Testimony of:

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Preserving a Lifeline: Examining Public Housing in a Pandemic
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Chairman Cleaver, Ranking Member Stivers, and Members of the Subcommittee, thank you for inviting me to participate in today’s hearing. My name is Michael Hendrix, and I serve as the director of state and local policy at the Manhattan Institute. Along with my colleagues, we seek to advance freedom and opportunity across America’s communities.

The pandemic showed us the failed reality of public housing in America—and the need for a better deal for Americans in need of a safe place to call home.

Nowhere is this clearer than with the New York City Housing Authority (NYCHA), the nation’s oldest and largest public housing system, and long held as the greatest example of what government-led housing can achieve. “A new day is dawning, a new life, a new America,” declared then-New York Mayor Fiorello La Guardia at the 1936 launch of a campaign of development and slum clearance that would set the tone for public housing across this country.¹

That “new dawn” is now long past. The “new life” turned into a dead end for millions of Americans. Through the example of NYCHA, we must see how poorly run local housing authorities are (1) failing to care for the well-being of their tenants, (2) actively harming the health and safety of those under their roof, (3) and doing little to integrate residents into the broader economy or community. These are not failures of funding alone, but inescapable flaws of public housing itself, which robs Americans of safe and equitable choice in shelter.

PUBLIC HOUSING, PAST AND PRESENT
New York City’s housing authority is a city unto itself. With a population roughly the size of Cincinnati and home to one in 15 New Yorkers, NYCHA is by far the country’s largest public housing authority. Its 365,806 authorized public housing residents live in some 169,820 units across 2,252 residential buildings.² NYCHA’s units represent nearly eight percent of all housing in the Big Apple, and the authority itself employs over 10,000 people, including many residents.

Such wealth and breadth of housing and employment was core to NYCHA’s mission from its beginning. Founded in 1934 with the aim of providing “decent, affordable housing for low- and moderate-income New Yorkers,” NYCHA was meant to be a safe alternative to the slums and a source of stable shelter and employment to a populace suffering from the Great Depression. The city’s public housing was originally designed with public health in mind. The aptly named First Houses, erected in 1935, cleared the “Lung Blocks” on the Lower East Side of Manhattan congested with tuberculosis and other deadly maladies.3 The New York Court of Appeals denied one tenement owner’s challenge to the government’s clearance of his building by citing the “unquestioned and unquestionable” evils of slums as “breeding places of disease.”4

What was newly built then is now old and little changed; some 36 NYCHA buildings are now more than 70 years old.5 Time would alter NYCHA’s mission, from a European-inspired model housing service to socially engineered welfare state agency and finally to an affordable housing scheme on a grand scale.6 But nothing, not even reality, truly shifted the expert’s fundamental belief that NYCHA represented “one of the best public housing programs in the nation.”7

The voices of actual NYCHA tenants should disabuse us of that notion. In February 2018, a lawsuit filed on their behalf decried the housing authority’s squalid conditions, claiming the agency “failed to provide tenants with heat and hot water, keep residents safe from lead, involve tenants in policy-making, and hire residents, as required under federal law.”8 In June of the same year, after NYCHA’s chairwoman resigned in disgrace, federal prosecutors filed their own complaint accusing the authority of “violating basic health and safety regulations” and exposing children to lead paint.9 NYCHA quickly admitted to the truth of these allegations and

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agreed to oversight by a federal monitor. One critic labeled this measure the “equivalent of nailing a 2-by-4 to a collapsing building.”

The edifice of public housing is indeed collapsing across New York City, literally and figuratively. Its example should be a warning to local housing agencies across the country; whatever the fault of Washington and its appropriators, the lived reality of public housing across America is a social engineers’ dream turned nightmare by design. Units are thrown up with little care for how they will be maintained in perpetuity, designed by committee and on the cheap in order to capture as many in need as possible, and once filled with desperate residents becoming a trap of ill health, high crime, endemic poverty, and rampant segregation. The implicit subsidy provided to public housing’s residents would likely be better used explicitly in their pockets—free then to move into neighborhoods of real opportunity by their own choice—and with local housing agencies existing as resources rather than as landlords of last resort.

