Black, All Units

Percent Tract Black	(Percent within Each Column) Heads of Household in HUD Developments That Are										Percent of HUD Households	Percent of Tract Households
	White	Black	Hispanic	Employed	SFWC*	Elderly	Poverty	Households	Households	Households		
< 5	52	6	42	26	19	33	21	21	21	21	43	
5-10	14	4	10	7	6	9	7	7	7	7	10	
10-20	11	5	11	8	7	9	7	7	9	9	10	
20-30	7	7	7	7	8	7	7	7	8	8	8	
30-40	4	7	7	7	6	6	6	6	7	7	5	
40-50	3	7	6	5	6	4	5	5	5	5	4	
50-60	2	5	5	4	4	5	4	4	6	6	3	
60-70	2	6	4	5	5	4	5	5	6	6	4	
> 70	5	53	8	31	39	23	38	38	31	31	13	
Total	100	100	100	100	100	100	100	100	100	100	100	

Source: Goering, Kamely, and Richardson (1994).

\*Single female with children.

Table 5. HUD Developments and Percent Tract Black, Family Units

Percent Tract Black	(Percent within Each Column) Heads of Household in HUD Developments That Are									
	White	Black	Hispanic	Employed	SFWC*	Elderly	Poverty	Percent of Family Units	Percent of Tract Households	
< 5	49	5	41	25	19	23	19	17	41	
5-10	15	3	10	6	6	7	6	7	10	
10-20	9	5	11	7	6	7	6	8	10	
20-30	9	7	7	7	8	8	8	8	8	
30-40	5	6	7	7	6	6	6	7	5	
40-50	3	7	6	5	5	6	6	5	4	
50-60	2	5	5	4	4	6	4	6	3	
60-70	2	7	4	5	5	5	5	7	4	
> 70	6	55	9	34	41	32	40	35	15	
Total	100	100	100	100	100	100	100	100	100	

Source: Goering, Kamely, and Richardson (1994).

Note: Census tracts with family developments only.

\*Single female (head of household) with children.

Table 6. Tract Poverty Rate and HUD Projects, All Units

Percent Tract Poverty	(Percent within Each Row) Heads of Household in HUD Developments That Are							Projected Households per Tract Household	Percent of Tract Households
	White	Black	Hispanic	Employed	SFWC*	Elderly	Poverty		
< 5	57	30	11	32	29	40	41	2	7
5-10	62	25	10	25	28	45	45	2	16
10-20	50	37	10	25	32	35	60	4	28
20-30	36	46	14	25	33	31	64	5	21
30-40	31	54	13	23	36	28	68	8	14
40-50	14	68	16	24	39	24	71	13	8
50-60	15	75	9	21	41	25	75	19	4
60-70	9	87	2	18	43	21	84	25	1
> 70	5	91	3	15	45	15	88	52	1

Source: Goering, Kamely, and Richardson (1994).

\*Single female with children.

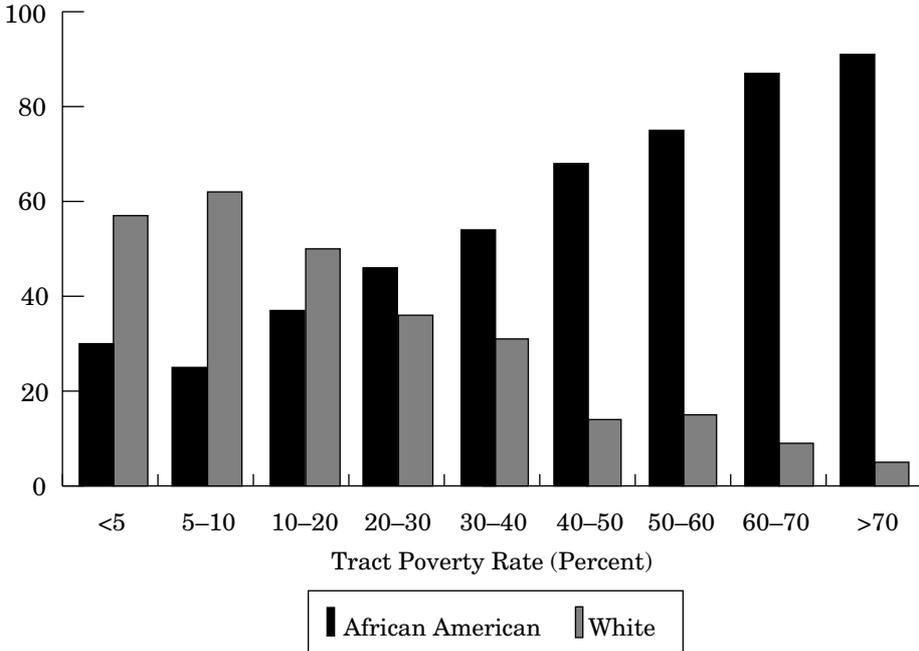
Table 7. Tract Poverty Rate and HUD Projects, All Units

Percent Tract Poverty	(Percent within Each Column) Heads of Household in HUD Developments That Are							Poverty	Percent of HUD Households	Percent of All Households
	White	Black	Hispanic	Employed	SFWC*	Elderly	Poverty			
< 5	5	1	3	4	2	4	2	2	2	7
5-10	14	3	7	8	5	11	5	6	6	16
10-20	30	12	17	19	17	23	17	15	15	28
20-30	21	15	23	19	17	19	17	18	18	21
30-40	17	18	20	17	17	17	17	17	17	14
40-50	6	17	19	14	15	11	15	16	16	8
50-60	5	15	8	10	12	9	12	13	13	4
60-70	1	7	1	4	6	3	6	5	5	1
> 70	1	12	2	5	9	3	9	8	8	1
Total	100	100	100	100	100	100	100	100	100	100

Source: Goering, Kamely, and Richardson (1994).

\*Single female with children.

**Figure 1. Tract Poverty Rate:  
Percent White versus African-American Households in  
Public Housing Projects**



Source: Goering, Kamely, and Richardson (1994).

The foregoing evidence demonstrates that PHAs’ roles have changed and that traditional housing management is not enough. PHAs are expected to identify resources to improve safety, human and social services, education, and job opportunities for residents in order to enhance family living. They are also expected to provide space for resident services (preferably on site or nearby) and create a comprehensive service plan that meets the needs of the residents. All these efforts should promote the social and economic independence of public housing families.

