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## Shelter the American Way: Federal Urban Housing Policy, 1900-1980

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# Shelter the American Way

# Federal Urban Housing Policy, 1900–1980

Ronald Dale Karr

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*American urban housing policy has featured subsidies for the suburban middle class and parsimonious spending for the urban poor. The outlines of this policy took shape during the Progressive Era: acceptance of the capitalistic market economy, support for the deserving poor needing temporary help, toleration of racial segregation, and the designation of overcrowding as the single most important urban problem. Progressive housing reformers championed stricter housing codes and model tenements, but housing conditions for the urban poor showed little improvement.*

*The U.S. government avoided direct involvement in housing until the early 1920s, when it promoted local zoning legislation. Under the New Deal, the government aided the private housing industry, but housing for the urban poor was not addressed until the passage of the Wagner Housing Act in 1937, which authorized federal funds for public housing. Although the worst features of public housing had been improved by the 1970s, the legacy of limited funding, racism, and the belief that subsidized housing for the poor should not compete with private-sector middle-class housing kept millions of Americans poorly housed.*

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The Congress hereby declares that the general welfare and security of the Nation and the health and living standards of its people require . . . the realization as soon as feasible of the goal of a decent home and suitable living environment for every American family.

— Housing Act of 1949

**T**he upsurge in urban homelessness in the 1980s was yet another confirmation of the failure of American housing policy to achieve the goal of decent shelter for all its citizens. Despite decades of affluence and aggressive eradication campaigns, slums persisted, made even more frightful by drug-related violence. Millions continued to inhabit these dangerous neighborhoods.

In 1980 nearly two thirds of all Americans owned their homes — about twice the rate of Western Europe. At the same time, according to Kenneth Jackson, “public

housing accounted for only about one percent of the United States housing market [but] it comprised 46 percent of the market in England and Wales, and 37 percent of the French housing market."<sup>1</sup> Widespread home ownership for the suburban middle class and parsimonious spending on public housing for the urban poor are but two aspects of federal urban housing policy.

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### **Progressivism and the Beginnings of Housing Reform**

Direct federal involvement in urban housing was a product of the New Deal, but a national policy had its origins a generation sooner. As early as the 1820s, many in the middle and upper classes had been troubled by urban poverty. Most of these city residents, the products of villages or farms, keenly felt the loss of the moral order of the communities in which they had been raised. Reformers launched religious revivals and Sunday schools, and later, parks, playgrounds, and organized charities, all in hope of redeeming the urban masses. The reformers attributed poverty to moral defects, such as intemperance, laziness, or stupidity (or even Catholicism), in the poor themselves.<sup>2</sup>

The modern American housing movement emerged at the end of the nineteenth century as part of the great wave of reform, the Progressive movement. New York, the nation's largest city, was home to the republic's most notorious slums. Hideously overcrowded blocks of five- and six-story tenements, most with only primitive sanitation, housed more than a million people on Manhattan. Housing crusaders, led by Jacob Riis and Lawrence Veiller, sought to stop the construction of new slums through building codes and to force slumlords to upgrade existing tenements through housing regulations. Although previous reformers had passed a tenement law by 1867, shortcomings in the act itself and lax enforcement made it ineffective. In 1901 the reformers finally put through a much stronger law and obtained the means to enforce it.<sup>3</sup>

Other housing reformers, taking a different tack, proposed that philanthropic individuals and organizations construct model tenements incorporating high design and construction standards. These would then be leased at the prevailing rents, giving the tenants more for their money and providing a moderate (4 to 6 percent) profit for the owners. A number of cities saw such projects constructed in the last quarter of the nineteenth century. Model tenements would directly provide better housing for their fortunate occupants and, more important, by example pressure other builders to construct to the same standard.<sup>4</sup>

By 1910 the various housing reformers of New York, Boston, Philadelphia, Chicago, and other large cities were beginning to operate in concert. That year the National Housing Association was founded, with New York's Lawrence Veiller as its director, to encourage cities to investigate slum conditions and enact housing and building codes. Others, with less formal organization, promoted the model tenement.<sup>5</sup>

The Progressive housing movement does not seem to have been particularly controversial; indeed, apathy appears to have been its most serious opponent.<sup>6</sup> The wide acceptance — or at least toleration — of these housing reformers contrasts sharply with the intense controversy their successors have generated from the New Deal to the present. The most probable reason for the support the movement enjoyed is that Progressive views on the housing problem were shared by vast segments of the American middle class.

The ideological assumptions of the Progressives are worth examining, since they continued to influence later generations of housing reformers. Many of their views have gradually been modified or abandoned, but echoes of them can be heard today, and there is reason to suspect that much of the American public still endorses these beliefs.

### *Capitalism*

Although aware of its shortcomings, Progressives embraced free enterprise. They sought to eliminate the waste and inefficiency that produced some of its more damaging effects on society. They accepted the marketplace — if kept free of monopoly and conspiracy — as an effective allocator of resources, and for the most part did not believe that government should compete with private companies. Lawrence Veiller rejected public ownership or even subsidies of housing.<sup>7</sup> Many of the strongest supporters of Progressive urban reform, particularly at the local level, were businessmen or corporate lawyers.<sup>8</sup>

Progressives rejected the idea of *laissez-faire*, believing that businesses, like all social institutions, should be subject to wholesome regulation. Many businessmen agreed, hoping that the government could bring a stable and profitable order to the chaotic competitive environment in which they operated. Even in the heyday of *laissez-faire*, the late 1860s and 1870s, the older Whig-Republican idea that the government should promote, protect, and even subsidize private enterprise persisted, and Progressives, often of Republican background, could live with this aid so long as it promoted the general welfare.<sup>9</sup>