But, then again, America has already invested enormous sums in the public housing status quo. As of 2016, this country’s more than 3,000 public housing agencies (PHAs) managed more than one million units across nearly 7,000 properties housing some 2.1 million residents. The vast majority of public housing tenants (91%) meet the Department of Housing and Urban Development’s (HUD’s) definition of “very low income” (earning below 50% of the area median income, or AMI) and 72% of residents qualify as “extremely low income” for making below 30% of AMI. The typical household in public housing pulls in an annual income of just $14,444. Their rents come to 30% of household income—HUD’s definition of affordability—with a minimum rent of $50 per month (thereby ensuring that public housing is unsustainable on rents alone). Those with disabilities as well as seniors and working families receive priority by housing authorities when filling vacant units.

More than half of the nation’s public housing units were built before 1975. Their maintenance backlog is enormous: one estimate puts a price tag of $70 billion for rehab and repair. More than 8% of units inspected by HUD recently received failing scores, and another 20% of units

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13 Ibid.
14 Ibid.
had near-failing scores.\textsuperscript{16} To help remedy this, HUD’s annual award from its Capital Fund Program “to build, renovate, and/or modernize the public housing” now totals $2.7 billion.\textsuperscript{17} But, as the department’s inspector general has noted, “PHAs often operate with little oversight” and “officials have few or no qualifications to effectively discharge their responsibilities.”\textsuperscript{18} And public housing in America continues its decades of decline.

**FAILURE OF CARE**

Public housing routinely fails to properly provide for and protect the well-being of its residents. Take NYCHA, where residents often endure abysmal living conditions. Judge William Pauley, in his decision against New York’s public housing agency that soon led to the appointment of a federal monitor, found that:

“NYCHA’s size is paralleled by its organizational disarray in providing any semblance of adequate housing for some of [society’s] most vulnerable members and its systemic cover-up of a host of fundamental health and safety issues.”\textsuperscript{19}

Merely walking around the typical New York City housing project shows broken lights, decrepit playgrounds, and decaying facades, among other woes. Inside is hardly any better, from the failing elevators and smoke alarms to broken pipes and cracked tiles. One tenant who joined a lawsuit against NYCHA stated that “We are living as if it’s a third world country.”\textsuperscript{20} Even New York Gov. Andrew Cuomo joined the chorus, stating that “the conditions of habitability at NYCHA-managed residential properties constitute a public nuisance affecting the security of life and health in the City of New York.”\textsuperscript{21} In 2020, the New York City’s public advocate ranked NYCHA as the city’s worst landlord for the third year in a row.\textsuperscript{22}


The list of needed repairs and renovations is long for New York’s public housing stock. There are now more than 500,000 open work orders as of February 2021. Worse yet, maintenance performance is declining; a repair that would’ve taken NYCHA staff or contractors an average of 148 days to complete in February 2020 now takes an average of 253 days. Some projects take longer than others—a painter demands well over a year to finish their task (389 days) as does a carpenter (391 days). But at least some of those repairs are like wet rags to a flooding dam—more help is likely needed for NYCHA’s overwhelming backlog of deferred maintenance.

NYCHA’s chairman, Greg Russ, pegs the total cost of repairs as high as $40 billion. That sum is nearly 15 times the size of HUD’s annual disbursement through its Capital Fund Program, which is tasked with helping pay for deferred maintenance needs, and more than ten times the annual budget of NYCHA itself. Even then, according to Russ, these dollars would only bring NYCHA’s housing up to a “decent and livable standard”—a far cry from the authority’s heady origins.

