

Beyond the Problem Projects Paradigm: Defining and Revitalizing “Severely Distressed” Public Housing

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Abstract

This article challenges the utility of the concept of “severely distressed” public housing, arguing instead that the program has systemic problems and that the 6 percent of developments recently identified as severely distressed by the National Commission on Severely Distressed Public Housing are merely those furthest along a continuum. Applying the commission’s own criteria to nationwide program data that reveal dramatically increased resident impoverishment during the past decade, the article reveals the need for a more inclusive definition of severe distress.

While acknowledging the moral and political imperative to ameliorate conditions in the worst-off places first, the article cautions against overreliance on a problem projects paradigm that could obstruct calls for systemwide reforms. The article advocates an action-oriented research agenda, emphasizing data collection on a variety of ill-understood socioeconomic aspects of public housing conditions and enabling policy analysts to set clearer goals about what sustainable revitalization of public housing should entail.

Introduction: The problem projects paradigm

For decades, the press has characterized U.S. public housing by its most extreme failures, even though most of the 4 million¹ public housing residents may still be adequately served. Journalists and academics have devoted years to describing and explaining the most notorious public housing environments, from Pruitt-Igoe

¹ Data from the U.S. Department of Housing and Urban Development (HUD) indicate that, as of 1991, there were 1.4 million public housing units, with an average occupancy of 2.46 persons and a systemwide occupancy rate of 92 percent. These numbers suggest a total occupancy of about 3.2 million persons. However, because the calculation is based on only those residents listed on the lease, the actual figure may be considerably higher. If one accepts as a norm the New York Housing Authority’s estimate of 20 percent additional unreported occupancy, the national occupancy figure swells to almost 4 million (see Council of Large Public Housing Authorities [CLPHA] 1993, note 4).

in St. Louis to Henry Horner Homes in Chicago (Cooper 1975; Kotlowitz 1991; Lemann 1991; Moore 1969; Rainwater 1970).² Meanwhile, proponents of public housing have had to expend enormous energy to counteract the public's willingness to over-generalize from such accounts and thereby to unfairly condemn the whole public housing program. For a long time, most public housing advocates have contended correctly that the most egregious shortcomings of the public housing program are usually found in large developments in big cities, especially in family high-rises.

This dual need to acknowledge failures and still justify further large government investment explains, perhaps, why policy makers have so often framed the "problem" of public housing as an issue of problem projects. The problem projects paradigm presupposes a clear division between public housing that works and that which does not. By isolating a subset of projects that do not work, the problem projects paradigm has helped focus attention on the most blatant failures of the system, while enabling advocates to continue to defend the bulk of the public housing stock as relatively trouble free. During the past decade and a half the favored official term for such problem places has shifted from "troubled projects" to "severely distressed developments," yet each term still is almost a euphemism for the devastated conditions that continue to grow and fester.

The issue, however, is not just that the worst case scenarios have continued to deteriorate but that adherence to the paradigm of problem projects may have hindered lawmakers in confronting the true breadth of problems experienced by public housing residents nationwide. The population now living in public housing reflects broader economic and demographic trends among low-income persons needing housing assistance. These trends include the rapid growth of impoverishment, the higher incidence of multiproblem families, and the growing numbers of the homeless and deinstitutionalized mentally ill.

Most knowledgeable observers perceive the breadth of the problem. At least since the 1988 release of the congressionally funded *Study of the Modernization Needs of the Public and*

² In this regard, Clare Cooper's *Easter Hill Village: Some Social Implications of Design* is something of an exception, because much of the decline occurred after she left.

Indian Housing Stock (Abt Associates 1988), there has been widespread recognition that addressing the needs of all public housing in the United States would cost tens of billions of dollars. And that is just for the bricks-and-mortar physical needs; new programs to address the social and economic needs of residents and surrounding neighborhoods would cost still more. Unfortunately, frank acknowledgment of the full implications of systematic and systemwide intervention would probably still be financially, and hence politically, too daunting to pursue seriously. Without the money and the political will to assess and address the needs of the management and residents of every public housing development nationwide, most policy makers have come to advocate both concentrated efforts on especially problem-ridden projects and broader, systemwide reform to make such problems less likely in the future. This approach makes good political sense but may cause policy makers to lose sight of the all-important middle ground between short-term disasters and long-term reform of management and operations. Living on that middle ground are hundreds of thousands, if not millions, of public housing residents whose lives are severely distressed but whose developments are not yet counted among the problem projects and currently do not receive adequate funding or attention.

At the center of this issue is a moral and political problem that allows the problem projects paradigm to persist. Housing officials and others who care about the lives of public housing residents cannot afford to allow the nightmarish conditions prevailing in the nation's most "severely distressed" developments to continue, not only because of humanitarian concern for the residents but because these developments endanger the political viability of the whole public housing system.

In this article, I evaluate the problem projects paradigm, which was used most recently by the National Commission on Severely Distressed Public Housing (NCSDPH). I show that the socioeconomic conditions of the whole U.S. public housing population have declined precipitously in the past decade and argue that it makes no sense to divide public housing into problem and nonproblem projects. While there remains good reason to recognize that some public housing developments are in far more dire straits than most others, this recognition must not be allowed to detract from attempts to treat the needs of less troubled places in a comprehensive manner.