Progressives were quick to attribute social problems to evil individuals instead of holding the capitalistic system to blame. Muckrakers enraged Progressive audiences with vivid accounts of greedy big businessmen contemptuous of the public weal. Since slumlords caused slums, code enforcement for the recalcitrant and the example of model tenements for the penitent would presumably eradicate the evil.<sup>10</sup>

### *Poverty*

Before the Progressive era, most reformers believed that poverty usually resulted from individual depravity. In this they shared the popular view, which was, according to Robert Bremner, that

poverty is unnecessary (for Americans), but the varying ability and virtue of men make its presence inevitable; this is a desirable state of affairs, since without the fear of want the masses would not work and there would be no incentive for the able to demonstrate their superiority; where it exists, poverty is usually a temporary problem and, both in its cause and cure, it is always an individual matter.<sup>11</sup>

The rapid growth of urban slums and the frightening depressions in post-Civil War America made it increasingly difficult for reformers to hold on to this view. The unhealthy slum environment itself might be a cause of poverty as well as a result. By 1900, reformers were shifting their efforts from reforming the individual to remaking the social environment. It had long been recognized that some of the poor — that is, virtuous widows — might not be responsible for their plight, but the numbers of “deserving poor” were felt to be small. Now it began to be accepted that the bulk of the poor were not fully responsible for their condition. The challenge was to iden-

tify and assist them without being generous to the point of corrupting their morals and leaving them permanently dependent.<sup>12</sup>

Progressives thus believed that most of the poor were potentially bourgeois, members of what Lawrence Friedman has termed "the submerged middle class."<sup>13</sup> Improving the environment by rebuilding the slums, providing parks and playgrounds, and eliminating saloons and prostitution would effectively end poverty, except for the chronically vicious, who would be institutionalized. By 1910, however, some Progressives were realizing that additional measures, such as social insurance, child labor laws, and higher wages, would be needed, and that the elimination of poverty was more difficult than they had once believed.<sup>14</sup>

### **Racism**

The Progressive movement coincided with the high water mark of American racism. Segregation swept the South, the disenfranchisement of black voters was nearly complete, and lynchings and race riots occurred with sickening frequency. Pseudo-scientific cant reached the point at which non-Anglo-Saxon Caucasians were held to be racially inferior. With a few prominent exceptions, Progressives at least tolerated segregation. Housing reformers would not actively strive for equal treatment of minorities until well into the 1950s.<sup>15</sup>

### **Congestion**

Progressive housing reformers regarded overcrowding as the most serious single urban problem. New York City tenements packed twenty-four families onto a twenty-five-hundred-square-foot lot, and some parts of Manhattan were among the most crowded spots on the planet.<sup>16</sup> As early as the 1840s, suburbanization was being advocated as one solution for excessive residential density.<sup>17</sup>

A half century later, suburbs bloomed and urban congestion remained, but the lure of the fringe remained strong. "The metropolis of the future," the Massachusetts Rapid Transit Commission forecast in 1892, would be "a city closely built, and during the daytime densely populated, this surrounded by a semirural district, in which are the homes of those who work in the city, but who pass their nights, and whose families pass their lives, under the purer and healthier influences of the country." With better transit even the workingman would be able to "abandon the unhealthy and demoralizing life of the tenement-house, and obtain for himself and family the benefits of a suburban home."<sup>18</sup> The pioneering urbanologist Adna Webber concluded his monumental study, *The Growth of Cities in the Nineteenth Century* (1899), by noting that "the most encouraging feature" of recent years was "the tendency . . . toward the development of suburban towns."<sup>19</sup>

Not surprisingly, Progressives welcomed the automobile and championed the Garden City movement, which proposed building new, low-density cities with limited populations.<sup>20</sup> Progressive housing reformers generally supported home ownership and the single or two-family house as promoting the best middle-class values and giving individuals a stake in the social order. Several model housing schemes employed individual homes, detached or semidetached, instead of tenements.<sup>21</sup> Still, most probably wondered if suburbanization would ever significantly reduce urban density, as had Jacob Riis when he wrote in *How the Other Half Lives* (1890): "Workmen, in New York at all events, will live near their work, no matter at what sacri-

fice of comfort — one might almost say at whatever cost, and the city will never be less crowded than it is.”<sup>22</sup>

For all its efforts, the Progressive housing movement failed. The slums remained. Negative reforms, such as tenement codes, raised the quality of new construction and helped upgrade older units, but they could not significantly improve the stock of urban housing. Rigid enforcement of the laws against overcrowding would literally push people out into the street. Higher building standards meant higher costs and, ultimately, higher rents. The dilemma was that increasing the *quality* of housing threatened to reduce the *quantity* available, especially to the poorest residents.<sup>23</sup>

The other Progressive housing measures, the model tenements, and the attempts to improve the general neighborhood environment through parks, playgrounds, and vice control, met with no greater success. Model tenements provided tenants with quarters superior to what they otherwise could rent, but too few were ever built to have much of an effect on the slums. Individual landlords, even if they had wanted to, rarely had the financial resources to invest in large-scale model tenements. Most slumlords were small operators, often immigrants themselves, not large institutions or wealthy rentiers. As buildings deteriorated, there was a “filtering down” of landlords, as ever poorer landlords followed ever poorer tenants.<sup>24</sup>

With all its failings, the Progressive housing movement had launched an effort of great vigor whose effects have been felt ever since. The housing codes remained, paving the way for such later regulations as zoning and subdivision control. Echoes of the model tenement continue to be heard today.

