Running to Stand Still: Through the Looking Glass with Federally Subsidized Housing in New York City

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"'Well in our country,' said Alice, still panting a little, 'you'd generally get somewhere else – if you ran very fast for a long time, as we've been doing'

'A slow sort of country!' said the Queen, 'Now here, you see, it takes all the running you can do, to keep in the same place. If you want get somewhere else, you must run at least twice as fast as that'"

- Lewis Carroll

"We finally cleaned up public housing in New Orleans. We couldn't do it, but God did."

- U.S. Representative Richard Baker
(R-Baton Rouge, as quoted by the
Wall Street Journal)

I. Introduction: Through the Looking Glass

From the perspective of New York City, understanding federal housing policies, and the theories that inform them, often feels like it requires a trip through the looking glass with Lewis Carroll and Alice, his most famous fictional creation. By this we mean two things. First, there is a remarkably inverted relationship between the dominant theory of federal housing policies, and the empirical realities of housing in New York City. Federally subsidized housing has, since the Nixon administration, included both a project-based component and voucher component. Evolving in conjunction with theories of urban poverty that are rooted, either explicitly or implicitly, in the "underclass" or "culture of poverty" perspectives, federal housing policy has come to see housing vouchers as inherently better than the project based stock. This is, the thinking goes, because the project-based stock concentrates poverty due its physical immobility, while vouchers allow for the de-concentration of poverty by allowing poor households to move to better neighborhoods. In New York City, this is not what we are seeing. Instead, we are seeing the loss of the project-based stock in gentrified or gentrifying neighborhoods, and the concentration of voucher recipients in poor neighborhoods – disproportionately in the Bronx and Brooklyn.

Second, there is an incredible amount of energy that needs to be expended just to maintain the current, and inadequate, status quo in federally subsidized housing. Community organizations and tenant leaders have long recognized that we are losing our project-based subsidized housing stock in good neighborhoods and have organized accordingly. Their efforts, which have involved organizing at all scales from the community, to the city, to the state to the federal level, have yielded some significant victories that have allowed for the stock to be better preserved than it would otherwise be. As impressive as these efforts have often been, they have diverted a significant amount of resources and time from efforts that would enhance the quantity and quality of affordable housing in the city and the country. And ultimately, they amount to running to stand still.

In this paper, we peer through the looking glass of federal housing policy, using New York City as a case study. We examine the spatial distribution of vouchers and project-based assisted housing, and we analyze the activist mobilization to preserve the subsidized housing stock. We suggest that if mixed-income, multi-racial neighborhoods represent a worthy goal, then we need a careful, critical, and contextual re-examination of the theories and assumptions woven into federal housing policy.

But this is by no means only a New York story. Despite its marginal position as chronically-underfunded benefit without full entitlement status,[2] assisted housing is routinely targeted as the iconic urban creation of the liberal welfare state, and as such is one of the Right's most potent ideological weapons in all sorts of urban policy debates. This point was demonstrated most mercilessly in September, 2005. After a brief moment in which Hurricane Katrina and the displacement of hundreds of thousands from New Orleans precipitated a disingenuous (or at least unforgivably naive) popular discussion of poverty and racism, conservative think-tanks and legislators moved aggressively to dominate the policy vacuum. Katrina, the argument went, demonstrated not the failures of today's Republican-controlled

[2] In other words, access to means-tested housing assistance varies in accordance with unpredictable Congressional budget allocations, and many people who qualify for assistance have little or no chance of ever receiving it. By contrast, entitlement programs (e.g., Medicare, Social Security) mandate the provision of benefits to all who can demonstrate that they meet eligibility requirements.