The National Commission on Severely Distressed Public Housing

The problem projects paradigm seems now to be retained not out of any illusion that all is well with most of the public housing system, but out of a belief that most public housing can recover on its own, if only it receives a general increase in the level of modernization funds and other programs. In contrast to these developments, which are assumed to represent the vast majority of the stock, there is thought to be a subset of certain qualitatively and quantitatively worse-off developments, whose needs have been neglected for a long time, mainly because U.S. Department of Housing and Urban Development (HUD) rules steered modernization funding toward developments not considered to have the greatest needs. In 1989, Congress passed a statute establishing a blue-ribbon National Commission on Severely Distressed Public Housing (NCSDPH) and charged it with studying and recommending ways of ending such distress. Congress recognized the overwhelming need to help people forced to live in these conditions and, to address this need, authorized another incarnation of the problem projects approach. It is wholly understandable why Congress and housing officials would want to focus on the worst cases one final time; the task this time was not just to identify and bemoan them but to demonstrate how life in these developments might be ameliorated.

The commission, which was cochaired by Congressman William Green (R-NY) and Vincent Lane (chairman of the Chicago Housing Authority), was aware of the problems in the public housing system as a whole. However, its *Final Report*, released in August 1992, necessarily focuses on that part of the stock it defined as severely distressed (NCSDPH 1992). The *Final Report* makes many useful suggestions for improving the intolerable conditions found in America's most devastated public housing developments. At the core of its proposals, NCSDPH calls for a process for designating severely distressed developments to which a separate \$7.5 billion HUD program would be specifically targeted. The report also advocates a new maximum rent system aimed at retaining more working households in public housing, a series of initiatives for improved management, and a program to evaluate the success of efforts to redevelop severely distressed public housing.

I want to highlight here what many readers may miss in the *Final Report*—namely, that the problems in the system as a

whole are severe. Most policy makers, including the commission members, recognize that problem projects are outcomes of the larger public housing system. The challenge, therefore, is not only to identify remedies for the problems that incapacitate the most severely distressed developments but also to identify the sources of problems elsewhere in the public housing system, so that worst case scenarios can be prevented from developing in the future. The special attention given to the worst case developments may divert attention and funding away from the rest of the stock (much of which may be only marginally better off) at a time when the social and economic troubles of residents are deepening and broadening throughout the system. The environmental and socioeconomic needs of typical residents in large public housing developments in major cities are becoming more like those associated with the population of severely distressed developments.

In this context, valuable policy-making efforts such as NCSDPH's Final Report may perpetuate, though unintentionally, the constraints of the problem projects paradigm. Although the Final Report does make recommendations for improving some aspects of the management and operation of the system as a whole, for the most part its authors frame the issue in terms of problem projects. In this article, I examine some of the difficulties inherent in the NCSDPH's effort to define a subset of severely distressed public housing in a way that clearly separates those problem projects from other large segments of the nation's big-city public housing stock. Encouraged, even required, by its congressionally mandated charge to think in terms of the old paradigm, the commission risks letting policy makers and others who read its report underestimate the magnitude of the systemwide problem. For example, although the commission authorized an update of the Modernization Needs study of the public housing system—which revealed that total estimated costs of modernization had risen to about \$30 billion (ICF 1992)—the commission's Final Report does not mention this overall number, limiting itself to the smaller cost associated with severely distressed public housing, the immediate problem at hand.

Moreover, because it is easier to quantify the costs of remedying the physical shortcomings of public housing environments, some policy makers will probably continue to underestimate the less quantifiable, but no less significant, social and emotional distress of public housing communities. The accelerating socioeconomic

decline of public housing residents nationwide, ensured in part by statutory requirements aimed at helping public housing serve those seen as most in need, suggests the need for a new, more systemic mind-set that considers the root causes of distress. The *Final Report* does indeed analyze the roots of distress, and does so in a commendably people-centered tone, but it does so more to underline the nature of the problems faced by those living in severely distressed public housing than to elucidate the problems faced by a system that must absorb the frustrations of poverty without having the resources to help the impoverished help themselves.

Defining the problem project

All involved in public housing have for decades looked for ways to ameliorate conditions in troubled projects and severely distressed developments; with the notable exception of the system-wide modernization needs study (Abt Associates 1988), most have worked within the problem projects paradigm. Certainly, this paradigm was used by the two major federally sponsored efforts to identify and evaluate public housing's worst case scenarios. In 1979, HUD's Office of Policy Development and Research conducted the first major national study of the problems of low-rent public housing projects (Jones, Kaminsky, and Roanhouse 1979). This study sought to define and determine how many projects were in troubled condition, what kinds of projects were troubled, and what kinds of problems such projects faced. A decade later, Congress charged the NCSDPH not only with identifying the nature and extent of the problem, but also with producing a national action plan to eliminate the problem by 2000. In each case, policy makers and researchers sought ways to describe and estimate the number of problem projects, and in each case they struggled over the definition and measurement of such places. The 1979 HUD study noted that there was no expert consensus on the definition or measurement of a "troubled" public housing project; this lack of consensus is still a cause for concern 14 years later.

The authors of the 1979 study suggested that there were two dominant frameworks for measuring trouble, and they used both. The first approach, which can be called "numerical—objective," is that the extent of trouble in a project depends on the number of severe problems that it faces—the larger the number of severe problems, the more troubled the project. The second approach,

which can be labeled "case-study particular," is that for each project the specific kinds and mix of problems, rather than just the number of serious problems, determines whether it is troubled. According to this view, no formula can satisfactorily explain the working of these factors (Jones, Kaminsky, and Roanhouse 1979, 2).

The authors used both approaches to reduce the risk of underestimating the number of troubled projects. Therefore, they considered a project to be troubled if it had five or more significant problems or if it was judged by the HUD field office to be in "bad" or "very bad" condition. Both parts of this definition, of course, are riddled with ambiguities and questionable assumptions.