A major goal of future PHAs will be to provide housing on a transitional basis, helping families increase their incomes to a level where they can provide shelter for themselves in the private housing market. PHAs must avoid any situation where they are providing housing from cradle to grave.

*Conditions of public housing stock*

Deferral of maintenance has taken its toll on the PHA housing stock, because the program was designed without providing for

adequate funding of preventive maintenance or capital improvements. About one-third of the existing public housing stock is now 25 years old, and another 25 percent is between 15 and 25 years old. At these ages, major building systems such as boilers and roofs begin to fail (Schnare 1991).

Although the federal government has been funding modernization of the public housing stock since 1969, the funding has been insufficient to adequately address the stock's backlog of deteriorated conditions. Recent estimates are that 15 percent of public housing units have renovation needs of \$20,000 or more—an amount likely to increase unless additional funding is provided (HUD 1989).

Estimates of current capital needs in public housing range from a low of \$12.2 billion, or about \$9,300 per unit, to a high of \$27.8 billion, or about \$21,400 per unit (Schnare 1991). The low figure represents the modernization cost to put all existing building systems into acceptable condition today. The high figure represents the cost of addressing all additional building needs such as removal of lead-based paint, construction of handicapped accessibility, meeting building code requirements, building or site redesign or reconfiguration, and energy conservation. (See table 8 for the size and composition of the unfunded backlog.)

*Table 8. Size and Composition of the Unfunded Backlog, 1990*

Backlog Categories	Unfunded Backlog Needs (Billion \$)
Mandatory backlog need	
Modernization <sup>a</sup>	12.15
Lead-based paint	0.36
Handicapped accessibility	0.30
Mandatory additions <sup>b</sup>	0.55
Total	13.36
Project-specific additions <sup>c</sup>	5.89
Residual additions <sup>d</sup>	5.54
Redesign	2.39
Energy construction	0.63

*Source:* HUD (1989).

<sup>a</sup>The modernization costs of all existing building systems; in short, what it would cost to put all public housing in acceptable condition today.

<sup>b</sup>Additions required in all projects under the Modernization Standards Handbook or otherwise necessary to meet local building codes.

<sup>c</sup>Other additions viewed as clearly or probably appropriate by both the HUD inspection team and the PHA.

<sup>d</sup>Other desired additions identified by the PHA, but viewed as unnecessary or inappropriate by the HUD inspection team.

According to estimates by ICF, Inc., Comprehensive Improvement Assistance Program (funding to rehabilitate and modernize public housing) expenditures by PHAs averaged \$700 per unit per year (in 1990 dollars) between 1986 and 1988, while the typical unit had ongoing capital needs of \$1,100 per year (ICF, Inc. 1989). This gap has existed for much of public housing history, and the disparity continues. Establishing a sound foundation for the public housing inventory (including meeting all the building needs listed above) will require \$27.8 billion to address backlog needs as well as \$1.8 billion annually to address new capital needs (Schnare 1991).

In addition to the capital repair and replacement needs, however, the physical integrity of the stock will also depend on PHAs' adherence to an effective preventive maintenance program. Preventive maintenance is funded out of the operating budget. NAHRO (1990) reports that operating subsidies have increased dramatically over time and reflect a steady erosion in the ability of project residents to support the costs of operations (see table 9). Congressional underfunding of operating subsidies in recent years has placed an additional burden on PHAs' ability to maintain meaningful preventive maintenance programs.

*Table 9. Changes in Income and Expenditures in PHAs  
(\$ per Unit Month)*

	1966	1977	1988
Operating income			
Rent	43.93	64.37	109.00
Other	1.52	4.18	9.22
Total	45.45	68.55	118.22
Operating expenses			
Administration	7.13	15.57	33.53
Resident services	—	1.56	2.93
Utilities	10.64	35.34	54.67
Ordinary maintenance	13.99	31.34	56.10
Security	—	2.26	3.79
Total expenses*	42.34	104.17	192.90
Operating subsidy	2.19	41.67	80.38

*Source:* NAHRO (1990).

\*Total includes some expenses not specifically listed.

### *Characteristics of public housing neighborhoods*

Effective management of a public housing development today requires that PHAs, especially large authorities, control the increasingly hostile environments where many developments are located. The PHA must not only provide current solutions but also break the cycle of dependence and inappropriate behavior that has been passed on from one generation to the next.