government, but rather the enduring, irresponsible liberal welfare state -- which had in any event created New Orleans' underclass and its "dangerous criminal class -- yes, likely the same African Americans we see looting now" and helpless women, children, and elderly who showed up at the Superdome "expecting their government to take care of them." (Galinas, 2005, p. 1, p. 2; cf. Peck, 2006). The solution was to "rebuild New Orleans' moral levees" in a clean-slate, free-market city-state based on the principles of small government, low taxes, private property, and homeownership. Assisted housing entered the policy debate when the Bush Administration used hotels and FEMA trailers for evacuee housing (fearing that use of the existing housing 'choice' voucher program would grant legitimacy to a 'choice' the Administration wishes to eliminate), and when the *Wall Street Journal* quoted Baton Rouge's Republican Congressman explaining the divine solution to New Orlean's run-down projects. Baker responded to the enusing firestorm of criticism by complaining that he had been misquoted,[3] but the ultimate policy consensus was never in doubt; Baker's statement boasted of his efforts to secure an $18.6 million HOPE VI grant for a project in Old South Baton Rouge, and six weeks later HUD Secretary Alphonso Jackson presented redevelopment plans with the predictable manifesto for mixed-use, mixed-income housing and choice vouchers; "We don't want to isolate people because they're low-income," Jackson emphasized (McConnaughey, 2005). But is the policy consensus on deconcentration and "choice" vouchers delivering on its promises?

II. The Underclass, the Concentration of Poverty, and Subsidized Housing

The deconcentration of urban poverty has long been a goal of policy makers in Washington and in local governments in American cities. This has largely been due to the understanding that the conditions of urban poverty are exacerbated by the concentration of that poverty. This concentration is understood to result in the formation of "the underclass" which is isolated from the social ties and networks which support prosperity and success (see, most famously, the work of William Julius Wilson – Wilson, 1987; 1996). While there has been much debate within the academy about the merits of the underclass perspective in how poverty should properly be understood (see, for instance, Katz, 1993), the perspective has largely been accepted in public policy circles. When former Secretary of the Federal Department of Housing and

[3] Baker claimed that he had actually said, "We have been trying for decades to clean up New Orleans to provide decent housing for residents, and now it looks like God is finally making us do it," but the Journal reporter stood by his original story and the quote. See Shields (2005).

Urban Development (HUD) Henry Cisneros used to say that, "the most serious problem we have in America today is the concentrations of our very poorest populations in specific neighborhoods" (quoted in Ramos, 1994), he was simply echoing the bi-partisan consensus in Washington on these issues. The consensus has meant that policies have reflected this goal. We do not raise this issue to participate in the academic debate about the merits of the underclass theory, which is beyond the scope of this paper, but rather to contextualize the federal housing policies examined here.[4]

A central plank in the policies of poverty de-concentration has been the growing shift in federal housing assistance from forms that are project-based, to forms that are tenant-based. Tenant-based forms of housing assistance take several forms, but the overwhelming majority are Housing Choice Vouchers (HCV), which enable the recipients to utilize the vouchers in the private rental market – and theoretically thereby enable the residents to move to areas with superior chances of potential employment, transportation, or which fulfill other household needs. The project-based stock takes two different forms: public housing and the privately-owned but federally-subsidized housing stock (much of it in what is called, "project-based Section 8")[5]. In these subsidies, it is the actual housing units – rather than the households – that are directly subsidized. The subsidies are therefore immobile, while households come and go.

Both of the forms of project-based subsidized housing have come under persistent attack for a variety of reasons, but for our purposes, the most important criticism has been their role in concentrating poverty. The emphasis from Washington over the last two decades has been to try to convert its housing subsidies from project-based to tenant-based. The project-based Section 8 program was discontinued in 1983, and HUD's Reinvention Blueprint in 1995, called for the conversion of its entire assisted housing stock to vouchers, and deregulating the properties and units. This proposal was never implemented, but since then, HUD has been more interested in protecting the tenants currently in this stock, than in preserving the affordability of the units themselves. Similarly, a set of reforms to public housing in the 1990s have combined to reduce

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[4] For a thorough discussion of the relationships between federal housing policies and theories of urban poverty, see Curley, 2005.

[5] A significant component of the federally-subsidized housing stock is financed through the Low Income Housing Tax Credit (LIHTC) program. This program will not be considered here, since it is overwhelmingly constructed by community organizations that have the capacity to negotiate the complex financing for such projects. Therefore, their locations depend upon the locations of the organizations, and have a unique spatial logic.

the stock of public housing around the country. By the end of the 1990s, Section 8 vouchers had become the largest form of subsidized housing for low income people in the United States.