On the numerical-objective scale there was, for instance, no mechanism for assessing the relative significance of problems, whereas expert judgment used in the case-study particular approach yielded comparison problems of its own. For example, the authors admitted that a project defined as bad in Omaha may be considered good by HUD field staff in Boston (Jones, Kaminsky, and Roanhouse 1979). Moreover, given their institutional connection to the authors of the study and their distance from the day-to-day, on-site experiences of the residents, one may certainly question whether HUD field staff were in the best position to judge overall project condition.

The authors of the 1979 study had no trouble preparing a list of alternative indicators of troubled public housing projects. They pointed to project income-expense ratios, vacancy rates, operating costs, rent delinquency rates, family turnover rates, building condition, vandalism costs, crime rates, tenant satisfaction, and services provided but concluded that such indicators were inappropriate because there was not enough time to collect the data needed to develop them. Moreover, they concluded, there were no commonly accepted sets of criteria or classification schemes that could be adapted to provide a clear division between troubled and untroubled public housing projects, or between any of the alternative indicators, and no existing database that could be used to measure these indicators on a project level (Jones, Kaminsky, and Roanhouse 1979).

Not surprisingly, perhaps, most of these same deficiencies still existed when the NCSDPH was given the task of measuring the problem. The commission relied on quite a large array of

information sources, although once again no systematic effort was made to interview large numbers of residents. Once again, those asked to study the problem were forced to repeatedly decry the absence of data.

As the latest salvo in the battle over public housing, the *Final Report* is a sobering document not only because of what it says about the difficulties facing residents and managers in the most desperate developments, but also for what it reveals about our ongoing inability even to take full measure of the problem. To eliminate something called severe distress in public housing, we must have a clear consensus about what constitutes severe distress. This definitional problem, I will argue, is far more than a concern over semantics. Because the definition involves setting the threshold for a national action plan and because that threshold, in turn, determines the nature and magnitude of the call for additional funds, how we define the problem makes an enormous difference.

In estimating that only about 6 percent (equal to 86,000 units) of the nation's public housing stock would now qualify as severely distressed, the *Final Report* risks implying that all is well with the other 94 percent. In what follows, I discuss the questionable assumptions that seem to have led the commission to underestimate the nature and extent of the funding needed to eliminate severely distressed public housing, and I argue that we need to measure severe distress in more comprehensive terms if there is ever to be meaningful change in the lives of public housing residents. Unless and until housing officials and housing scholars are finally willing to make a concerted effort to assemble, analyze, and act on large amounts of both quantitative and qualitative data about the lives of residents in public housing, progress will be slow at best.

The true breadth and depth of distress

At a time when a national commission concludes that approximately 6 percent of the nation's public housing stock is severely distressed, the most recent demographic figures suggest that distress of one severity or another may well run much deeper (Council of Large Public Housing Authorities [CLPHA] 1988, 1993; National Association of Housing and Redevelopment. Officials [NAHRO] 1990; Vale 1992). To put it mildly, public housing tenants nationwide are very poor and getting poorer.

Table 1. Percent of Public Housing Residents by Income Class: 1974, 1981, and 1991

	0-10% ^a	10-30%	30-50%	50-80%
1974	1.35	60.50	27.70	8.60
1981	2.50	65.20	23.60	7.00
1991	19.26	57.27	17.21	6.25 ^b

Source: HUD 1982; HUD Multifamily Tenant Characteristics System database, 1992.

^a Income is expressed as a percent of the metropolitan area's median income.

^b For 1991, this refers to all those with incomes greater than 50 percent of area median.

Nationwide, HUD estimates that more than 80 percent of the nonelderly public housing population now lives below the poverty line and that most households in large public housing authorities (PHAs) report incomes below 20 percent of the local median.³ During the past decade, there has been an especially marked increase in public housing households receiving less than 10 percent of the local median income, a key indicator of extreme economic disadvantage (see table 1). In 1981 this group constituted only about 2.5 percent of the total population, but by 1991 the figure had ballooned to almost 20 percent. As an extreme example, in New Orleans in 1991, more than 60 percent of households living in public housing reported income below 10 percent of the local median.

According to HUD, approximately two-thirds of nonelderly families in large PHAs are headed by single women. Among families with dependent children in large PHAs, the preponderance of female-headed households is even more overwhelming: In public housing in general, the national average is 85 percent, and the proportion surpasses 95 percent in some cities. As of 1991, more than 86 percent of such female-headed families with children had incomes below the poverty line. Nearly three-quarters

³ All statistical data for the current public housing population, except where indicated otherwise, come from the HUD Multifamily Tenant Characteristics System, as updated to April 27, 1992. This system contains information on 509,589 nonelderly families, constituting more than half of all those residing in public housing. The statistics refer to the approximately 400 PHAs that are managing 500 or more units; in other words, the database contains all but the smallest agencies. Note that the largest 16 public housing authorities—each managing at least 9,000 units—manage almost one-third of the nation's total public housing stock (NAHRO 1990).

of nonelderly public housing families report receiving no income from employment, and a growing majority of these families receive welfare. CLPHA (1993) estimates that there are nearly 1 million households currently on the waiting lists for public housing, and waiting list data suggest that the types of individuals and families who need public housing, and who apply to get into it, will continue to be those who suffer most from the impoverishment that stems from lack of education, racism, and loss of inner-city jobs (Vale 1992).

To its credit, the NCSDPH contracted for studies of the changing occupancy patterns in public housing (NCSDPH 1992; Vale 1992). However, the commission was not able to describe these trends in detail in its *Final Report*, or to give full attention to their implications for the public housing system as a whole. The *Final Report* used the demographic profile to emphasize the hardship of those living in severely distressed public housing but, adhering to its mandate, chose not to highlight that this increased poverty is a national problem for all public housing residents. It is this broader decline that demands that we rethink any lingering notion of severely distressed public housing as a distinct class of uniquely troubled places.