While the resident of a private housing unit is free to hire their own contractor or, in the case of a rental unit, demand a landlord make repairs under threat of government penalty, a New Yorker living in a NYCHA unit has no such recourse. They may contact NYCHA’s Customer Contact Center to initiate a work ticket or file a complaint about a code violation, but there’s no penalty for work that’s never done and no public accounting of violations. Unlike a private landlord, NYCHA can’t be fined for shoddy work—or no work at all, such as a leak that’s gone unfixed for three decades. Worse yet, tenants aren’t allowed to make their own repairs, and are held to a fair higher standard of conduct than NYCHA itself. Such inequities might be addressable were it not for inflexible union contracts, where maintenance tasks are more useful as job creation schemes than as an actual means for making repairs, ultimately costing NYCHA more while doing less for tenants.

The rest of the country’s public housing also consistently fails to provide for the well-being of low-income residents. Their housing complexes, though varying in nature across the country, are still far more dangerous and unhealthier than is otherwise typically found in the neighborhoods in which they’re located. Boston’s public housing residents, for instance, were more likely to report poor health than the surrounding population or similar residents found in

27 La Mort, Justin R. “Public Housing and Public Health: The Separate and Unequal Protection of Private and Public Housing Tenants’ Health in New York City.” Journal of Affordable Housing 27, no. 2 (June 4, 2018).
non-public housing (and not necessarily for a lack of services). Broader studies of public housing nationwide found little evidence that living in public housing improved resident’s health—at times, quite the opposite, particularly for the health of mothers. The well-being of the elderly or disabled, who together make up roughly half of all public housing residents, also fare poorly. Only 3% of the disabled living in public housing reside in accessible units, and few who ask for these features receive them.

While it is true that public housing in America has too often suffered from decades of neglect and mismanagement, as early as the 1950s maintenance woes were already appearing. By the 1960s, rent from poor tenants were in many cases no longer sufficient to pay for the management let alone the upkeep of America’s aging public housing stock. Time—and need—has not brightened this picture, nor has the underlying assumption that the federal government would across time and presidential administrations pay for rapidly increasing levels of subsidy to local public housing agencies. Still, HUD has given these agencies, including NYCHA, billions of dollars annually for capital expenses, and now pays for at least 60% of the operating budget of New York’s housing authority. No matter how much Washington spends on public housing or which decade we are in, the ask is always for “more”—no additional dollar for government-run housing has ever been or likely will ever be enough.

No one can look at the public housing we actually have and say it’s the housing we want. And more of the same failed ideas are unlikely to help those truly in need. This reality becomes clearer in light of the failures of public housing during the pandemic of Covid-19, as well as its ongoing struggles with lead, asbestos, toxic mold, and crime—among a host of other deeply troubling woes.

HEALTH & SAFETY
Not only are public housing agencies too often failing to care for their residents, in some cases they are actively harming their tenant’s health and safety.

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30 Ibid.


One of the deadliest places to be in New York City during a pandemic is in a New York City Housing Authority apartment. As Covid-19 swept through Gotham in May 2020, NYCHA complexes reported death rates more than twice as high as the rest of the city. The Cassidy-Lafayette complex in Staten Island reported an 88% death rate (out of eight cases, seven succumbed to the virus); in Harlem’s Grant Houses alone some 22 residents passed away by that May. It is likely that many more NYCHA residents have died of the virus than official tallies reveal—and even more infected and uncounted—because of spotty testing and inconsistent reporting.

What we do know is that, as The New York Times concluded, “The pandemic has trapped many poor New Yorkers in miserable living conditions in the city’s public housing system.” As The Times found, many residents were forced into lockdown without central heat to stay warm or gas to cook food; repair calls went unanswered. Vendors were paid to sanitize complexes with little evidence they did so. Residents often found themselves crowded into the few remaining operable elevators in their complex; other buildings were without any elevator access at all, leaving the elderly and disabled stranded. When winter came, many families went without heat or hot water. Meanwhile, shootings in NYCHA complexes jumped an astonishing 103% in 2020 while murders rose by roughly 50%. Two in every five violent crimes across New York City occur within a hundred feet of a NYCHA development. For far too many of its residents during the pandemic, New York’s public housing was less of a lifeline than a death sentence.