Of the two forms of project-based subsidized housing, public housing has received much more attention in the academic literature than the privately-owned, but federally subsidized, stock. This is particularly true in the context of the HOPE VI program, which demolishes public housing with the goal of rebuilding mixed-income housing on site. Rather than add to the significant volume of work that has been published dealing with HOPE VI (for a good summary of much of this research, see Popkin, et al., 2004; and for two excellent critical discussions of the issues of public housing demolition see Crump, 2002; Geotz, 2003), this article will be examining the project-based Section 8 stock.

One of the remarkable things about the emphasis in the literature on HOPE VI, and lack of attention to the privately-owned but subsidized stock, is that the transformation of the latter has been much more dramatic than the former. From 1965 to 1983, around 1.5 million affordable housing units were built by private landlords with federal subsidies (Achtenberg, 2002). Of those, more than 236,000 units have been removed in the last decade from the stock of affordable housing in the United States (National Housing Trust, 2005). These numbers dwarf those of the HOPE VI program, which has demolished around 60,000 units of public housing, out of a total public housing stock of 1.2 million. This article helps to fill in the gap in the academic literature on federal housing policies that currently exists, as affordable housing is being lost in large numbers, while researchers have been focusing their attention elsewhere.

While there is a relative lack of attention to the project-based Section 8 stock, the voucherization of federal housing policies in the last 20 years has been accompanied by a wealth of research on the distribution and characteristics of the voucher recipients (see, for instance, Basolo and Nguyen, 2006; Pendall, 2000; US Department of Housing and Urban Development, 2003; Varady and Walker, 2003; Wang and Varady, 2005). These studies have generally offered a mixed assessment of the ability of voucher-holders to move to neighborhoods that are not areas of concentrated poverty – the voucher receiving households are concentrated in poor neighborhoods, but perhaps less than they would be if they did not receive the voucher. There have been a few studies that have dealt with the issue of (Guhathakurta and Mushkatel, 2000; Hartung and Henig, 1997; Newman and Schnare, 1997), and they have also been mixed, but in general find evidence that vouchers households are less concentrated in poor and non-white neighborhoods than households that reside in the project-based subsidized housing. Our study differs from these prior studies both in the timing of our study – after a protracted period of housing price inflation and many localized, and potentially a national, housing bubbles, and in our focus on one of the cities that have experienced significant population growth and tightness in its rental market (similar to cities like San Francisco and Boston). Therefore, while those studies have been employed to bolster the conventional wisdom, the temporal and spatial context in which we are working questions it.

III. History of Subsidized Housing in NYC.

The Older Mortgage-Based Subsidies

Privately-owned but publicly subsidized housing emerged in the mid-1960s as new concept in affordable housing provision. It was deliberately supply-side focused, in that its goal was to increase the supply of units affordable to low income people. But it was neither public housing, which had existed since the 1930s, nor was it the more typical for-profit private multi-family housing developments. Rather, it was – to use more contemporary jargon – a public-private partnership. The first of these housing programs was the 221(d)3 Below Market Interest Rate (BMIR) program, which was enacted in 1961 by the Kennedy Administration. The BMIR program, as its name suggests, was a mortgage-based subsidy program. Mortgage lenders would originate mortgage loans for rental developments at below market rates, and then loans could be sold to the federal government at the prevailing rates. The difference between the two prices was the subsidy. The Federal Housing Administration (FHA) also provided mortgage insurance, thus there was little risk to the developers, owners, or investors. The BMIR subsidies were not very deep, and the housing was not designed to reach the poorest of the poor, but rather people who had too much income to qualify for public housing, but not enough to afford market-rate rental housing.

The BMIR program was replaced by Section 236 housing, which was created in 1968. Section 236 operated in a similar manner to the 221(d)3 program, in that the subsidies were mortgage-based. But in this program the interest rates paid by the developers were reduced to one percent, and the federal government made "Interest Reduction Payments" to the lender. Both the BMIR program and Section 236 included other subsidies, in addition to mortgage rate reductions, such as accelerated depreciation and mortgage interest deductions to counter tax liabilities. Together the Sections 221(d)3 and 236 were responsible for the construction of over 600,000 apartments for low income people nationwide, and almost one-tenth of those – over 58,000 units – were built in New York City (DeFilippis, 2003). Along with the subsidies and the government's absorption of the risk (through its insuring the mortgages) developers were given the further incentive of allowing them to withdraw from the subsidy programs after 20 years. While the mortgages were typically 40 years long, after 20 years owners had the option of prepaying the outstanding mortgages and thereby terminating the subsidy and the low income requirements (or "use restrictions" as they are commonly known) on the properties.