Constrained by the old problem projects paradigm, the *Final Report* claims that severely distressed public housing is strikingly different from stable public housing developments (NCSDPH 1992). The issue here is not that this is an incorrect statement but that it is misleading to focus only on the extremes of stability and severe distress. Rather than two clear groups of developments with little in common, there is a continuum along which there are no permanent dividing lines. Without broad attention to all the developments in the nation's public housing stock and to the neighborhoods that surround them, today's relatively stable developments may become part of tomorrow's problems, and even successfully revitalized developments may once again decline. Even if one acknowledges that there may be a point on the continuum at which distress accelerates, it is still imperative to address problems before such severe distress occurs.

Although the NCSDPH is surely correct to point out that severely distressed housing developments have experienced many years of disinvestment in terms of management and services provided and the funds targeted for physical rehabilitation (NCSDPH 1992), such problems confront much of the big-city public housing stock. The NCSDPH-sponsored study that came up with the

\$7.5 billion estimate for addressing the physical needs of the 86,000 severely distressed public housing units is the same study that concluded that it would take nearly \$30 billion to address the physical modernization needs of the public housing stock as a whole (ICF 1992). Part of the commission's justification for a separate funding program for severely distressed developments is based on the tendency of many PHAs to direct a higher percentage of modernization funds to housing developments with lower capital needs:

Because of funding constraints and the current design of modernization programs, severely distressed public housing developments may be undergoing a "triage," where housing agencies are directing funding toward developments that can have conditions corrected most easily and thoroughly rather than toward severely distressed public housing, which can drain the limited funds available without having a significant lasting impact (NCSDPH 1992, 4).

This rationale for separate funding certainly makes sense if it is the only possibility for rescuing the most seriously "wounded" developments, but triage can be avoided fully only by an enhanced commitment to the somewhat less seriously wounded developments, where the necessary billions for assistance also lag far behind. If funding remains limited, targeting funds to the most seriously distressed developments might be exactly the wrong strategy because it means that these funds cannot be used for less severely distressed developments, which therefore decline even faster. This is the paradox at the heart of the system. There may indeed be a powerful moral imperative to begin with the worst of the worst conditions, but this must be accompanied by a broader willingness to bail out the rest of the distressed housing stock, as has been done for other impending failures deemed to represent a national crisis (e.g., the savings and loans).

The dramatic dip in the economic profile of public housing residents that occurred between the HUD study in 1979 and the NCSDPH report in 1992 makes it increasingly implausible to sustain the problem projects paradigm undergirding both studies. Put simply, the stakes have changed. The broad decline in the income levels of public housing residents nationwide has been exacerbated and reinforced by an increased frequency and deadliness of drug-related crime and violence in and around big-city public housing developments that far outstrips the capacity of the

current Public Housing Drug Elimination Program to cope (Keyes 1992; Vitella 1992). Clearly, there are some public housing developments in large cities where drug and crime problems are much more out of control than in others, yet surely no one believes such problems are insignificant in all but the 6 percent that are severely distressed. With drugs and crime, too, there is a continuum rather than any clear distinction between problem and nonproblem projects. From the vantage point of the early 1990s, it may well be that residents in the average big-city public housing development live in significant fear of violent crime in their immediate surroundings, surely a key component in any valid accounting of distress.

If there were indeed only 86,000 public housing families out of 1.4 million living in severely distressed public housing this would be a creditable achievement, rather than the ill-defined, overly optimistic baseline from which further action is contemplated. Indeed, considering that the 1979 HUD study estimated that 15 percent of the public housing units should be regarded as troubled at that time, one might even be tempted to conclude that, 13 years later, having only 6 percent severely distressed could actually represent progress! Yet, given the escalating rates of poverty and unemployment, not to mention how deterioration of buildings has outstripped efforts at modernization, few would doubt that overall conditions in public housing have declined in the past decade. While everything else declines, it is only our definitional threshold of unacceptable distress that has risen.

Defining distress: A point-by-point critique

Most of us are compelled by the power of numbers to measure the extent of problems, but when methodological difficulties yield operational definitions that miss key measures of community viability, these numbers—however distressing they may already be—can still numb us into a false complacency. The *Final Report* correctly points out that data are seriously lacking on many indicators of distress included in the definition. Not wholly daunted by the absence of data, the NCSDPH nonetheless proceeded to measure severe distress with a point system relying largely on data that are not yet available. The point system seems to have been aimed at making it possible to have what the 1979 HUD study called numerical-objective assessments that could measure social, economic, and emotional as well as physical distress. In an appendix to the *Final Report*, the commission established

point values for four broad areas that would enable housing officials to give their developments a score for severe distress:

1. Families living in distress, 60 points maximum
2. Rates of serious crimes, 45 points maximum
3. Barriers to managing the environment, 45 points maximum
4. Physical deterioration of buildings, 80 points maximum

According to this system, a total score of 80 or more points from any combination of categories identifies a development as severely distressed. Also, obtaining the maximum points allowable in any one category identifies a development as severely distressed even if the total score is less than 80 (NCSDPH 1992). The categories within each of these four broad areas are shown in table 2, and the commission acknowledges that HUD currently provides data for only 3 of the 13 major measures that ought to be quantified. Information about such factors as crime rates, work-order turnaround, unit turnaround, unit rejection rate by prospective residents (marketability), and indicators of physical distress, as well as detailed demographic data about residents, is still inadequate.