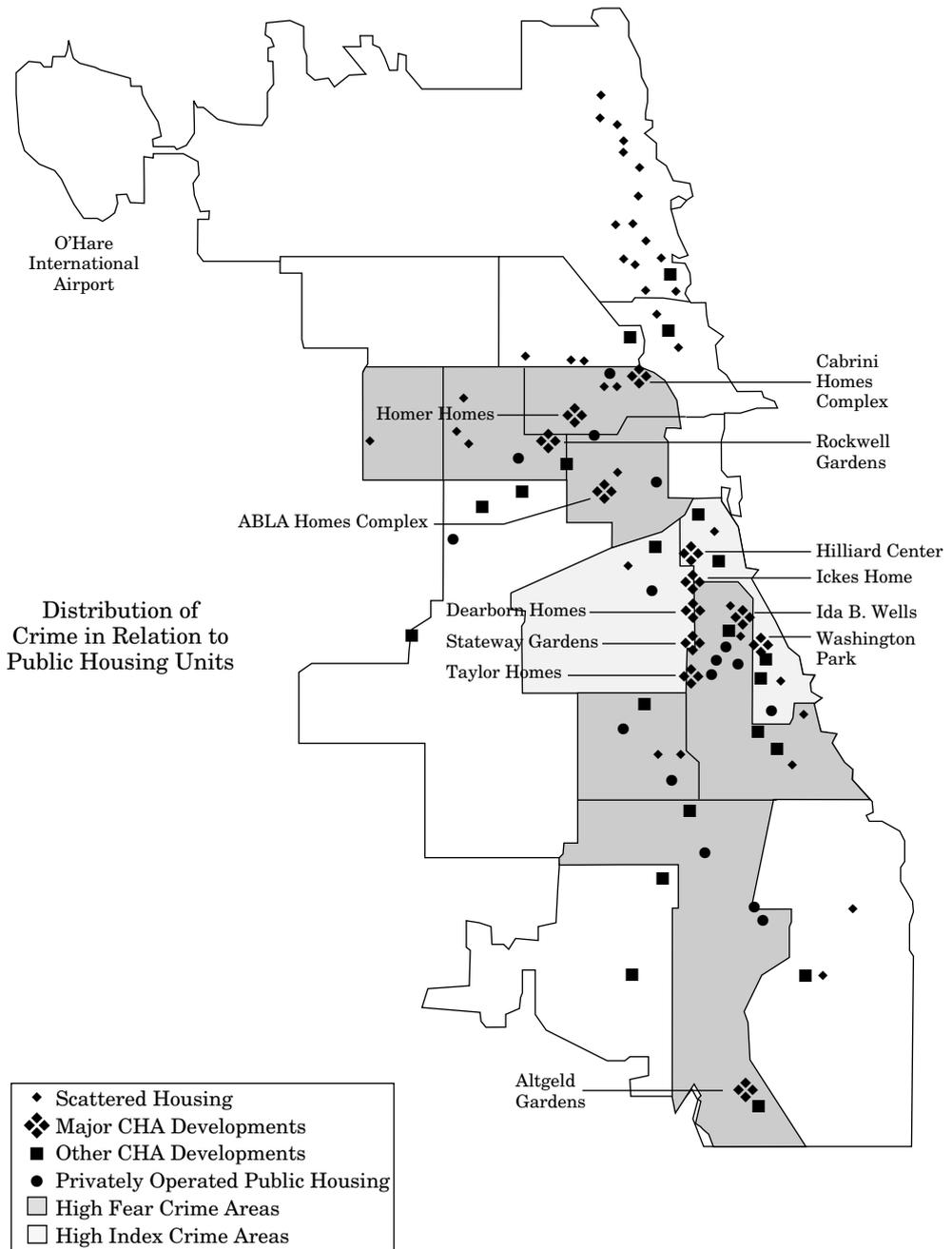
Increased crime, especially involving drugs, has created an environment where violence has choked any form of revitalization for poor areas of the inner city. Crime rates in many large PHAs are up to three times the citywide average rate. As an example, even with some improvement in Chicago, crime is far above an acceptable level (see figure 2).

The Research Triangle Institute completed a survey of public housing residents for HUD (Zelon et al. 1994) that revealed the following:

1. Three out of five public housing residents who lived in high-rise, high-density family buildings reported that serious crime (e.g., gunfire, burglary, robbery, assault) was twice the problem as that occurring in other types of housing (see figure 3 for the correlation between crime rate and population density of a development and crime rate and size of a development).
2. The presence of drug dealers was the problem most often reported (48 percent). Gunfire was reported by 42 percent of all residents, and assaults were reported by 39 percent.
3. The fear of crime is widespread in public housing communities. Of respondents living in high-density developments with more than 5,000 units, 41.8 percent are either very or somewhat fearful of being victimized (see figure 4).

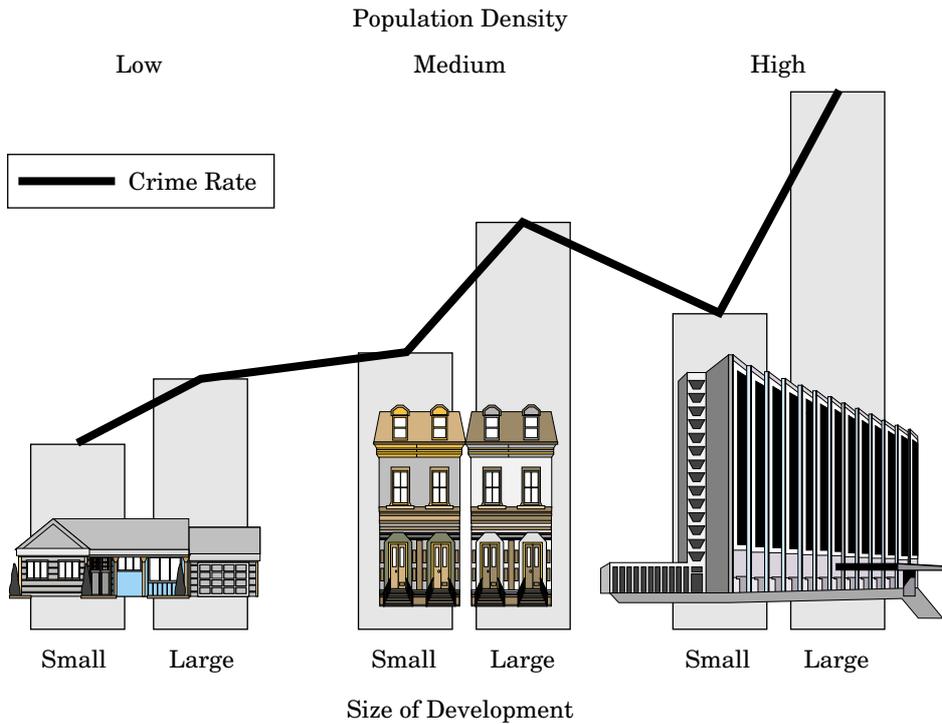
Without being able to tightly screen and promptly evict tenants involved in crime and drugs, it is difficult to change behavior. The female and minor offenders living in public housing tend to be drug users, but rarely are they the major drug traffickers, who are usually outsiders. Since a significant number of public housing residents are alcohol and substance abusers, it is essential that more treatment and rehabilitation funds are made available for PHA residents. Once again, targeting services directly at the causes of antisocial behavior will allow residents to seek other lifestyles.

Figure 2. Crime and Public Housing in Chicago



Source: Carroll Buracker & Associates, Inc. (used with permission).

Figure 3. Crime Rates by Population Density and Size



Source: Carroll Buracker & Associates, Inc. (used with permission).

Living in a community means neighbors get together to solve common problems and rely on each other for support. Creating or rebuilding a community is impossible when residents of public housing must hide in their apartments, afraid to come out because of random gunfire or fear of being assaulted in dark stairwells and afraid to let neighbors know when they leave home for fear of burglary.