Section 8

In January 1973, President Nixon issued a moratorium on all new housing construction under Section 236, and the program was effectively eliminated. After significant political pressure from housing advocates, a new affordable housing program called Section 8 was created in 1974. Section 8 was divided into subsidies for either new construction/substantial rehabilitation (project-based) or existing housing (tenant- or voucher-based). Despite the two forms of the subsidy being fundamentally different in that one is a subsidy of supply and the other a subsidy of demand, there were similarities in how the subsidies operated. Both were income-based, and rely on the 30% of the tenants' incomes as the point at which the subsidies kick in.

For the voucher-recipient households, the Section 8 vouchers make up the difference between 30% of their income and the rent that they pay in the open market for rent – up to 110% of the HUD-designated "Fair Market Rent" for the locality or metropolitan area. A voucher only entitles a recipient to one year of housing, but vouchers already in use have rarely been terminated. There are currently about 2.1 million voucher-receiving households in the United States (Center on Budget and Policy Priorities, 2003), with 96,000 of them in New York City (or 4.74% of the total occupied rental units in the city). The demand for vouchers goes largely unmet, and despite having closed its waiting list for vouchers in 1994, New York City maintains a waiting list of over 154,000 people (Bach and DeFilippis, 2003). Also, it should be noted that a HUD study of voucher success rates found that 43% of vouchers in New York City were returned (there is a 120-day time limit to find an apartment, with a potential 60-day extension), because households could not find an apartment at FMR in the five boroughs (US Department of

Housing and Urban Development, 2001). Thus, the use of vouchers to find an apartment is a difficult and often unsuccessful endeavor in a housing market like New York's.

Section 8 properties (that is, the project-based Section 8 stock) receive rent based assistance which make up the difference between 30% of the residents' incomes and the HUD-designed formula for rents, which is based on the FMR of the property at the time of the property's construction. The contracts between HUD and the properties' owners varied in length, but usually were 20 years long, at which time owners could renew their contracts or opt-out of the program. The project-based Section 8 program was eliminated in 1983, but before its termination, it was responsible for the construction of more than 800,000 units nationwide, and more than 33,000 in New York City.

Mixing the Subsidies with each other and Mitchell-Lama

While the newer stock was meant to be distinct from the older subsidized stock, in practice the two forms of subsidies very often came together. Many of the older subsidized properties struggled with significant economic problems, and this was particularly true in the 1970s as a result of increased operating costs due to the OPEC crises. Section 8 was then added to properties which were built with 221(d)3 BMIR and 236 to deepen their level of assistance and increase their earnings from low- and very low-income residents. In New York City, a total of 82% of all of the older-subsidized properties received Section 8 subsidies as well, and thus most of the older-subsidized stock can now rightly be understood as project-based Section 8.

While the co-mingling of the federal subsidies was common nationwide, in New York there is the further intersection with Mitchell-Lama housing. The Mitchell-Lama program began as a state program in 1955, and like the older subsidized stock, is a housing program that limits owners operating costs, and thereby enables the affordability of housing. It does so primarily through property tax exemptions and abatements, along with loans of up to 95 percent of the project costs of development from the city or state government. Many of the Mitchell-Lama properties were built with federal subsidies, with 40 percent of all Mitchell-Lama properties –

and almost 70 percent of the rentals[6] – had federal moneys as part of their development subsidies. Most of these received Section 236 mortgage subsidies.

Taken together, the federal government either alone, or with the Mitchell-Lama program, produced 92,000 units of affordable housing for low income people (see Table 1), which amounts to 4.5% of the occupied rental housing stock in New York City.