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### The Emergence of Federal Housing Policy: The 1920s

In 1916, the city of New York enacted the nation’s first zoning law. Zoning, which originated in German cities around 1900, was adopted in New York following several years of study, when fashionable Fifth Avenue merchants wanted to restrict the spread of garment factories near their stores. In its sweeping restrictions on land use it was the most radical departure from traditional American real estate practice to that time.<sup>25</sup>

This major break with *laissez-faire* was promoted by conservative business and real estate interests seeking to stabilize the land market. Whatever potentially radical effects zoning might have had were curtailed when it was separated at birth from the process of planning. Zoning was destined to become a tool of politicians, lawyers, and land developers, not comprehensive planners.<sup>26</sup>

The novelty of this new regulation in the nation’s most important city could not help but attract national attention, and the law’s authors, like Lawrence Veiller, did all they could to encourage other cities, large and small, to adopt zoning. In part this was done in hopes of strengthening the city’s position when the law faced its inevitable court challenges. The Supreme Court was a bastion of traditional conservatism, and despite the conservative intentions of the law, there were fears that the Court would find that zoning constituted a taking, which would require compensation to property owners.<sup>27</sup>

Until 1921, the federal government had only one brief involvement with housing. During 1918 the government had constructed nearly 25,000 units of rental housing

for war workers, but Congress ordered their sale shortly after the end of the fighting. Staffed by imaginative architects and planners, the U.S. Housing Corporation and the Emergency Fleet Corporation produced housing of a surprisingly high quality and served as a direct inspiration for public housing advocates in the 1930s.<sup>28</sup> The government's reinvolvement with housing began when Secretary of Commerce Herbert Hoover sought to stimulate the real estate and construction industries by setting up the Division of Building and Housing within the Bureau of Standards. Hoover saw that housing prices put the average new house well beyond the budget of the typical worker. His strategy was to help the construction industry reduce costs through greater standardization of materials, which the government could encourage. He also discovered the New York-led zoning movement.<sup>29</sup>

In 1921 Hoover named an Advisory Committee on Zoning, dominated by Veiller and other New York zoners. The following year the committee issued its influential *Standard State Zoning Enabling Act*, based heavily on the New York statute. The government sold more than 55,000 copies, and a year later nearly a dozen states had enacted similar laws.<sup>30</sup>

With the official endorsement of the federal government, zoning spread from coast to coast. By the end of the decade nearly eight hundred cities and towns had adopted zoning.<sup>31</sup> This popular acceptance doubtlessly played a part in the somewhat surprising decision of the U.S. Supreme Court in 1926 when, in *Euclid v. Ambler*, by a 6 to 3 vote, it upheld zoning. In its decision, written by ultraconservative Justice George Sutherland, the Court endorsed the idea that multifamily housing (which it termed commercial) ought to be excluded from single- and two-family residential districts.

The development of detached house sections is greatly retarded by the coming of apartment houses, which has sometimes resulted in destroying the entire section for private house purposes . . . In such sections very often the apartment house is a mere parasite, constructed in order to take advantage of the open spaces and attractive surroundings created by the residential character of the district. Moreover, the coming of one apartment house is followed by others . . . bringing . . . the disturbing noises incident to increased traffic and business, and the occupation, by means of moving and parked automobiles, of larger portions of the streets, thus detracting from their safety and depriving children of the privilege of quiet and open spaces for play, enjoyed by those in more favored localities — until, finally, the residential character of the neighborhood and its desirability as a place of detached residences are utterly destroyed.<sup>32</sup>

With a seal of approval from the judicial branch of the federal government, zoning's future was assured.<sup>33</sup>

By promising stability for investors, zoning helped rationalize real estate and stimulated housing, as well as helping to launch the great speculative construction boom that finally helped bring down the entire economy in 1929.<sup>34</sup>

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### Housing and the New Deal

As secretary of Commerce for two weak presidents, Herbert Hoover was largely responsible for federal economic policy in the 1920s, and he reaped the results as president in the early 1930s. Once the severity of the Depression became known, attempts were made to prop up the construction and banking industries, but to little

avail. By 1933, when Hoover left office, half the mortgages in the country were in default, and a thousand properties were being foreclosed daily.<sup>35</sup>

In this atmosphere of deep crisis, the administration of newly elected Franklin D. Roosevelt was able to make an unprecedented intervention into the home financing system. On June 13, 1933, the Home Owners Loan Corporation (HOLC) was created to refinance existing home mortgages in danger of foreclosure. More than a million mortgages were written. The HOLC pioneered the use of the long-term, self-amortizing mortgage (hitherto, the typical home mortgage was from five to ten years, with a balloon payment due at the end, usually requiring periodic refinancing).<sup>36</sup>

A year later, on June 27, 1934, President Roosevelt signed the National Housing Act, which created the Federal Housing Administration (FHA). “No agency of the United States government,” observed Kenneth Jackson, “has had a more pervasive and powerful impact on the American people over the past half-century.” The FHA was intended to stimulate the moribund housing industry by insuring new mortgages. It was one of the most successful of all New Deal measures: housing starts, which nearly doubled between 1937 and 1941, zoomed after the end of World War II; “Between 1934 and 1972, the percentage of American families living in owner-occupied dwellings rose from 44 percent to 63 percent.” And for this the FHA could well take credit: by 1972 it had insured over 11 million mortgages. Taking the long-term, self-amortizing mortgage from the HOLC, it also promoted minimum home construction standards that swept the home-building industry.<sup>37</sup>