What is especially disturbing is not only the absence of data but the pattern of distress that emerges when one looks at the data that already exist. The first category alone, families living in distress, given the depressed socioeconomic condition of the average resident, would seem to drive the majority of family public housing developments nationwide well toward fulfilling the definition of severely distressed. For example, the commission's point system awards its maximum 15 points to any development where the development's unemployment rate exceeds the city rate by more than 10 percent. Because more than two-thirds of nonelderly families nationwide report no income from employment, it seems possible that most family developments might warrant the full 15 distress points. Even considering that citywide unemployment rates are based only on individuals who have sought unemployment benefits and therefore may be higher than reported, no major city in this country has reported an unemployment rate that approaches the national average for public housing residents.

Similarly, the commission's point system allocates a full 30 points to any development where the average family income is below

Table 2. Proposed Rating System for Severely Distressed Public Housing

Criteria	Maximum Points	Points Based on Score
Families Living in Distress: 60-Point Maximum		
a. Percent by which development dropout rate exceeds city dropout rate	15	1.25% 6 1.5% 8 2% 15
b. Percent by which development unemployment rate exceeds city rate	15	3% 5% 10%
c. Average median income below	30	2 5 15 30% 25% 20% 12 16 30
Rates of Serious Crimes: 45-Point Maximum		
a. Development crime rate vs. city crime rate ^a	10	1.5% 2% 2.5% 6 8 10
b. Development drug-related crime rate vs. citywide drug-related crime rate	20	5% 10% 15%
c. Development violent crime rate vs. citywide violent crime rate	10	12 16 20 1.5% 2% 3%+ 6 8 10
d. Access to building controlled by security	5	Yes No 0 5
Barriers to Managing the Environment: 45-Point Maximum		
a. High vacancy rate ^b	14	15% 20% 25% 7 10 14
b. High turnover rate	9	10% 15% 25% 5 6 9
c. Low rent collection (% of rent collected monthly)	13	85% 75% 7% 10 13
d. Rate of units rejected by applicants	9	30% 50% 75% 5 6 9
Physical Deterioration of Buildings: 80-Point Maximum		
a. Percent of reconstruction cost ^c	20	62.5% 80% 100% 8 12 20

Table 2. Proposed Rating System for Severely Distressed Public Housing (continued)

Criteria	Maximum Points	Points Based on Score
b. High density, units/acre ^d	10	30% 6 35% 8 40% 10
c. High level of deferred maintenance	20	
1. Annual average work-order backlog		10% 4 15% 6 20% 10
2. High number of units that do not meet Housing Quality Standards		30% 6 50% 8 70% 10
d. Major system deficiencies	30	
Lead paint peeling and/or chipping in greater than 20% of units	5	
Lack of heat or hot water	5	
Major structural deficiencies	4	
Electrical system under code	4	
Evaluation of site conditions	3	
Leaking roof	3	
Deteriorated lateral and sewers	3	
High plumbing leaks	3	

Source: NCSDPH 1992.

^a If the development crime rate exceeds the citywide average by more than 5 percent, the development automatically receives 40 points.

^b The PHA vacancy rate reflects the number of units not specifically permitted to be vacant by the PHA’s Comprehensive Occupancy Plan.

^c If a development’s reconstruction costs exceed 105 percent of total development costs, it is automatically designated as severely distressed.

^d This criterion is measured in percent by which the individual development exceeds the PHA average.

20 percent of the local area median income. Yet, nationwide, the majority of all nonelderly public housing families in large cities have incomes below 20 percent of the local median. Therefore, on average, the typical family public housing development located in a large city might well score 30 distress points in this category. And if it were also found that, on average, the dropout rate in developments generally exceeds the city dropout rate by more than 2 percent (not unlikely, given that the overall dropout rate in many cities is lowered by the presence of affluent incorporated areas), most public housing developments would be saddled with the maximum 15 distress points for this category also.

Further, if one accepts these arguments, the typical family public housing development located in a large city could well merit all 60 possible distress points in the category of families living in distress. Then, because this typical development has received the maximum allowable points in a category, it would automatically be classified as severely distressed under the commission's definition. Thus, even before the other categories—crime, barriers to management, and physical deterioration—are considered, it seems that far more than 6 percent of the nation's public housing units deserve the dubious distinction of severely distressed.⁴

Given that concerns about security and crime seem to dominate discussions of problems in much of the big-city public housing stock, it would not be surprising if the typical public housing development also warranted high distress scores for showing worse performance than citywide averages in this category as well. Measures of crime also pose serious methodological challenges. For example, does a drug-related crime committed across the street from a public housing development count toward the crime

⁴ It is important to remember that some of the apparent discrepancy between NCSDPH's figure of 6 percent severely distressed and the higher percentages suggested by a close look at the individual parameters of the commission's definition stems from the fact that the commission's 6 percent figure is based on all public housing, whereas the denominator in some of the statistics cited in this article is based on big-city family public housing only. In other words, because the commission notes that distressed developments are concentrated in the nonelderly and big-city stocks, the percentage of distressed developments would presumably have been significantly higher if the commission had estimated the problem from the perspective of big-city family public housing only. It is interesting to note that the commission did not treat the problem in this way; without such a calculation, the commission cannot convey the immensity of the problem in most major cities.

score in the development? Even if no one in the development played any part, the perception of crime is increased, and insecurity within the development may rise. Fear of crime, as many have shown, may be at least as important as actual crime rates. And why should a development receive the maximum five distress points because access to buildings is not controlled by security? Is it inconceivable that some public housing might be deemed safe enough that no such defensive measures would be thought necessary?