Table 1: Federally Assisted Private Housing Built in New York City

Primary Program Type	Number of Properties	Total Number of Units
Older Subsidized Stock	224	58,300
Project-Based Section 8	277	33,600
Mitchell-Lama with Federal Subsidies	84	41,020
Older Subsidized Stock with Mitchell-Lama	*82*	*39,100*
Project-Based Section 8 with Mitchell-Lama	*2*	*1,920*
Totals	**502**	**91,900**

Losses to the project-based stock

While the number of voucher recipients has grown incrementally with the population (albeit not anywhere enough to meet the demand for vouchers), the project-based subsidized stock has been in decline, and has been for two distinct reasons (Table 2). The first is the decision of landlords to opt-out of the subsidy programs (either through non-renewal of their Section 8 contract, or pre-payment of their subsidized mortgages). Upon termination, landlords are legally obligated to take vouchers from the current residents whose incomes qualify them for vouchers (although HUD's enforcement of this law has required significant political organizing on the part of tenants). Upon any unit becoming vacant, landlords can raise rents to market levels or attempt conversion to coop/condo ownership, removing the properties from the stock of affordable housing, despite the public investment in the property during the prior decades.

The second is the disposal of properties from the stock that HUD has taken over, due to landlord mismanagement. In such cases HUD has often simply auctioned the properties to the highest bidder, and terminated the project-based contracts. Severe cases have led to HUD enforcement proceedings – often HUD foreclosure and termination of the project-based

[6] Mitchell-Lama is divided into rental and cooperative housing. Because the residents in the co-ops are owners rather than tenants, their interests and issues are somewhat different from those discussed here, and they are not addressed in this article.

subsidies. In properties that have had either type (owner or HUD) of termination of its project-based contract, the subsidies are converted to tenant-based vouchers for income qualified tenants. The voucher protects income-eligible tenant~~s~~ from displacement, but it moves with the household. Citywide, the project-based subsidized stock has declined by 17.6%, with most of this occurring in the last decade, and the bulk of it being from owner terminations, rather than HUD terminating the project-based contract.

Table 2: Properties Removed from the Affordable Housing Stock, April 2006

Type of Loss	Properties	Units
Owner Terminations		
Owner terminated	52	7,616
Owner termination in process	12	2,786
Subtotal of Owner Termination	**64**	**10,402**
HUD Terminations		
HUD terminated	19	3.083
HUD termination in process	20	2,714
Subtotal of HUD Terminations	**39**	**5,797**
Totals	**103**	**16,199**

IV. Evaluating the deconcentration hypothesis

Has the overwhelming federal emphasis on tenant-based programs achieved any deconcentration of assisted housing in New York City? Has the shift from project-based subsidies to vouchers delivered on the promise to give low-income households access to better neighborhoods? There are three ways to answer these questions. The first and most common is to map the distribution of the project-based stock and voucher recipients, and to interpret any obvious differences in the neighborhood patterns. The active project-based stock is clustered in several different zones around the city (Figure 1), with disproportionate concentrations in upper Manhattan (East Harlem and Central Harlem in particular), the South Bronx, and a corridor of Central to East Brooklyn neighborhoods from Bed-Stuy and Bushwick to Ocean Hill-Brownsville and East New York. The pattern becomes a bit more complicated when we consider the properties that have left the stock of subsidized affordable housing. The distribution of the owner-terminated properties is skewed heavily towards Manhattan, with clusters of terminations in the Upper West Side, the East Village, and, recently, East and Central Harlem (Figure 2).

Figure 1. Active Project-Based Assisted Housing Units, as Share of Occupied Rental Housing Units. *Source*: U.S. Department of Housing and Urban Development (FOIA request), U.S. Bureau of the Census (2000 Census of Population and Housing).