Most new housing after 1937 was in the suburbs, which often were unprepared for the enormous growth the FHA directed their way. But the FHA was a veritable disaster for older cities, which received few FHA-guaranteed loans. Taking its cue from the Progressive housing reformers the FHA was partial to the owner-occupied, single-family house and far readier to insure loans for them than for multifamily rental properties. With a nod to home builders, the FHA made it easier to buy new homes than to rehabilitate older ones. And most important, the FHA based its decisions on whether to insure a mortgage on factors that discriminated against houses in older built-up areas. The FHA openly endorsed racial segregation until the 1950s and generally refused loans to areas characterized by “inharmonious racial or nationality groups”; its *Underwriting Manual* “read like a chapter from Hitler’s Nuremberg Laws.”<sup>38</sup> The resulting “redlining” — in which certain urban neighborhoods were written off as too risky for loan guarantees — became self-fulfilling prophecy, as private lenders followed the lead of the FHA and shut off credit, making it virtually impossible for applicants to get mortgages for rehabilitation or building loans.<sup>39</sup>

Until World War I, builders constructed new housing for all income levels, from mansions to tenements, but after 1920 they concentrated on the top half — or even top third — of the market by income groups, where profits were greatest. By 1935 the slums were not simply crowded and poorly maintained but also old; new tenements had not been built in nearly a generation.<sup>40</sup> Although such Progressives as Lawrence Veiller had rejected publicly subsidized or owned housing, by 1919 a few, like Edith Elmer Wood, began calling for governments to construct low-income housing and clear slums. In the 1920s, Wood joined up with Clarence Stein, Lewis Mumford, and others of the Regional Planning Association of America (RPAA), some of whom had designed government-built war housing in 1918, in helping to launch organizations to lobby for legislation.<sup>41</sup>

Most of the early housing efforts of the New Deal in Roosevelt's first term (1933–1936) were aimed at propping up particular industries — such as homebuilding, real estate, and banking. Of a rural background, Roosevelt had only limited personal knowledge of and interest in urban issues. Low-income-housing advocates had little success in securing government support. The National Industrial Recovery Act (NIRA) of 1933 authorized the Public Works Administration (PWA) to build public housing and clear slums, but only a limited number of units were produced under this emergency legislation. Intense lobbying efforts by advocates such as Woods and Catherine Bauer secured strong support from organized labor and at last won the reluctant endorsement of the president. Following his triumphant reelection in 1936, Roosevelt endorsed a housing bill previously introduced by Senator Robert F. Wagner of New York. Large majorities of both houses of Congress passed the legislation, and the president signed the Housing Act on September 1, 1937.<sup>42</sup>

The Wagner Act set the pattern followed by subsequent housing legislation. Under its provisions the U.S. Housing Authority was established to subsidize local housing authorities. These locally organized and controlled bodies borrowed money from the federal government to build public housing units. Tenant rent covered out-of-pocket operating costs while annual subsidies from Washington paid off the loans. This reliance on rent payments, as Lawrence Friedman noted,

would . . . tend to restrict public housing to the honest, working poor. Dependent families, families with no incomes, and problem families would usually be too poor for public housing. . . . The projects would mainly be filled with deserving but underpaid workers — innocent victims of economic reverses, who need a “break” to tide them over the lean years.<sup>43</sup>

At the same time, upper-income limits kept out those who could afford private housing, thus deferring the government from competing with the private sector. To prevent extravagance, conservatives had tacked on a requirement that costs not exceed \$4,000 per unit (\$5,000 in large cities). Finally, the act provided for the old Progressive goal of slum clearance by requiring that for each unit constructed a unit of substandard housing be eliminated. Thus the overall housing stock would not increase, but at a time when many buildings were vacant due to lack of tenants who could afford the rent, this did not seem unreasonable.<sup>44</sup>

Between 1937 and 1941, the U.S. Housing Authority funded 300 projects resulting in 130,000 units of new low-income housing. At the same time, 79,000 units of older substandard housing were demolished or upgraded. Although these projects were large in overall size, one- to three-story buildings were the norm (only a small fraction contained buildings with more than five floors). Unlike the crowded tenements they replaced, the new housing featured open space, playgrounds, and meeting rooms. Housing reformers like Wood and Bauer were able to influence design standards and operating policies to support the family life of the poor.<sup>45</sup>

Later legislation and changes in administrative procedures would modify this initial housing policy, often for the worse, making the shortcomings of public housing painfully obvious. But in retrospect the Wagner Act itself was deeply flawed. The law's construction cost limits reflected in part the traditional American attitude toward charity, inherited and transmitted by the Progressives, that dependency must be discouraged. Boston's Josephine Shaw Lowell, in 1884, put it succinctly: “Relief should be surrounded by circumstances that shall . . . repel everyone, not in extrem-

ity, from accepting it.”<sup>46</sup> Congress, explained Lawrence Friedman, “did not want its public housing, any more than its jails, to be luxurious. Congress wanted public housing to act as a way station for the temporarily dispossessed; it was to be a ‘slum of hope,’ but without peeling plaster and nauseous privies.”<sup>47</sup> Millions of working-class American taxpayers who were ineligible for public housing would have been outraged to see poorer people enjoying better quarters at their expense.<sup>48</sup>

These attitudes virtually assured that American public housing would be unattractive, if not repulsively grim. Public housing *had* to look like public housing. Unfortunately, Congress attempted to limit “luxury” features by clamping down on construction costs, apparently not realizing that amenities in fact made up a relatively minor part of overall development expenses. The result was to encourage builders to reduce basic construction quality, not simply skip “frills.” Thus the Wagner Act was a blueprint for dreary, cheaply built structures housing a transient population striving to escape the stigma of charity by leaving as quickly as possible.<sup>49</sup> No wonder that most neighborhoods and communities would as soon embrace public housing as a prison or a pesthouse.