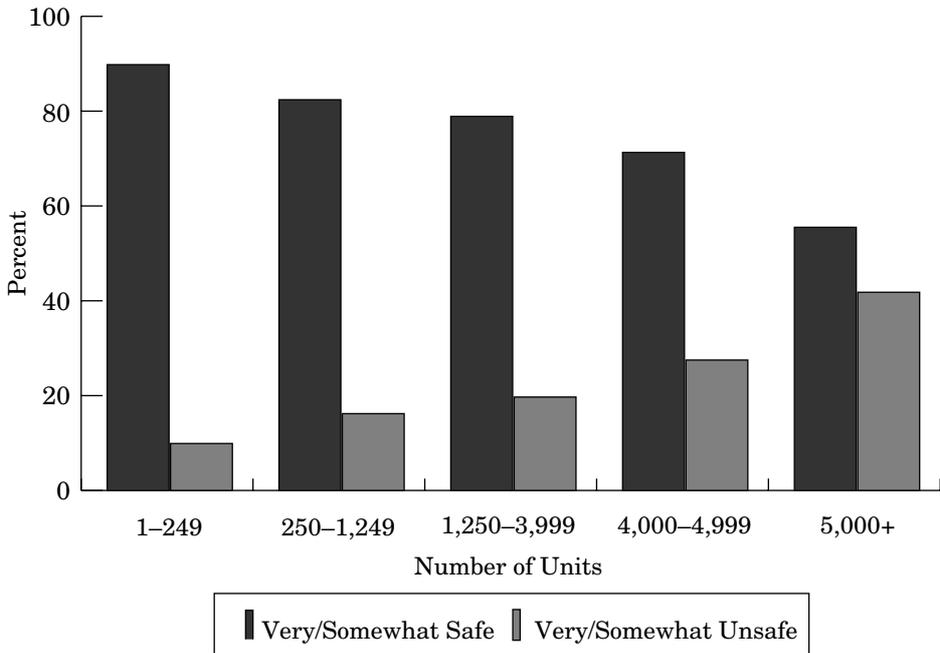
The Final Report of the Analysis of Applications for the FY 91 Public Housing Drug Elimination Program reports that in fiscal year 1991, \$47 million was expended on drug prevention, \$11.6 million on drug intervention, and \$7.9 million on drug treatment (Vitella 1992).

**Public housing management practices: Alternatives and opportunities**

There are numerous approaches to the social and physical management of public housing. By identifying the problems and

Figure 4. Perceived Safety of Project/Neighborhood by Size of PHA

Q3: How safe a place has your project/neighborhood been to live in?



Source: Zelon et al. (1994).

needs of the buildings and the needs of the residents, PHAs can provide services successfully. For example, welfare must be linked to work and should provide a family with more disposable income while working, rather than discouraging the jobless from seeking employment. PHAs can implement policies that encourage this linkage, such as hiring residents to work for them or establishing rent ceilings that permit working residents to keep more of their earned income.

In addition, employment and training programs must be directly linked to a specific job, and employers should be encouraged to hire residents and to establish joint ventures with resident businesses whenever possible. The federal government can assist by instituting locally driven market rent ceilings so that working families are not forced out of public housing, and by providing incentives to encourage two-parent households. Finally, public safety, preventive maintenance, and replacement reserves must be adequately funded so that PHAs can support their residents.

Because of the decline in federal funding for public housing, PHAs must begin to explore alternative management practices through partnerships with other public and private entities, inside and outside the public housing community. PHAs should be discouraged from developing or managing their housing and be encouraged, where practical, to let the private sector provide housing and services to their residents. For example, private and tenant management should be implemented at some developments to determine whether management and social service delivery are more successful when the PHA relinquishes control. Examples of successful tenant management are Bromley-Heath, Boston; Cochran Gardens, St. Louis; Abbottsford, Philadelphia; LeClaire Courts, Chicago; and Kenilworth-Parkside, Washington, DC.

PHAs should seek out the resources needed to improve and maintain the quality of life for their residents from disparate places and target the delivery of resources to residents through partnerships with other public and private organizations. In Chicago, for example, the Governor's Task Force on Social Services has selected the Grand Boulevard Community to target state resources to Robert Taylor Homes. The effort was initiated by the Annie Casey Foundation.

Residents should be given choices in style and type of housing. PHAs should limit concentrations of welfare families by locating public housing in socioeconomically mixed settings throughout a metropolitan area. Although it is important to maintain "hard," or actual, public housing units (rather than vouchers or certificates), it is also important to use transportable certificates and vouchers to provide housing outside municipal boundaries. The court-ordered Gautreaux program in Chicago mandated that housing opportunities for African Americans eligible for public housing be provided in the suburbs and in census tracts throughout the city that are not racially impacted.

The public housing stock should not be inferior in structural design to other housing in the surrounding area. At Lake Parc Place in Chicago, when a gang-infested high-rise public housing complex was rehabilitated with market-rate amenities and construction standards, crime and vandalism all but vanished, and the community accepted the poor families living there.

The federal government has allowed PHAs more flexibility in use of funding, especially in expediting approval of funds for maintenance and modernization. Public-private partnerships must be

fostered by continuing to eliminate red tape and encouraging innovation in the use of scarce federal resources.

## **Federal and local responses to conditions in public housing**

Government at all levels in the United States has struggled to implement the most appropriate responses to the challenges of public housing. The discussion that follows highlights the various approaches.

### *1990 National Affordable Housing Act (NAHA)*

NAHA brought a recognition that unless incentives exist for (and residents are involved in) community planning, the country will never solve its housing problems. NAHA enacted several programs in public housing, described below.

*Homeownership for People Everywhere (HOPE).* This program's underlying assumption is that people having a greater stake in the conditions of their environment will also have greater pride in their environment and, as a result, become empowered through the experience. One component of the HOPE program—Public and Indian Housing Homeownership (HOPE I)—was designed to encourage homeownership for public and Indian housing residents through the sale of public housing units. However, practitioners do not think it is appropriate to sell public housing to tenants on welfare or to diminish the availability of the best scattered-site housing. In fact, many think that HOPE was an attempt to get HUD out of the public housing business by selling off the inventory.

*Family Self-Sufficiency Program.* This program encourages comprehensive improvement in the quality of life of public housing families with one key goal: to enable families to move out of public housing. It provides for the integration of education, job training, day care, and other social services and makes the PHA the coordinator of priority arrangements with other local and state agencies to ensure that families' needs are met. Although the approach was found workable, funding and cooperation from other agencies is not adequate, so only a few families benefit (HUD 1994b; U.S. General Accounting Office 1992, 1993).