The point values for management barriers and physical deterioration seem more straightforward, at least for those criteria for which managers and trained designers can themselves be the most logical sources of information for making the ratings. When point values also depend on ill-understood tenant behavior, however, great ambiguities remain. For example, at Boston's Commonwealth Development—nationally recognized by the NCSDPH and others as a model turnaround of a once-distressed development, and now clearly the showpiece of the Boston Housing Authority (BHA) stock—there was a unit rejection rate in 1992 of 38 percent, which would give the development five of the possible nine maximum distress points (BHA 1992). But, as BHA officials point out, the rejection rate is not this high because prospective residents view the development as distressed, but because they view it as distant from the neighborhoods where they would like to be able to live. The two other BHA developments that underwent major turnaround efforts during the 1980s—involving about \$100,000 per unit in expense—still have rejection rates of 50 percent or higher, at a time when the authority's waiting list is at a record length. In fact, the average rejection rate for BHA family developments in 1992 was 62 percent, a figure that easily warrants two-thirds of the commission's maximum distress points for this category. Similarly, with an authoritywide annual turnover rate of 15 percent for family developments, six of nine distress points is the average here, too.

All this is certainly not to suggest that the scorekeepers should just ratchet down their expectations to minimize the number of developments qualifying as severely distressed. Instead, the ubiquity of high distress should be accepted as evidence that the problems are much broader than many would like to think, and that the dimensions of those problems—the reasons behind the numbers—remain poorly understood. In all these quantifiable categories, data interpretation will require detailed knowledge of resident motives, feelings, and preferences, yet such broad

qualitative measures remain even less well developed than the point categories themselves.

At the end of the appendix defining the NCSDPH point system, the authors wisely conclude that, “Until adequate data exist to implement this or an appropriately revised version of the Commission’s definition, PHAs should be permitted to submit narrative justifications for designating housing developments as severely distressed. These narrative justifications should be based on qualitative information on the categories of indicators used in the Commission definition.” (NCSDPH 1992, B-10) As it stands, even with all its flaws, the point system together with other narrative qualitative information should already be able to help housing officials identify some components of the worst cases of severe distress in the developments they manage. Where the present system fails is in identifying the thresholds where unacceptable levels of distress begin. It is this middle ground—and I really do believe that it is in the middle of the public housing stock and not at the 94 percent mark—that housing researchers must try to clarify.

My own ongoing fieldwork in three Boston public housing developments will, I hope, contribute to this clarification. To begin to assess some of the less easily quantifiable but equally significant measures of distress, I have been training residents to interview each other about conditions in their development and about their future aspirations. By working independently of the housing authority and directly with the tenants themselves, my goal has been to reach beyond the realm of the official or semiofficial tenant spokespersons to tap into the broader reservoir of feelings, including those of individuals who do not speak or read English or participate in organized tenant activities. I have elected to investigate Boston’s putative best case scenarios rather than its most widely acknowledged problem developments. Therefore, I have chosen to study the effects of three major turnaround efforts of the 1980s—at West Broadway, Franklin Field, and Commonwealth developments. Each development received more than \$25 million in funding, most of it used to fundamentally reshape the physical environment of the apartments, buildings, and site. The research is not far enough along to report anything more than the most general and preliminary findings, yet it seems evident that levels of resident distress remain very high, even in these best case scenarios. What is already abundantly clear is that there has been a failure to implement or sustain the commitment to nonphysical aspects of change

and, at least in one of the developments, a failure to maintain some of the desirable physical changes themselves. No matter how many design awards such redevelopment efforts have received, security, drugs, racial and ethnic tensions, declining neighborhood conditions, and lack of employment opportunities remain key concerns for residents. For example, in the revitalized West Broadway development—no longer thought of by the BHA as one of its distressed properties—more than 80 percent of residents interviewed reported that drug use at the development remains a major problem.

Any future attempts to turn around severely distressed public housing must learn from careful study of past efforts. It is not enough for conditions in redeveloped public housing to look better; the goal must be to improve the quality of life of residents in as many dimensions as possible. Put simply, all those who participate in turnaround efforts must view the developments as communities first, buildings second. This is not at all to denigrate the crucial importance of physical reconstruction and design improvements. It is only to underline that such improvements, in themselves, are not enough to address the broader and deeper causes of resident distress.

The dimensions of distress: Definitions and costs

Although the text and spirit of the NCSDPH national action plan and Final Report repeatedly stress that “severe distress” applies to the social, economic, and emotional distress of families as well as to the physical distress of the housing itself, the commission’s estimate of 86,000 severely distressed units comes from the ICF study that adopted a definition of distress primarily reflecting the physical condition of the development (NCSDPH 1992). Such a physical measure—while undoubtedly useful for estimating the physical costs of repair and reconstruction—cannot hope to assess the additional emotional, social, and economic components of distress that also rightly concern the commission. The commission members and their consultants acknowledge that such a bricks-and-mortar definition of distress provides an incomplete measure of the true human meaning of severe distress, yet the Final Report—by printing this number and using it as the basis for estimating the costs of eliminating severely distressed public housing by 2000—cannot help but underestimate the magnitude of the problem. Because the costs associated with remedies for physical deficiencies are estimated

more easily in terms of dollars and because the corresponding quantifiable data necessary to measure the social, economic, and emotional distress levels of residents are lacking, the commission has allowed its proposals for new funding to be dominated by physical needs alone. Serious consideration of the nonphysical dimensions of distress could dwarf the already sizable costs of fixing physical needs alone. At best, the \$7.5 billion in new spending proposed by the commission would address chiefly the physical needs of only the first 86,000 units. Although the Final Report does emphasize the nonphysical elements of severe distress, the physical needs were what received the most attention after the commission issued its report. Nonphysical needs must be highlighted now, as well.