Realizing that public housing might prove unpopular, Congress made it entirely voluntary. Any municipality could reject it altogether by simply failing to establish a housing authority, and for those which did want some subsidized housing, the local authority, not the federal government, decided where it would go. In Chicago, for example, each alderman had veto power over projects in his ward. In addition, by requiring that one unit of substandard housing be eliminated for each constructed *in the same community*, the law guaranteed that public housing could never be built on cheaper vacant land on the urban fringe but only in the older inner-city neighborhoods where the poor already lived.<sup>50</sup>

The entry of the United States into World War II in December 1941 brought an end to the initial phase of federally funded public housing construction. New low-income housing projects were canceled as priorities shifted, as they had in World War I, to housing war workers. The New Deal was over, but its housing legacy — particularly the FHA and the Wagner Act — would have a powerful effect on the shape of the nation after the war.

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### **From the Fair Deal to the Great Society**

In 1945 the nation faced an acute housing shortage. The overheated war economy had left Americans flush with cash, which they were anxious to spend on houses, cars, and other goods. The government rewarded the 16 million war veterans (and voters) with the Serviceman’s Readjustment Act of 1944 (the GI Bill), which, among other things, created the Veterans Administration (VA). The VA worked in close association with the FHA to guarantee mortgages for ex-servicemen, and it adopted the latter’s policies. Together the FHA and the VA helped finance the construction of millions of units of new housing, mostly single-family and in the suburbs. Mass-market building techniques and low-interest loans brought monthly costs of new homes below average rents.<sup>51</sup>

At least partly as a result of these policies, the cities were losing their middle classes to the burgeoning suburbs. Former residents of public housing were leaving for the vacated middle-class urban neighborhoods or even the suburbs themselves. At the same time, poor rural migrants, particularly southern blacks, Puerto Ricans

and other Hispanics, and Appalachian whites, were seeking shelter in the old urban slums.<sup>52</sup>

This put administrators of public housing in a dilemma. Public housing was intended to serve as temporary quarters for the “submerged middle class,” the hard-working poor on their way to respectability, not as permanent homes for the lowest-income poor. Yet it was this underclass that was most in need of a place to live, at a time when the prewar tenants could afford to leave. The inevitable result was a major shift in tenant selection policy whereby welfare recipients came to constitute an increasing proportion of public housing occupants.<sup>53</sup>

At the same time, the return to prosperity in the 1940s eroded political support for public housing. Federal funding for new nondefense housing projects ended in 1942, and an increasingly conservative Congress would not authorize resumption of the program. President Harry Truman made federal aid for housing part of his Fair Deal program, but the capture of Congress in 1946 by conservative Republicans generally hostile to public housing put the program on the defensive. In a surprising move, Senator Robert Taft, a conservative Republican from Ohio, agreed to sponsor housing legislation acceptable to the Truman administration. But passage of this bill had to wait until after Truman’s unexpected election victory in 1948, which again produced a Democratic Congress.

After four years of effort, the so-called Taft-Ellender-Wagner Housing Act was signed by President Truman on July 15, 1949. It officially committed the nation to “the goal of a decent home and a suitable living environment for every American family.” The public housing program of the Wagner Act was revived, with 810,000 units of housing authorized for the next six years (this provision had survived the House of Representatives by only five votes). Finally, it authorized a massive program of urban redevelopment.<sup>54</sup>

Slum clearance had been a major objective of housing reformers since the Progressives, but demolishing blighted areas appealed to many with scant interest in housing for the poor. Real estate interests, bankers, and businessmen were dismayed to watch their investments in urban land go sour, while urban planners dreamed of rebuilding cities. Public housing advocates, realizing that removing slums was far more popular than rehousing the poor, saw no choice but to link the two, including in the housing bill a slum clearance measure originally written by the real estate lobby so hostile to public housing. Title I of the 1949 Housing Act authorized cities to create Urban Redevelopment Authorities armed with powers of eminent domain to condemn blighted areas. They would acquire the properties, demolish the buildings, and resell the land, below cost, to private developers.<sup>55</sup>

Title I, along with its successor, the 1954 Housing Act (in which urban redevelopment became urban renewal), changed the face of urban America. Unfortunately, the poor gained little from the massive rebuilding that occurred. The law attempted to link redevelopment to housing by requiring that redevelopment projects be confined to currently residential districts or areas that would become so after development. But it did not require that any new housing result. Developers could — and did — tear down residential neighborhoods and replace them with stores, luxury hotels, and even parking lots. What housing was built through redevelopment was usually too expensive for displaced residents. And sometimes the demolished neighborhoods, like the West End of Boston, were not even slums, just older areas that became attractive to well-connected developers.<sup>56</sup>

Politics in the 1950s was dominated by conservatives, most notably President Dwight Eisenhower. Public housing was under constant attack in Congress. Eleven years after Congress authorized 810,000 units of public housing, it had voted funds for only 322,000.<sup>57</sup> With funding limited, housing administrators sought to cut construction costs. Most prewar projects were one to three stories high; now, soaring land costs and dwindling appropriations made the high rise symbolic of public housing.<sup>58</sup> As part of the 1949 act, housing administrators were forbidden to discriminate against welfare recipients (although racial discrimination was permitted), and public housing tenants increasingly were among the poorest of the poor.<sup>59</sup> Meanwhile, urban renewal, along with highway construction in the wake of the Interstate Highway Act of 1956, displaced large numbers of the poor without providing sufficient replacement housing. The remaining slums became more crowded, and derelict buildings were given new leases on life.<sup>60</sup>