*Resident initiatives programs.* A prime initiative is the Resident Management Corporation (RMC), in which tenants take over the complete management and operations of their development. However, residents require years of support and hundreds of thousands of dollars to prepare themselves for management. Another major drawback is the deteriorated condition of most PHA developments, which exacerbates the hurdles that tenants must overcome if physical improvements are not completed before residents take over.

Although programs authorized under NAHA were the first formal acknowledgment by HUD and Congress that financial and other assistance must be given directly to residents to assist them in their efforts to become self-sufficient, these programs are still considered prototypes or demonstrations. For them to have an appreciable impact, PHAs must actively promote the rapid expansion of these programs.

### *Public Housing Management Assessment Program (PHMAP)*

As the system that sets standards for evaluating the performance of PHAs, PHMAP has been successful in assessing PHAs' progress in meeting HUD's housing management standards and occupancy goals and instituting sound financial practices. PHMAP considers 12 categories: vacancy, modernization, uncollected rents, energy consumption, unit turnaround, outstanding work orders, inspections, tenants' accounts receivables, operating reserves, routine operating expenses, resident initiatives, and development. Meeting HUD standards enables a PHA to qualify for and receive the maximum operating subsidy allowed for a fiscal year. In categories where it is deficient, the PHA is sanctioned, and the overall subsidy is reduced. Although PHAs recognize the need for a system to monitor performance, they would prefer one that is not as complex as PHMAP and that has incentives built in for good performance.

Larger, severely distressed PHAs have experienced lower scores because of deteriorating housing stock, poor management, and distressed neighborhoods. Modernization and planning efforts—especially those of larger and more distressed PHAs—are hindered by poor neighborhood conditions. Until recently, HUD has had little flexibility to accommodate these needs.

### *Comprehensive Grant Program (CGP)*

Before 1992, modernization needs for PHAs with more than 500 units (and, since 1993, more than 250 units) were funded by Congress under the Comprehensive Improvement Assistance Program (CIAP), which provided for a competition among PHAs for limited HUD dollars. That program has been replaced by CGP. Under CGP, eligible PHAs receive annual funding based on a predictable formula (subject to congressional appropriations), permitting more flexibility and accuracy in year-to-year modernization planning.

CGP enables PHAs to plan and reliably implement operating improvements and to modernize and rehabilitate housing developments. The program allows housing authorities to make decisions on specific improvements, prioritize, and time the expenditure of funds. However, even with the formula improvement, there still is inadequate funding of backlog needs.

### *Public Housing Drug Elimination Program (PHDEP)*

HUD is now directly funding programs to prevent drug use and associated crime. The program is funded on a formula basis subject to HUD concurrence with proposed use. Many programs that traditionally have been developed with operational funds are eligible for this program. For example, in 1993 Chicago used its funding to expand its antidrug and security efforts, resident initiatives, and economic development programs. In Chicago, successful programs supported by the grant include an increased number of emergency inspections (also known as Operation Clean Sweep, a management action that combines elements of security, intervention, and prevention of drug and antisocial activity in public housing units); expansion of the tenant patrol program; creation of CADRE (Combatting Alcohol and Drugs through Rehabilitation) centers at targeted developments; the ability to introduce more resident initiatives; and an increase in staffing to ensure that program development is possible.

HUD retained Abt Associates to evaluate PHDEP participants' success in achieving program goals (Abt Associates 1994). Although the study did not purport to be a definitive assessment of PHDEP, Abt Associates did prepare a summary of positive impacts at 15 intensive study sites (see table 10). The combination of ratings across the six impact categories forms the basis for the overall ratings among the 15 sites according to the study's multi-dimensional definition of success.

Table 10. Summary of PHDEP Impacts at 15 Intensive Study Sites

Site <sup>a</sup>	Drugs and Crime	Quality of Life	Resident Empowerment	Linkages and Communication	Broader Neighborhood Effects <sup>b</sup>	Sustainability of Impacts
Successful PHDEP Programs						
Madison, WI	M	H	H	H	M	M
Portland, ME	H	H	H	H	H (+)	M
Portland, OR	H	H	H	H	H (+)	M
Savannah, GA	H	H	H	M	M	L/M
Mixed or Moderately Successful PHDEP Programs						
Chicago, IL	M	M	H	M	M	L/M
Denver, CO	M	M	M	H	—	L
Jersey City, NJ	M	M	M	H	—	L
Los Angeles, CA	M	M	M	M	—	L
Springfield, MA	M	L	L	M	L (-)	L
Yakima Nation, WA	M	H	M	M	—	L
Unsuccessful PHDEP Programs						
Charlottesville, VA	M	L	L	L	L (-)	L
Dade County, FL	L	L	M	M	L (-)	L
Oakland, CA	L	L	L	M	—	L
Pittsburgh, PA	L	L	M	M	L (-)	L
San Antonio, TX	L	L	L	M	M	L

Source: Abt Associates (1994).

Note: Success of programs is judged by analysis of crime statistics, on-site interviews, and ethnographic data. H = high; M = medium; L = low. Sites are listed in alphabetical order within groups.

<sup>b</sup> Plus signs (+) indicate positive neighborhood effects; minus signs (-) indicate negative neighborhood effects; M indicates mixed positive and negative effects.

### *Operation Weed and Seed*

Operation Weed and Seed, similar to PHDEP, is operated by the U.S. Department of Justice in conjunction with HUD and local PHAs. This program coordinates the efforts of law enforcement agencies at the federal, state, and local levels to eliminate drug and gang activity at selected public housing developments—the “weeding” of the community—followed by programs funded by the Justice Department to “seed” the development with prevention, education, and intervention efforts. In Chicago, Operation Weed and Seed has funded the following programs:

1. Expansion of child care, job creation, and educational programs within the Ida B. Wells development
2. A criminal justice service center to enable probationers and ex-offenders to obtain social services and visit probation officers on site
3. A family resource center to help families obtain social services, educational assistance, and job preparedness training, with the services coordinated and community based so that the entire family can receive support

The Weed and Seed program in Chicago was focused on the Ida B. Wells complex beginning in April 1992 with a massive law enforcement effort that resulted in approximately 160 arrest warrants for drug sales. It was funded by a grant totaling \$1.1 million for 1992 and 1993. Although there has been no formal evaluation of the impact of this program, Part I crime totals (murder, rape, burglary, assault, and auto theft) for Ida B. Wells were 761 in 1990, 697 in 1991, 498 in 1992, and 491 in 1993. Although not conclusive, a 35 percent drop in homicide, criminal sexual assault, robbery, burglary, theft, and motor vehicle theft is an indication that the various programs at Wells are working. However, if funding is not continued, crime may escalate rapidly.