While the previous section noted NYCHA’s outstanding repairs, trapping residents at home during a pandemic threw these concerns into even sharper relief. As The New York Times found last year in 2020, “The most common work orders that have not been addressed are requests to fix paint, walls, ceilings, mold, kitchen cabinets, and lead.” Ninety-six percent of the 47 NYCHA complexes with severe outbreaks of Covid-19 all report outdated mechanical ventilation

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37 Ibid.
systems. NYCHA has long been shielded from liability at the state and local levels for its lack of repairs, leaving it to the federal government to enforce. It is only recently that any level of government has taken these concerns seriously in New York.

Take lead, for instance. Some 135,000 NYCHA housing units were built before lead paint was banned in 1978. New York City legally requires its landlords, both public and private, to annually inspect every apartment where a young child resides for lead paint, while HUD mandates its own inspections for all public housing units nationwide. NYCHA simply stopped these inspections—and then lied about it to federal authorities. As reports emerged of children with alarmingly high levels of lead in the blood, NYCHA continued its coverup. Lead poisoning leads to a host of ailments that can last a lifetime, including brain damage. After NYCHA admitted its fault in the face of a federal lawsuit, New York City’s Health Department claimed that just 19 children had tested positive for elevated levels of lead in their blood; health officials later admitted the number of poisoned children was closer to 1,100. Meanwhile, NYCHA claimed that just 3,000 apartments with lead paint housed children under the age of six, though the number was at least twice as high.

NYCHA’s health problems don’t stop with lead. Mold and asthma remain endemic in New York City’s public housing. Children living in NYCHA complexes report asthma rates that are twice as high as their classmates in private housing. Tenants report bubbling paint, spreading mold, and water stains on walls and ceilings; sometimes, pooling rainwater pours from the roof straight into apartments. Inspectors working for NYCHA’s federal monitor discovered in one instance a leaky pipe that had been “cascading putrid liquid” for two months and a “lone worker … trying to stem the tide with a mop.” NYCHA officials promised in 2013 to remedy...

mold cases in two weeks or less, but there’s no sign the authority ever met its goals. The previously mentioned ventilation challenges in the city’s public housing, which may have worsened its outbreaks of Covid-19, also likely contribute to its high rates of asthma.

These problems are not just New York’s problems. HUD estimates that more than 62,000 public housing units nationwide require lead abatement. Many more tenants suffer for want of heat and hot water or bear health issues from invading mold. Worse yet, HUD inspectors often gave passing grades to public housing complexes showing clear signs of toxic mold, asbestos, and lead paint, or where raw sewage regularly backed up and boilers gave out in the dead of winter. And as if all of that is not bad enough, more than 18,000 federally funded housing developments are located within a mile of toxic Superfund sites; as the Washington Post reported, “of the 7,676 properties that the EPA had flagged as the highest priority, HUD decided to focus on seven.”

There is little evidence that public housing makes residents healthier or safer, nor that extending its reach would improve matters. While some argue that these challenges call for public housing authorities to provide greater wraparound services, it’s unclear if agencies that have struggled to provide safe and healthy housing should be trusted with the healthcare of their residents.

INEQUITABLE HOUSING
Public housing’s legacy of segregation persists to this day, preventing residents from building equity or integrating into the broader community and economy.

NYCHA’s earliest housing developments built from the ground up were segregated by race; one in Harlem for black tenants and another in Williamsburg for whites. It took the city’s housing authority until 1964 to end its practice of setting aside apartments for white tenants. Even

52 La Mort, Justin R. “Public Housing and Public Health: The Separate and Unequal Protection of Private and Public Housing Tenants’ Health in New York City.” Journal of Affordable Housing 27, no. 2 (June 4, 2018).
then, maps of housing projects built across Manhattan resemble a dividing line between black and white neighborhoods. NYCHA developments were named after figures like Frederick Douglass or Jackie Robinson, Marcus Garvey and Louis Armstrong, not-so subtly hinting at who these projects were built to house. Neighbors housing poorer or minority New Yorkers were deliberately prioritized for demolition, and residents who were promised new government-built apartments in return were often left bitterly disappointed.