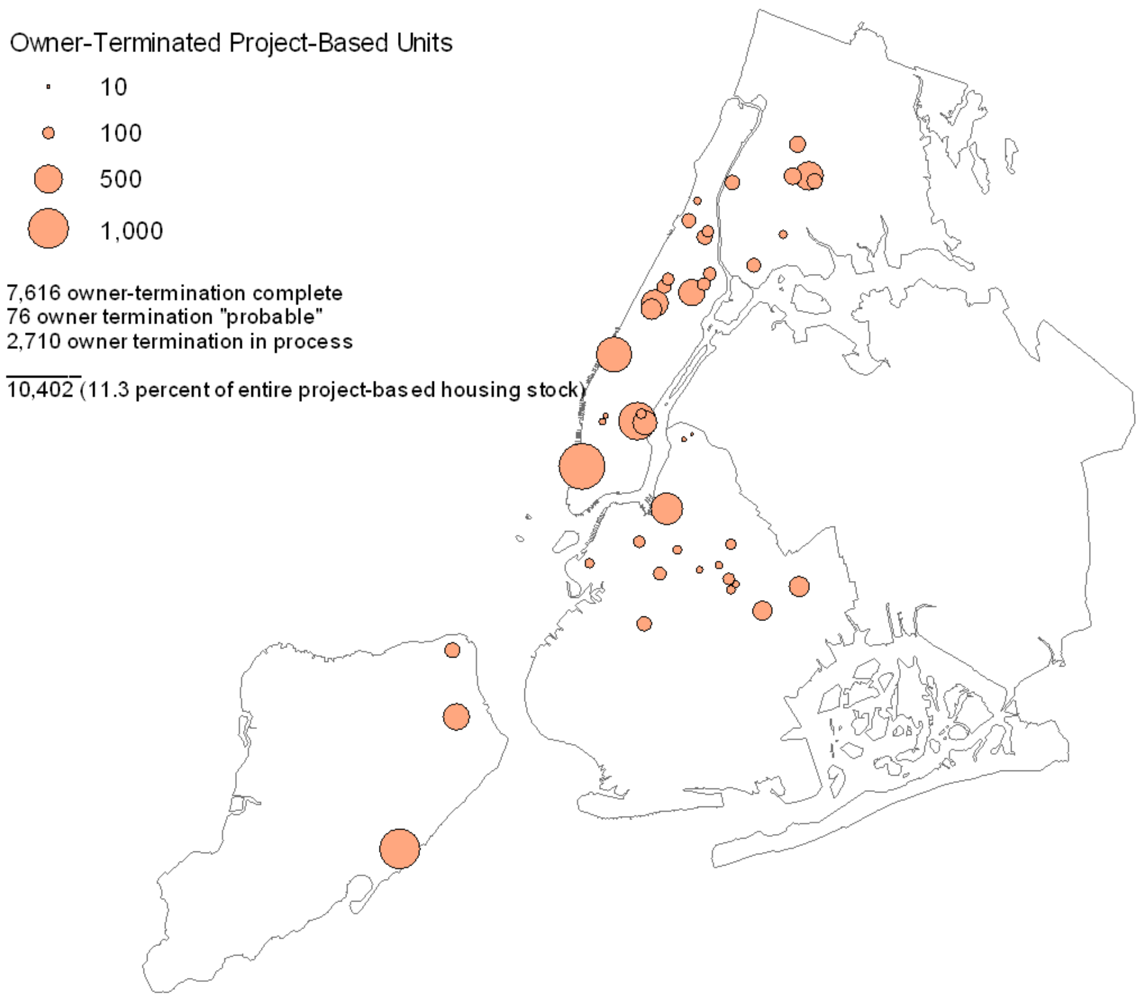

Figure 2. Owner-Terminated Project-Based Units. *Source*: U.S. Department of Housing and Urban Development (FOIA request).

Given the disproportionate numbers of properties in the Bronx and Brooklyn, we see relatively few opt-outs in those boroughs. The HUD-terminated stock, conversely, is concentrated in the South Bronx and Central- to East-Brooklyn (Figure 3). Thus the decisions of property owners and HUD etch out starkly divergent geographies. HUD's decision to terminate a contract, through enforcement action or non-renewal, generally highlights the City's poorest neighborhoods in the South Bronx and the turbulent blocks of Central Flatbush and Bed-Study, whereas the largest clusters of units removed by owners highlight the dramatic transformation of Hell's Kitchen, the Lower East Side, Chelsea, and, increasingly, vast portions of Harlem.