### *Gautreaux decision*

Federal courts have also played a role in responding to the challenges of public housing, most significantly in their increasing intervention to prevent past practices of local governments and HUD in building racially segregated public housing. The most famous instance of federal court intervention occurred in Chicago with the *Gautreaux* decision. The lawsuit, in which

Dorothy Gautreaux was a plaintiff, charged that CHA and HUD had employed racially discriminatory policies in administering the Chicago low-rent public housing programs. The lawsuit allowed residents to receive Section 8 housing certificates and move to other areas within the city or suburbs.

The *Gautreaux* decision also limited development activity by CHA. Today, CHA is not permitted to build high-rise housing for families or to build in racially impacted areas. Plans for development must be reviewed and approved by the court before construction. Fifty percent of all scattered-site units are privately managed and are leased to persons living in the community area who also qualify under HUD and CHA policies and guidelines. The program allows residents an opportunity to move into nonimpacted areas, breaking the cycle of isolation and facilitating the move into the mainstream (Peterson and Williams 1994; Rosenbaum 1995).

## **New approaches to traditional public housing administration**

Experience has proved that traditional public housing administration falls short of providing adequate housing to residents. External factors, such as crime, unemployment, illiteracy, and concentrated poverty, have distracted managers from maintaining the bricks-and-mortar aspects of housing. The following discussion explores service delivery systems and housing delivery systems and focuses on programs operating in Chicago to illustrate new approaches to public housing management.

### *Alternative service delivery systems*

*Nonprofit corporations.* The creation of nonprofit corporations to deliver services to public housing residents is an alternative to the rigid structure of the PHA. Many PHAs are creating such nonprofits. The governing boards of these nonprofit corporations usually have members who also sit on the PHA board and who are eligible to apply for grants from federal, state, and local governments, as well as private foundations. An example in Chicago is Windows of Opportunity, a nonprofit organization affiliated with CHA.

Windows operates a variety of programs for CHA residents. It directs its fund-raising efforts to enhance educational, recreational, cultural, and other aspects of the quality of life for

residents. Programs include the CHA Youth Orchestra, scouting programs, donation of playground equipment, seminars, a Little League program, and Project Peace (a school-based violence intervention program). With the support of Windows, CHA is able to leverage private sector support and increase visibility for its programs and still provide necessary services to its population. Windows operates with a very small staff and leverages project-specific contributions to complete funding for programs such as the installation of wrought-iron fencing at a building for senior citizens. Windows has an annual budget of \$300,000 to \$500,000.

*Public-private partnerships.* Another approach focuses on partnerships with the private for-profit and nonprofit sectors, which are essential in the successful management and operation of public housing. The inadequacy of resources to address the complex needs of residents requires that PHAs seek and receive help from the rest of society.

Public-private partnerships are also important tools in providing services to public housing residents through contracts with private organizations to deliver job training, economic development, day care, and other services. For example, CHA has entered into a partnership for day care services with the Center for New Horizons, a community-based organization respected for day care and family service delivery in the city. The Community Workshop on Economic Development, another community-based initiative to create small business opportunities for residents, has entered into agreements with the agency and local resident organizations to provide job training. In addition, CHA contracts with numerous health care providers to offer treatment and education directly to seniors, families, and individuals with special needs.

Another significant program in Chicago is Wells Preparatory School, an elementary school operated by CHA in conjunction with Marva Collins, nationally known for her successful teaching method at Westside Preparatory School (also in Chicago). In its fourth year, Wells Preparatory is a kindergarten through fourth-grade school. Students and their families participate in an intensive curriculum to identify strengths and support children at risk. The school stresses a well-rounded classical education, emphasizing multiculturalism and civic and personal values; it takes a holistic approach to teaching. Funding for the first four years of Wells Preparatory was provided by the federal Office of Juvenile Justice and Delinquency Prevention, while future

funding will come from the Chicago Board of Education as a charter school demonstration.

*Interagency collaboration.* Developing relationships with other governmental entities is also important in delivering services. Interagency collaboration can be used to focus public resources on the people who need them and to avoid waste, duplication, and turf fights. Chicago has implemented the Wells Community Initiative (WCI) and the Chicago Cluster Initiative (CCI), both programs founded on the belief that collaboration among public agencies is the most effective route to long-term improvement in a community.

The WCI links federal, state, and local government with social service agencies to systematically address the needs of Wells neighborhood residents. It is organized around four primary objectives developed by the residents themselves. First, WCI provides leadership development training so that community residents can participate in all decisions related to the community. Second, WCI aims to expand employment opportunities for residents—real jobs to secure a real community economic base. Third, WCI is designed to improve the physical condition of the community to promote safety, security, acceptable levels of services, and capital improvements. Finally, WCI will identify critical human services to decrease substance abuse, provide day care, improve public health services, and respond to other needs determined by the community.

Like so many other programs, WCI has proved to PHAs that these four components are the basis for permanent community revitalization. Funding for WCI is provided by private foundations and public agencies.

CCI is similar to WCI but focused more on education. The CCI board is composed of directors of major public agencies in Chicago, including the superintendent of schools, the heads of the park district and the mayor's office, the chief of police, and the CHA chairman. Under their direction and support (financial and programmatic), CCI has been able to expand opportunities in the schools and the community.

The initiative is successful because of the institutional belief that education, youth development, strong family support, creative and recreational stimulation, and other services are instrumental in developing a healthy child and, in turn, a healthy community. CCI works directly with the local school councils and community leaders to ensure that it is a grassroots effort

developed hand in hand with area residents. Funding for CCI is provided by private foundations, public agencies, and private contributions.

CCI's primary cluster is DuSable High School and three elementary schools that serve the Robert Taylor Homes. It has provided technical assistance and leadership in creating schools within schools, funding intramural sports, developing a school-to-work curriculum, and privately financing a first-class athletic field. To recruit world-class teachers, the cluster schools have applied for charter school status, which exempts a school from normal board of education and union rules.