Similar disparate impacts by race were repeated across America in the development of public housing and serve as the foundation for the system we have today. Of the more than 10,000 public housing units built in Chicago from 1954 to 1967, all but 63 were built in poor and racially segregated neighborhoods. Richard Rothstein, author of The Color of Law, observed that housing programs established during the New Deal amounted to a “state-sponsored system of segregation.”

To this day, public housing is overwhelmingly found in poorer and minority areas; census tracts containing such units have an average poverty rate of 33% and are 61% non-white. By segregating similarly poor and minority residents in these public units, such projects amount to the perpetuation of government-backed ghettos. Worse yet, public housing is all too often placed father away from jobs and public transportation, resulting in ever deeper economic and social isolation.

Far too much of today’s public housing bears the legacy of having trapped generations in poverty. Families are condemned to being renters rather than owners, missing out not only the chance to build equity but to earn their own rental income. Such realities also do little to address the racial wealth gap. Before being bulldozed in the 1950s and seeing many of its residents relocated to housing projects, Detroit’s Black Bottom neighborhood had owner-rental rates of between 27% and 54%, similar to rates found in minority areas targeted for slum

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clearance in Chicago and St. Louis. As the Philanthropy Roundtable’s Howard Husock observed,

A major problem with public housing is that, by definition, it is publicly owned. That means that it denies poor households one of the key means of asset accumulation in America: homeownership, including ownership of two- or three-family homes, whose rental income helps fuel upward mobility.

Once segregated in low-income housing, residents are disincentivized to get ahead in life or move to better housing. For one thing, rents rise along with their earnings, by law. And for those who do end up earning “too much” to qualify for public housing in the first place, they are rarely encouraged to move for better opportunities. While the typical public housing resident stays for roughly six years, the average tenure in a NYCHA unit is now over two decades (23.5 years). In fact, nearly two-in-five New York public housing tenants have been there for over four decades. Particularly as market-rate rents rise, the implicit subsidy tied to each public housing unit becomes too valuable for many to give up. Despite a shortage of units, NYCHA residents can essentially stay indefinitely, much as it is elsewhere in the country. A HUD audit found that one family in New York public housing unit earns nearly $500,000 a year yet pays just $1,547 in rent for their three-bedroom apartment. The truth though is that the typical household in public housing will come in poor and leave poor.

EQUITABLE CHOICE
Rather than trapping Americans in unhealthy, unsafe, and often segregated public housing, we should offer those in need an equitable and available choice in housing. Rather than losing out by moving out, housing support should follow those in need and in search of opportunity, much as today’s Section 8 housing vouchers are meant to do. And we should question whether public housing is the right tool for answering calls for shelter and social justice in this country.

As it stands, far more American households qualify for public housing than receive such units. Providing those in need of subsidized shelter a flexible and generous housing voucher—ideally instead of failed public housing—would go a long way to helping millions of our neighbors find

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65 Ibid.
68 Ibid. (NYCHA Fact Sheet 2020)
a safe place to call home. And as Emily Hamilton of the Mercatus Center has suggested, such vouchers could even be turned into direct cash benefits in order to counter discrimination.\textsuperscript{69} Coupled with freer rules on land-use, Americans would enjoy an even greater choice in more affordable housing.\textsuperscript{70} When groups propose spending upwards of $200,000 per unit to fix up NYCHA as a “Green New Deal for Housing,” the casual observer should wonder whether such dollars, if they are to be spent, would be of greater benefit to the \textit{dweller} than the dwelling.\textsuperscript{71}

While there is no guarantee that directly helping people afford decent housing will improve their lives overnight, we would surely be doing far better than doubling-down on America’s failed experiment in socialized housing.

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