By the early 1960s, critics, conservative and liberal, assaulted public housing. Catherine Bauer, one of the prime movers behind the Wagner Act, noted angrily, in 1957, that "life in the usual public housing project is not the way most American families want to live."<sup>61</sup> "Low-income projects," Jane Jacobs wrote in her influential *The Death and Life of Great Cities* (1961), have "become worse centers of delinquency, vandalism, and general social hopelessness than the slums they were supposed to replace."<sup>62</sup> Various pieces of housing legislation were enacted to correct some of the worst abuses, but the basic system remained unchanged. Although Democratic, the Kennedy administration did not establish a strong low-income housing program. The general unpopularity of housing projects kept new subsidized housing units to only 24,000 a year during the Kennedy years, fewer than under Eisenhower.<sup>63</sup>

On becoming president in 1963, Lyndon Johnson attempted to implement a second New Deal, which he styled the Great Society. Urban housing was not a high point on his original agenda, but the Housing and Urban Development Act of 1965, which he put through Congress after his smashing electoral victory, authorized 60,000 new units of public housing a year for four years, more funds for urban renewal, and a new program of rent supplements for poor individuals to subsidize rents in private housing. (LBJ had wanted this to go to the working poor ineligible for public housing, but Congress restricted it to *only* those eligible for public housing. After authorizing the program, Congress blocked funding for it owing to fears that it would bring public housing to white suburbs.) Johnson also obtained long-sought recognition for housing problems when the cabinet-level Department of Housing and Urban Development was approved by Congress in 1965.<sup>64</sup>

Beginning that same year, insurrection swept the ghettos of America's largest cities, the worst riots occurring in the summer of 1967 in Detroit and Newark and, after the assassination of Martin Luther King, in 1968. With an urban crisis clearly at hand, Johnson was able to get Congress to pass another housing bill. The Housing Act of 1968 authorized an incredible 600,000 units of low-income housing (using the same basic funding scheme as in previous housing acts) for the next three years. In the first year, Congress appropriated money for only 100,000 units, still a sharp increase over previous years. It also set up two alternatives to traditional public housing: rent subsidies for limited dividend profit-making or nonprofit developments (Section 236) and an attempt to promote home ownership by mortgage payment subsidies (Section 235).<sup>65</sup>

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## Housing Policy in the 1970s: Transformation and Decline

The war in Vietnam derailed the Great Society, along with the political career of its author. Because of the programs put in place, however, the greatest construction surge of new subsidized housing occurred during the first administration of Richard Nixon. In 1970, more than 90,000 units of conventional public housing were added, along with nearly 120,000 rent-subsidized units and 150,000 Section 235 mortgages. The surge was short lived. On January 8, 1973, just after Nixon buried George McGovern in the 1972 presidential election, the administration announced a freeze on all housing programs pending further study. Nixon was then at the height of his popularity, the urban crisis attitude of the 1960s had faded, and austerity was in the air.<sup>66</sup>

By 1973 some of the worst features of low-income housing policy had been addressed. Since 1966 the FHA had aggressively sought urban mortgages and redlining decreased (critics charged, however, that this merely made it easier for whites to flee the city).<sup>67</sup> High rises were out of fashion, and the new emphasis was on smaller "scatter-site" projects located away from the ghetto. Rent-subsidized projects could include mixtures of subsidized and market-rent units. But the negative image of three decades of American public housing could not be shaken. In 1972, newspapers from coast to coast carried photos of the demolition of St. Louis's notorious fifteen-year-old Pruitt-Igoe project. At the same time, reports surfaced of widespread abuses involving FHA and Section 235 mortgages.<sup>68</sup>

In 1974, shortly before his resignation, Nixon canceled his freeze on new housing projects. One of the first acts of his successor, Gerald Ford, was to sign the Housing and Community Development Act of 1974, the only major housing legislation of the decade. Under this act the subsidy of private construction programs was renamed Section 8 and broadened. After a year and a half of the freeze on housing programs, low-income housing construction resumed, but it never reached the peak of the early Nixon years.

By the time Jimmy Carter took office in 1977, subsidized Section 8 projects had almost entirely succeeded conventional public housing. Unlike his liberal Democratic predecessors, Carter did not seek new housing initiatives. Stymied by a stagnant economy, Carter was anxious to restrain federal expenditures, and the number of subsidized units declined. By 1979 the bulk of the new low-income housing was earmarked for the elderly, such projects having proved acceptable even in suburbia. Only a small portion of what remained of the low-income program was available to low-income urban families.<sup>69</sup> The cumulative effect of decades of urban renewal and the failure to provide sufficient amounts of quality low-income public housing were having a devastating impact on the urban poor. With affordable housing ever scarcer, homelessness was on the rise, a process that became even more critical after Ronald Reagan entered the White House in 1981.<sup>70</sup>

In 1964, the *New York Times* observed that "traditionally, housing bills have been an uneasy compromise between the demands of the private real estate industry and the moral claims of the slum-dwellers, the elderly and the minority groups, with Congress usually more responsive to the former than to the latter."<sup>71</sup> Until well into the 1960s, housing advocates directly descended from the initial Progressive reformers spoke for the consumers of public housing. Federal housing policy was a constant struggle

involving the president and executive agencies, Congress, and the courts, with lobbyists from many quarters and public opinion hovering in the background.