### *Alternative housing delivery systems*

*RMCs.* RMCs are one alternative to PHA management. During the 1980s, HUD expanded its role in addressing the rapid growth of the underclass in urban centers and embraced resident empowerment through resident management. The administration viewed resident management as a way for residents to participate in the decision-making processes established by HUD, enabling them to have direct impact on management and capital planning for their developments. With the aid of technical assistance grants, RMCs entered intensive training programs to prepare residents to manage their developments, monitor their budgets, and have discretionary power to allocate funds, much like PHAs. RMCs have been tried in PHA developments such as Kenilworth-Parkside (Washington, DC), Cochran Gardens (St. Louis), and LeClaire Courts (Chicago).

The success of resident management has varied. In Chicago, crime at LeClaire has declined significantly in the past five years. Response to work orders has improved, as have vacancy rates, rent collections, and resident employment. Funds saved have been reauthorized so that the RMC can perform extensive modernization on the development.

In other areas of management, RMC accomplishments have been limited. An evaluation of resident management conducted by the Metropolitan Planning Council (MPC) in Chicago found that while the process has trained many residents, enabling them to be employed by the LeClaire Courts RMC or CHA, the environment is slow to change and has discouraged many of the participants from continuing with the program (MPC 1992). The RMC board of directors faces the challenges of managing the staff required to maintain the 600 units at LeClaire with limited

operating funds and minimal private assistance. HUD's assessment at the national level presented a similar scenario, as have assessments of the RMCs at Kenilworth-Parkside and Cochran Gardens.

While the RMC approach has witnessed great improvement in resident organization and board development, actual management improvements often have not been realized. However, as RMCs expand in size and expertise, further evaluation should be pursued. Because they rely on the same housing management principles as those required of the PHA, RMCs are also at risk without strong tenant relations, strong organizational structure, and safe and sanitary conditions within their developments.

*Privatization.* Privatization of management and services is another alternative to traditional PHA management. By the end of 1995, management of 25 percent of CHA's 40,000 conventional units will have been contracted to private management firms. Maintenance, janitorial, and extermination services are being contracted out on a demonstration basis. Although some practitioners may find this approach threatening, with proper oversight it is an excellent means to introduce competition among providers and evaluate progress regularly by established measures and standards of performance.

*Supportive housing.* Another approach, the Supportive Housing Demonstration, is a creative use of project-based Section 8 certificates to produce permanent housing for homeless persons with special needs. CHA uses its housing certificates to cover part of the development and operation costs of this housing. The program requires matching federal HOME funds from the city of Chicago and funds from the State of Illinois Housing Trust Fund, as well as the use of low-income housing tax credit equity.

Services for the participants in this program are provided by private nonprofit agencies funded by various government programs. The development is carried out by private developers and community development corporations.

*Mixed-Income New Community Strategy.* In many ways, socioeconomic diversity is much more important than racial integration in stabilizing communities. Created by the 1990 NAHA, the Mixed Income New Community Strategy demonstration in Chicago is designed to expand the supply of affordable housing and to create a socioeconomic mix in one public housing community. The strategy has five components:

1. Public housing revitalization—providing incentives for eligible working families to move into and remain in existing public housing. Working families provide role models for children in public housing and foster a stable social environment.
2. Affordable housing development—building new, affordable housing in underdeveloped urban neighborhoods. A portion of the new housing is set aside indefinitely for public housing families, with the balance of the housing available for market-rate families.
3. Participation—requiring families to remain drug and crime free and to pursue educational and job opportunities.
4. Provision of supportive services—providing participants with services including education, job training, child care, and family and financial counseling.
5. Economic advancement—promoting upward mobility through homeownership. This component is designed to encourage family economic success by removing the rent and welfare penalties usually associated with economic advancement. This is achieved by establishing a rent ceiling based on the size and characteristics of the unit, not on the family's income. This change allows families to save toward a down payment for a home.

The cornerstone of the demonstration in Chicago is Lake Parc Place, a renovated 282-unit development on the city's south lakefront. The two 15-story towers were more than 35 years old and were in severe disrepair when modernization began. Leasing began in July 1991. The development's amenities include a day care center, 24-hour security, completely rehabilitated and redecorated apartments, and a new landscaped park with recreational facilities between the two buildings. The development has been reoccupied by working and nonworking families to create a mixed-income community. Since its opening, there has been *no* major crime in the buildings, including no vandalism or graffiti. More than 20 percent of the development's families who started on welfare now have heads with full-time jobs.

*HOPE VI.* As a result of the final report of the National Commission on Severely Distressed Public Housing (1992), Congress funded the Urban Revitalization program in 1993. Known as HOPE VI, the program encourages creative revitalization of

distressed public housing. It provides grant funds for bricks-and-mortar needs as well as social and human services. HOPE VI also includes job training and economic development programs.

Chicago has been funded under HOPE VI to revitalize the Cabrini-Green public housing development. The program at Cabrini-Green will promote a mixed-income environment, create housing options for residents, test management alternatives, improve security, and develop human capital within the local community. With the assistance of a \$50 million Urban Redevelopment Demonstration Grant, Chicago will, for the first time, have resources to plan and implement alternatives for a public housing development without depleting its operating funds and sacrificing other priorities. CHA has emphasized the physical replacement, rehabilitation, and deconcentration of poverty at the development in an effort to achieve lasting revitalization. The comprehensive plan includes many housing options for residents, as well as alternative management staffing (including family counselors and elevator monitors) to address the socioeconomic condition of residents and combat the physical deterioration of the building and the increased criminal activity that pose a formidable barrier to effective management.

*Homeownership.* The sale of public housing is another alternative to traditional PHA ownership and management. Selling public housing to tenants has been tried in only a few cases in the United States. It is impractical for PHA residents who are on welfare to assume the burdens of homeownership while they are receiving assistance. Additionally, public housing is a valuable resource as transitional housing and should be maintained as such. Therefore, any sale of existing public housing should be linked to provision of adequate replacement units.

## **Future of public housing in the United States**

The United States has finally acknowledged its past mistakes in public housing policy. Recent federal legislation and housing administration initiatives have introduced alternative programs and funding sources to explore alternatives to business as usual. The 1990 NAHA and HOPE programs reflect a changing attitude in Washington and a recognition that PHAs cannot successfully manage their units without support from the White House, particularly when confronting social barriers that prevent the residents from living in "normal" communities. Unfortunately, because of budget deficits at every level of government and PHAs that resist new ways of doing business, it may be some time before real change is adopted as public policy.