Fortunately, some semblance of this more inclusive approach may already be in the offing. In January 1993, HUD announced plans for an Urban Revitalization Demonstration (also known as HOPE VI), which will provide \$300 million in funding for implementation and planning grants to redevelop public housing that meets the NCSDPH criteria for severe distress (HUD 1993). This is surely a most encouraging initial outcome of the hard work of the commission and other public housing advocates, although the annual funding level is less than half the \$700 million that the commission proposed. What seems best about the urban revitalization initiative is that it allows maximum flexibility for individual housing authorities to determine the approach likely to be most successful in treating the development it has selected for revitalization. HUD's notice of funding availability calls for boldness and creativity in addressing difficult issues such as high density, crime, poor structural design, and oppressive social and economic conditions, and, significantly, it allows 20 percent of the funds appropriated to be used for a variety of services and resident programs other than the "hard costs" of reconstruction. Moreover, the program calls for broad partnerships, rather than simply federal largess. By asking housing authorities to seek a broad spectrum of participation and assistance from local and state governments, neighborhood organizations, businesses, nonprofit corporations, social service agencies, and residents of the developments, the spirit of a community-centered approach seems to be strongly articulated (HUD 1993). Housing officials in large cities will certainly have no trouble identifying severely distressed developments that qualify for inclusion in the new program.

Even as they identify such developments, however, the paradox of the problem projects paradigm remains; preoccupation with the few

already existing worst cases may actually allow the number of emerging worst cases to increase and thus worsen the problem. In this context, one may well ask why it is that our leaders set severe distress as the threshold for national concern. Is moderate distress to be considered acceptable? How can a national program aimed at shoring up those places already designated as severely distressed help us keep other developments from continuing their downward spiral? Targeting funds to worst case problems is, ultimately, no substitute for greater resources.

To the extent that political will allows, the policies and funding commitment proposed for severely distressed public housing ought to be extended to other public housing, where it is also sorely needed. At the very least, policy makers will need to document and derive lessons from past turnaround efforts and from the forthcoming Urban Revitalization Demonstration that can be applied more broadly throughout the system.

Without funding to undertake major revitalization efforts across the whole system, far more aggressive progress needs to be made in funding the backlog of modernization needs. This is one way to minimize the gap between what housing authorities can do with the rare opportunity to obtain special funding for severely distressed developments and what they can do to improve conditions in the other moderately distressed developments they manage. The study conducted for NCSDPH in 1992 calculated that \$4.7 billion per year is now needed to eliminate the modernization backlog in 10 years (as well as to keep up with new modernization needs as they accrue because of normal aging), yet the level of modernization funding in fiscal year 1993 is only \$3 billion (see CLPHA 1993). Given the rapidity with which conditions can deteriorate—in not only physical but social terms—it is surely shortsighted to delay addressing the pressing realities of a multibillion-dollar problem that will only grow larger and more painful if left alone.

Beyond the problem projects paradigm: Some policy implications

Efforts such as the Final Report of the National Commission on Severely Distressed Public Housing are brimming with good ideas, far more numerous than can be listed or discussed here, yet the too-narrow mandate of the commission runs the risk that the overall context of the public housing problem will remain

mischaracterized. By framing the problem to focus public attention on a narrow sector of worst case scenarios—what the British have long referred to as sink estates—U.S. housing policy makers risk letting too many people forget that our basic problem is one of sinking rather than sinks.

As the level of socioeconomic well-being of all residents entering and remaining in public housing continues to decline, the use of the problem projects paradigm may become increasingly difficult to justify. In a revealing chapter on regulatory and statutory barriers, the NCSDPH comments that public housing tenant selection, rent calculation, and income eligibility regulations have screened out all but the poorest households for public housing and that public housing developments have become severely distressed at least partly because the resident population has become increasingly poorer and consists of a high percentage of households whose only source of income is public assistance (NCSDPH 1992). For those committed to systemic reform of U.S. public housing, these are arguably two of the most important points in the entire document. They suggest a need to once again rethink whom public housing should serve (see Cavanaugh 1992; Nelson and Khadduri 1992; Stegman 1992).

The crux of public housing's problems is a conflict among three laudable goals: increasing the mix of incomes in public housing to attract and retain a larger working population; increasing the opportunity for higher income public housing residents to become homeowners; and increasing the ability of public housing to serve the nation's neediest households, including the homeless, the drug-addicted, and the mentally ill. Yet no single program can meet such mutually contradictory objectives. Although all the various advocacy groups may well concur on the need to promote socially and physically stable communities, current policy initiatives have failed to put concepts of community at the top of the agenda. There is a superficial appeal to a system that claims to be letting the neediest citizens into the program while helping the most upwardly mobile to leave it, but it is precisely these mechanisms that, taken together, further threaten the viability of public housing communities.

If the makers of U.S. housing policy are to make substantial progress in addressing the problems faced by public housing residents nationwide, they must be willing to look not only at the problems of individual public housing developments but also at ways to reduce the percentage of the most disadvantaged families

that are allowed into the system and to increase the economic self-reliance of those who remain. Given the well-intentioned and widespread belief of many public housing proponents that the program should serve as housing of last resort, any move away from preferences for the most disadvantaged public housing applicants must be accompanied by a commitment to finding alternative—but nonproject-based—accommodations for such households.