The basic Progressive tenets, widely held among the American middle class, guided that policy. Dispersal of population was good, at least for the middle class; federal policy helped middle-class whites move to suburbia while increasingly isolating the minority poor who remained behind in the cities. Public housing never really had a reasonable chance of success. It was expected to be an improvement over the slums, but without frills that would corrupt the character of its tenants or excite the envy of taxpayers; it had to be repulsive enough to discourage long-term occupancy, yet somehow foster a sense of community among its transient occupants; it was intended for the short-term working poor, but sited, designed, administered, and funded to become the permanent home of the very poor.

Early housing reformers rarely considered the problem of the “undeserving poor” — drug addicts, single mothers dependent on welfare, alcoholics, foreigners unwilling to learn English, criminals, and the chronically lazy. Public housing, designed for others, ended up taking these individuals in because our system had made no other provision for them and because often no one else wanted to live there.

Federal housing policy, of course, is not a story of unrelieved disaster even for the poor. Hundreds of thousands of people took shelter in public housing, and many projects, particularly more recent smaller ones, were well run. Still, the failure after more than half a century to develop a satisfactory housing policy inspires scant confidence that the narrower problem of homelessness will ever be addressed effectively by our federal government. ❁

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## Notes

1. Kenneth T. Jackson, *Crabgrass Frontier: The Suburbanization of the United States* (New York: Oxford University Press, 1985), 224, 7.
2. Paul Boyer, *Urban Masses and Moral Order in America, 1820–1920* (Cambridge: Harvard University Press, 1978), vii, 1–165; Robert H. Bremner, *From the Depths: The Discovery of Poverty in the United States* (New York: New York University Press, 1956), 3–15.
3. Roy Lubove, *The Progressives and the Slums: Tenement House Reform in New York City, 1890–1917* (Westport, Conn.: Greenwood Press, 1974), 25–28, 49–149.
4. *Ibid.*, 33–39; Lawrence M. Friedman, *Government and Slum Housing: A Century of Frustration* (Chicago: Rand McNally, 1968), 73–94.
5. Lubove, *Progressives and the Slums*, 144–49; Friedman, *Government and Slum Housing*, 86–89.
6. Two of the older standard accounts of American reform ignore the Progressive housing movement (see Richard Hofstadter, *The Age of Reform: From Bryan to F.D.R.* [New York: Vintage, 1955]; Eric F. Goldman, *Rendezvous with Destiny: A History of Modern American Reform*, rev. ed. [New York: Vintage, 1956]).
7. Lubove, *Progressives and the Slums*, 178.
8. Hofstadter, *Age of Reform*, 244–56; Gabriel Kolko, *The Triumph of Conservatism: A Reinterpretation of American History, 1900–1916* (Chicago: Quadrangle, 1967), 195; William H. Wilson, *The City Beautiful Movement* (Baltimore: Johns Hopkins University Press, 1989), 41, 78, 99–253.

9. Sidney Fine, *Laissez Faire and the General-Welfare State: A Study of Conflict in American Thought, 1865–1901* (Ann Arbor: University of Michigan Press, 1956); Kolko, *Triumph of Conservatism*, 190–305.
10. Hofstadter, *Age of Reform*, 186–98; Friedman, *Government and Slum Housing*, 39–44.
11. Bremner, *From the Depths*, 16–17. See also Boyer, *Urban Masses*, 90, 146.
12. Bremner, *From the Depths*, 123–39; Boyer, *Urban Masses*, 90, 154–55; M. Christine Boyer, *Dreaming the Rational City: The Myth of American City Planning* (Cambridge: MIT Press, 1983), 14–28.
13. Friedman, *Government and Slum Housing*, 20–21.
14. Lubove, *Progressives and the Slums*, 66–67, 174–75; Boyer, *Urban Masses*, 189–251; Bremner, *From the Depths*, 212–59.
15. C. Van Woodward, *The Strange Career of Jim Crow*, 2d rev. ed. (New York: Oxford University Press, 1966), 88–93; August Meier and Elliott M. Rudwick, *From Plantation to Ghetto: An Interpretive History of American Negroes* (New York: Hill & Wang, 1966), 164, 169–71, 185–86; John Higham, *Strangers in the Land: Patterns of American Nativism, 1860–1925* (New York: Atheneum, 1973), 131–57.
16. Lubove, *Progressives and the Slums*, 7, 31, 94–95.
17. Jackson, *Crabgrass Frontier*, 116–17.
18. Massachusetts Rapid Transit Commission, *Report of the Rapid Transit Commission to the Massachusetts Legislature* (Boston, 1892), 15–16.
19. Adna Ferrin Webber, *The Growth of Cities in the Nineteenth Century: A Study in Statistics* (Ithaca: Cornell University Press, 1967), 458.
20. Jackson, *Crabgrass Frontier*, 174–75; James J. Flink, *America Adopts the Automobile, 1895–1910* (Cambridge: MIT Press, 1900), 108–10; Lubove, *Progressives and the Slums*, 221–29.
21. Lubove, *Progressives and the Slums*, 176–77; Roy Lubove, *Community Planning in the 1920's: The Contribution of the Regional Planning Association of America* (Pittsburgh: University of Pittsburgh Press, 1963), 5–15; Boyer, *Dreaming the Rational City*, 103–4. It should be noted that Lawrence Veiller rejected home ownership as a necessary goal for the poor (*ibid.*, 100). Some even found the three-family wooden three-decker little better than a tenement. Harvard president Charles Eliot condemned the inexpensive buildings for housing “a class of nomads” and for having “a depressing effect on property values, and whenever it appears it sends down the price of real estate.” (Quoted in *ibid.*, 104).
22. Jacob A. Riis, *How the Other Half Lives: Studies among the Tenements of New York* (New York: Hill & Wang, 1957), 210.
23. Friedman, *Government and Slum Housing*, 47–48; Lubove, *Progressives and the Slums*, 180–81.
24. Lubove, *Progressives and the Slums*, 38–39; Friedman, *Government and Slum Housing*, 77–86.
25. Seymour I. Toll, *Zoned American* (New York: Grossman, 1969), 74–187.
26. *Ibid.*, 147, 151–52, 171, 199, 210; Boyer, *Dreaming the Rational City*, 171.
27. *Ibid.*, 187–98.
28. Roy Lubove, “Homes and ‘A Few Well Placed Fruit Trees’: An Object Lesson in Federal Housing,” *Social Research* 27 (Winter 1960): 469–86; Christian Topalov, “Scientific Urban Planning and the Ordering of Daily Life: The First ‘War Housing’ Experiment in the United States, 1917–1919,” *Journal of Urban History* 17, no. 1 (November 1990): 14–45.
29. Boyer, *Dreaming the Rational City*, 148–153; Toll, *Zoned American*, 201.
30. Toll, *Zoned American*, 201.