New directions in federal housing policy became evident in April 1994, when the Clinton administration, through HUD Secretary Henry Cisneros, introduced into Congress the Housing Choice and Community Investment Act of 1994. Key provisions are explained in the following discussion (HUD 1994a).

*Priority 1: Reducing homelessness*

The current system of programs would be replaced by a “continuum of care” that addresses the specific needs of homeless individuals and families for job training and counseling and for drug, alcohol, and mental health treatment and moves them from the streets to permanent housing.

*Priority 2: Turning around public housing*

PHAs would be permitted to redesign and replace the nation’s most deteriorated public housing. The act would fundamentally revamp modernization funds for demolition and replacement housing and, for the first time, enable PHAs to leverage billions of dollars by borrowing against future modernization funds and by leveraging those funds with other public and private investment. The act would also seek to accomplish the following.

*Make work pay.* Rent rules would be substantially revised to ensure that unemployed public housing residents who obtain a job will not pay higher rent for at least 18 months. Administrative rules that restrict public housing primarily to very low income people would also be modified to permit greater income diversity and include more working families among residents.

*Promote jobs for residents.* The act would encourage job and small business opportunities for low-income residents. Public housing residents will share in the economic benefits of HUD-generated construction and service contracts.

*Fight crime.* Community policing, youth recreation and education, and other anticrime activities would be encouraged and supported in COMPAC (Community Partnerships against Crime).

### *Priority 3: Expanding affordable housing*

*Open doors to homeownership.* The act would make no-down-payment financing available to low- and moderate-income buyers who purchase homes in urban revitalization areas.

*Foster partnerships.* The act would authorize more than \$500 million to leverage over \$5 billion in pension-fund and other private and public investment in affordable housing.

### *Priority 4: Strengthening fair housing laws*

The act would expand the enforcement of fair housing and fair lending laws as described below.

*Promote real housing choice.* The act would overhaul the Section 8 rental assistance program to give low-income families a meaningful opportunity to choose where to live throughout the metropolitan area.

*Provide rental assistance for the disabled.* Persons with mental or physical disabilities who can live independently should receive rental housing assistance, particularly in housing with supporting services.

### *Priority 5: Empowering communities*

*Bring resources to the community.* The act reauthorizes Community Development Block Grant funding and HOME funding while including a new loan guarantee program to help localities leverage significant additional resources.

*Promote grassroots efforts.* A new \$150 million Community Viability Fund would be established.

*Create jobs.* The act would authorize a series of initiatives to give communities the tools they need to generate economic development activity in low- and moderate-income neighborhoods. The neighborhood Leveraged Investments for Tomorrow (LIFT) initiative would authorize \$200 million for neighborhood-based community development, and the Zone Economic Development Initiative would complement the administration's empowerment zones program, which provides as much as \$100 million to cities for turning around economically depressed communities.

Although Congress did not authorize the Housing Choice and Community Investment Act of 1994, the proposed legislation and the change to conservative leadership in Congress with the November 1994 election have set the stage for substantial changes in the provision of public housing in the United States. Proposals to shrink the massive federal deficit have jump-started funding reductions in public housing, necessitating changes in basic public housing policy and rules and regulations.

In the congressional supplemental appropriations bill signed by the president this year, not only were there massive public housing funding cuts, but Congress now permits PHAs to use modernization assistance for demolition of existing units, replacement housing, temporary relocation assistance, and funding modernization of the public housing portion of developments held by private partnerships. Congress also suspended the requirement for one-for-one replacement of demolished public housing units.

The 1995 supplemental appropriations bill is the forerunner of other changes in the public housing program that will probably be enacted. At this writing, the following changes appear likely and are being considered by the 104th Congress:

1. Funds will be cut by 20 to 37 percent.
2. Many of the individual programs will be consolidated into operating subsidies and modernization funding. Drug Elimination, Hope VI, Development/Major Repair of Obsolete Projects, Service Coordinators and Congregate Housing Services could vanish as stand-alone programs.
3. PHAs will be given more flexibility in tenant selection and rent setting.
4. Minimum rents will be required.
5. The Section 8 certificate and voucher programs will be merged.
6. Long-vacant public housing units will be demolished without replacement.
7. PHAs will be further deregulated.
8. Hard public housing units will be "vouchered out," replaced by certificates that permit public-housing-eligible families to rent housing from either PHAs or private landlords.

9. Housing residents will have a wider range of incomes.
10. Community service will be required of some residents.

If Congress approves this legislation, there is a real possibility that PHAs will be transformed into funding, regulatory, and monitoring agencies rather than development, ownership, and operating agencies. All the services provided by PHAs today, when examined closely, can be delivered by the same private organizations that are providing housing development, management, and social services to the rest of society. This should reduce the administrative overhead of PHAs and funnel more dollars to direct service delivery.

The dense public housing communities of today will be replaced by mixed-income public housing units that are developed by the private sector with Urban Redevelopment Demonstration Grants, CGP funds, and project-based Section 8. This approach to providing low-income housing presents an alternative to Section 8 certificates and vouchers, which are often refused by landlords and whose funding must be renewed annually by Congress.

Redefining the responsibilities of PHAs will make breaking down the walls of public housing's isolation from other communities an achievable goal. Public housing locations will be spread throughout metropolitan areas rather than concentrated in densely populated developments in the inner city. Social service networks, which already exist in many communities, will be able to minister to the needs of all families. Most important, the community will include a socioeconomically mixed population providing children with healthy role models and encouraging adults to improve their own lives and the lives of their families. Americans should provide housing that the poor can live in, not housing for the poor.

Public housing will be successful when units are privately developed and managed and poverty is minimized through the expansion of public housing into a mixed socioeconomic environment. Such policies will reduce drug use and crime, improve schools and increase graduation rates, improve services provided to poor families, and provide a basis for empowering persons on welfare to become independent. They will help return public housing to its original role of helping families pull themselves up by their bootstraps and move on to independent living. These policies will also be based on resident participation. Chicago's experience is proof that staffing changes and physical improvements are not

enough if the basic building blocks do not include resident participation throughout the process. It is not the White House, the statehouse, or city hall that will bring renewed vitality to the neighborhoods of America; rather, it is the work of residents from all walks of life that will make their communities work again.

### *Author*

At the time this article was written, Vincent Lane was Chairman of the Chicago Housing Authority. He is now President of American Community Housing Associates.

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