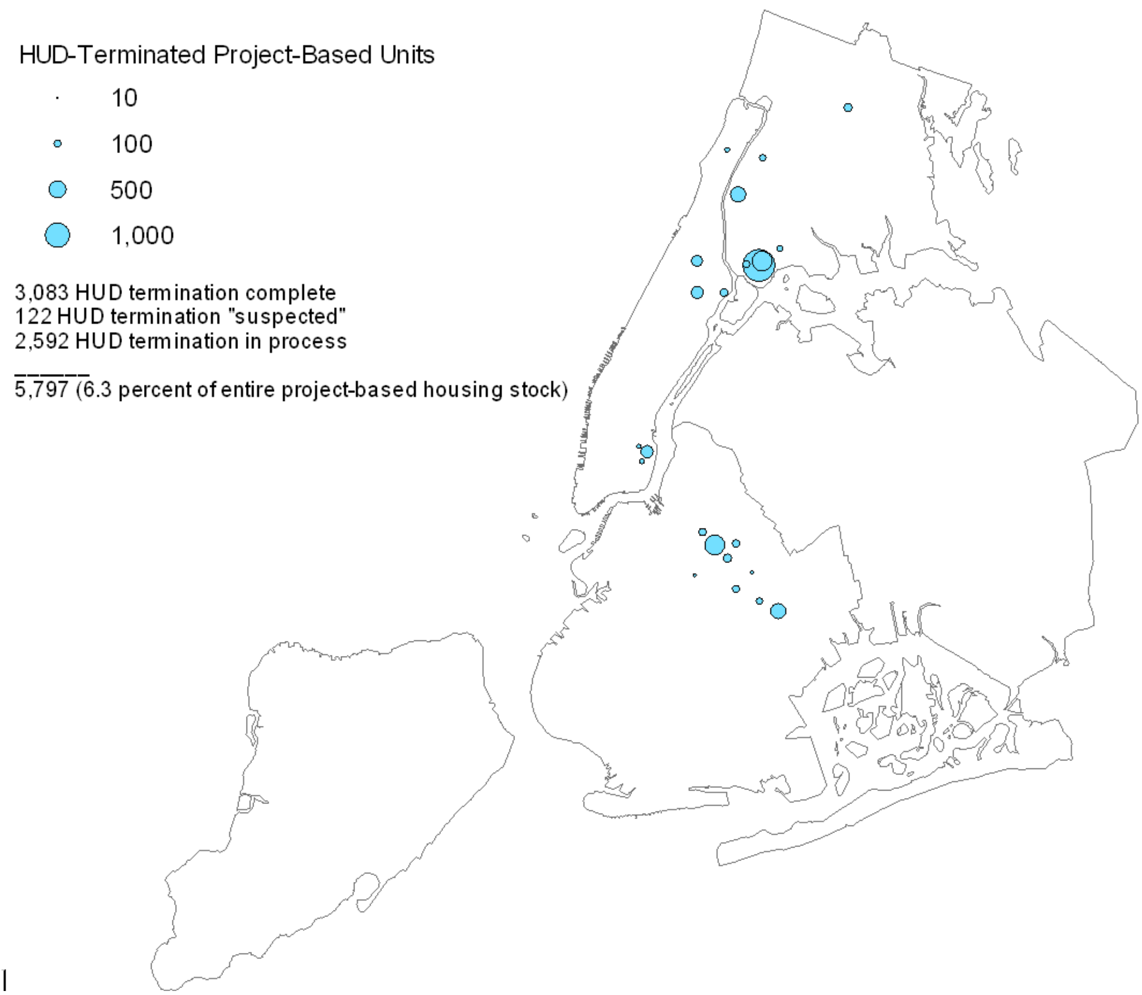

Figure 3. HUD-Terminated Project-Based Units. *Source*: U.S. Department of Housing and Urban Development (FOIA request).

Compared with the project-based stock, vouchers seem to permit a more dispersed pattern across the city (Figure 4). At first glance, then, these maps appear to confirm the success of the bipartisan consensus to promote deconcentration. But several factors justify caution as we interpret these maps. Fundamental differences in the scale of these different programs mean that differences in their spatial distribution are inevitable; the geography of the project-based stock is a snapshot of a limited number of buildings developed in historical policy regimes that ended more than twenty years ago -- while the HCV map captures the actions of many different households and landlords adjusting to ongoing changes in the rental market. And this market