31. *Ibid.*, 188–93.
32. *Village of Euclid, Ohio v. Ambler Realty Co.* 272 U.S. 365 at 390, 394.
33. Toll, *Zoned American*, 213–53; Timothy Alan Fluck, “*Euclid v. Ambler: A Retrospective*,” *Journal of the American Planning Association* 52 (Summer 1986): 326–37.
34. Boyer, *Dreaming the Rational City*, 153–57.
35. Jackson, *Crabgrass Frontier*, 193–95.
36. *Ibid.*, 195–203.
37. *Ibid.*, 203–06.
38. Charles Abrams quoted in Mark I. Gelfand, *A Nation of Cities: The Federal Government and Urban America, 1933–1965* (New York: Oxford University Press, 1975), 220.
39. Jackson, *Crabgrass Frontier*, 206–18; Gelfand, *Nation of Cities*, 216–22.
40. Nathaniel S. Keith, *Politics and the Housing Crisis since 1930* (New York: Universe Books, 1973), 17–19; Lubove, *Community Planning*, 17–22.
41. Eugenie Ladner Birch, “Woman-Made America: The Case of Early Public Housing Policy,” *Journal of the American Institute of Planners* 44 (1978): 130–36. On the RPAA see Lubove, *Community Planning*.
42. Birch, “Woman-Made America,” 138–41; Gelfand, *Nation of Cities*, 24–25, 59–63; Keith, *Politics and the Housing Crisis*, 27–36.
43. Friedman, *Government and Slum Housing*, 109.
44. *Ibid.*, 99–100, 106–13.
45. Birch, “Woman-Made America,” 138, 141.
46. Quoted in Bremner, *From the Depths*, 47–48.
47. Friedman, *Government and Slum Housing*, 113.
48. Irving Welfeld, “American Housing Policy: Perverse Programs by Prudent People,” *Public Interest*, no. 48 (Summer 1977): 134; R. Allen Hays, *The Federal Government and Urban Housing: Ideology and Change in Public Policy* (Albany: State University of New York Press, 1985), 96.
49. *Ibid.*, 96–98. Before World War II, Edith Wood, Catherine Bauer, and other housing advocates labored mightily with some success to produce decent public housing in spite of the limitations of the Wagner Act (see Birch, “Woman-Made America,” 141).
50. Jackson, *Crabgrass Frontier*, 224–27; Hays, *Federal Government and Urban Housing*, 131.
51. Jackson, *Crabgrass Frontier*, 204–06, 231–45.
52. *Ibid.*, 206; Jean Gottmann, *Megalopolis: The Urbanized Northeastern Seaboard of the United States* (Cambridge: MIT Press, 1961), 417–20.
53. Hays, *Federal Government and Urban Housing*, 91–92; Friedman, *Government and Slum Housing*, 109–110.
54. Keith, *Politics and the Housing Crisis*, 58–100; Gelfand, *Nation of Cities*, 144–56.
55. Friedman, *Government and Slum Housing*, 148–50; Gelfand, *Nation of Cities*, 109–110, 145–56.
56. Friedman, *Government and Slum Housing*, 148–72.
57. Jackson, *Crabgrass Frontier*, 224.
58. Birch, “Woman-Made America,” 141–42.
59. Friedman, *Government and Slum Housing*, 109.

60. Hays, *Federal Government and Urban Housing*, 181–86. For a chilling case study of displacement at its worst, see Robert A. Caro, *The Power Broker: Robert Moses and the Fall of New York* (New York: Knopf, 1974), 966–87.
61. Quoted in Birch, "Woman-Made America," 142.
62. Jane Jacobs, *The Death and Life of Great American Cities* (New York: Random House, 1961), 4.
63. Keith, *Politics and the Housing Crisis*, 110–45; Gelfand, *Nation of Cities*, 157–97, 308–47.
64. Keith, *Politics and the Housing Crisis*, 151–73; Gelfand, *Nation of Cities*, 348–89.
65. Hays, *Federal Government and Urban Housing*, 87–89, 104; Keith, *Politics and the Housing Crisis*, 186–93.
66. Hays, *Federal Government and Urban Housing*, 133–36, 151.
67. Jackson, *Crabgrass Frontier*, 214–15.
68. Hays, *Federal Government and Urban Housing*, 112–20, 130, 141–43.
69. *Ibid.*, 150–58.
70. Michael H. Lang, *Homelessness amid Affluence: Structure and Paradox in the American Political Economy* (New York: Praeger, 1989), 12–19.
71. Quoted in Gelfand, *Nation of Cities*, 361.