It will be important to study the viability and desirability of attempts to implement income mixing in individual public housing communities. Through moving away from extreme concentrations of very low income households by reserving some percentage of apartments for those making between 50 and 80 percent of the local median, or for families whose major source of income is employment, it may be possible to increase the income stream for the housing authority and reduce its need for operating subsidies, while enabling very low-income households to benefit from sharing their neighborhoods with more families that could serve as nearby examples of upward economic mobility. Such income-mixing programs are being tried in Chicago and elsewhere and should be observed closely to see if replication makes sense. Without doing something along these lines, inner-city public housing developments may become the most class-stratified environments in the country—surely an undesirable policy outcome for all concerned.

Seeking a broader clientele for public housing might also promote a broader base of political support for the program. As Gordon Cavanaugh (1992) has argued, for PHAs, providing shelter to persons with the most pressing needs will always be a priority, but managers must have more latitude in producing housing environments that satisfy residents and that warrant the political support necessary to improve and expand the public housing stock. Coupled with a concerted effort to implement resident self-sufficiency programs to help more of the existing very low income residents gain employment, some of this income mixing could occur without the need for statutory change. Change is needed in laws and regulations that too often make taking a job a disadvantageous proposition, involving a loss of benefits (especially Medicaid). In concert with enhanced incentives for work, opportunities for job training and day care need to be increased so that such options can be exercised more regularly. Such measures are at the heart of a community-centered approach to public housing reform.

A major public housing redevelopment effort can often become not only the direct cause of environmental revitalization but also the catalyst for additional community-centered change. At a design level, redevelopment efforts can also reduce undesirably high residential densities and build environments that encourage communities to take personal and shared control over previously undifferentiated outdoor space. Such an occasion also presents an important window of opportunity for implementing desirable changes in policy, by providing a chance to screen new tenants carefully and introduce higher percentages of working families, while using the reconstruction period as an opportunity to evict those who are causing problems. It is worth noting in this regard that the Urban Revitalization Demonstration legislation, which seeks to guarantee reoccupancy for all current residents, unfortunately does not allow for such flexibility in restructuring occupancy.

Questions and challenges

If a quantifiable system for identifying public housing distress is ever to be of much use, HUD or others will need to commit the necessary funds to building a reliable database of the social and economic factors affecting the lives of public housing residents that is as thorough as that used to estimate physical modernization needs. Building this database will require a commitment to interviewing large samples of residents, not only to get a better picture of the level of current problems they face but also to learn what forms of services and self-sufficiency programs can best meet their needs. Such surveys are commonly used as a first step in redevelopment efforts at severely distressed developments, but could be useful more generally in trying to reach a consensus about how much distress is too much. In the end, the core of the issue is not data collection, but political will to interpret these data in ways that signal a clear commitment to reducing distress in all public housing communities. In other words, it will not be enough to collect better and more complete data; what is required are better and more complete questions to ask of those data.

It would be helpful to begin with a clearer understanding of the goals of public housing revitalization. Although few still believe that physical redevelopment is sufficient by itself, there is still very little consensus about measuring the other parameters of success. For example, does it really make sense to consider a public housing development successfully turned around when

more than 80 percent of its residents still regard drugs at the development as a major problem? Can public housing revitalization be sustained without simultaneous improvement in the neighborhoods surrounding it?

Those PHAs that have been able to undertake major turnaround efforts lack the resources to systematically monitor the long-term socioeconomic effects of the changes. NCSDPH, to its credit, did contract for some case studies of turnaround efforts that have been judged successful, and these deserve to be widely discussed. There remains further need, however, for a sustained commitment to hands-on participatory research conducted by persons tenants see as advocates for their needs. Only then will it become possible to sort out the aims of revitalization and assess progress toward those goals.

Such goals may take any or all of several forms. Is “success” in revitalizing severely distressed housing to be defined as enabling the residents to live lives that are no more or less distressed than that of the average public housing resident in that city? Or is the goal to turn severely distressed public housing into the best public housing that the city has to offer? Or perhaps the standard for success should not involve comparisons with public housing at all. Should the goal be to approximate the norms of the private sector?

If policy analysts want to be able to probe the relative merits of various approaches to public housing revitalization, they will need to decide what kinds of success they are interested in replicating. This analysis will require a far more elaborate commitment to longitudinal research than has been seen thus far. Let me posit a few measures that taken separately or together might clarify the goals of revitalized public housing and the progress toward them during and after a redevelopment initiative. One might wish to point to evidence of a decrease over time in the percentages of residents who report drugs, gangs, and violence as major problems in their development. Or one might want to aim for annual increases in the number of long-term public housing households that find steady employment. Similarly, one might want to assess the ability of tenant groups and others to retain or expand the range and quality of services available to residents in and around the development in the years after its turnaround. Finally, one might wish to judge success not only in terms of the quality of life of residents in the development but in terms of the percentage of families that earn

enough to be able to move out into market-rate housing. There are, undoubtedly, many other plausible measures of success.

The more components of success we wish to acknowledge as important, the more we need to recognize that housing authorities, by themselves, cannot be expected to address the variety of serious social and economic problems that currently exist in public housing. The teamwork and broad jurisdiction implied by the structure of the Urban Revitalization Demonstration suggest the need for redevelopment models that involve broad and sustainable partnerships that converge to meet the human needs of public housing communities.

If we are ever to succeed in revitalizing severely distressed public housing, we must begin by defining the problem, not just in terms of the number of problem projects but in ways that address the root causes of poverty among the residents of the projects and among the residents of the surrounding neighborhoods. The 86,000 units of severely distressed public housing are merely the tip of an iceberg of broader distress, and our country cannot continue to steer around it for much longer.

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