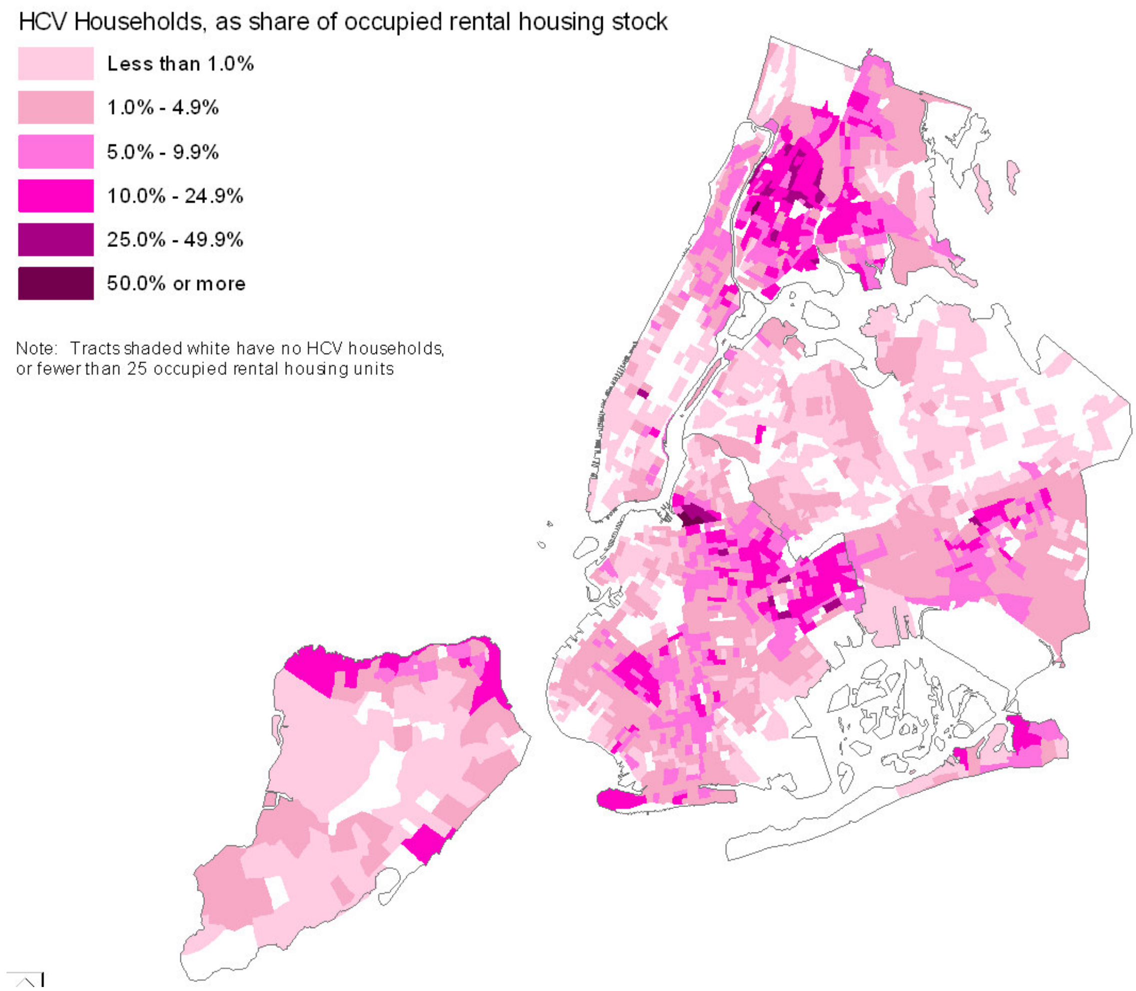

Figure 4. Voucher Households, as share of Renter Households. *Source*: U.S. Department of Housing and Urban Development (FOIA request).

certainly does not grant equal access to all neighborhoods. HCV households are disproportionately located in the Bronx and Central Brooklyn, with a smaller cluster around Jamaica, Queens. It is also crucial to recognize that the racial-ethnic composition of the voucher-receiving households closely mirrors the general population of the neighborhoods where they are located (Figure 5). Most voucher recipients in the Bronx are Latino; most in Central Brooklyn are African American; and most of those in smaller voucher concentrations in Brooklyn are Non-Hispanic White. Yet this complex map also conveys the false impression of a vast number of vouchers scattered across the city. Although these patterns are intricate, rich

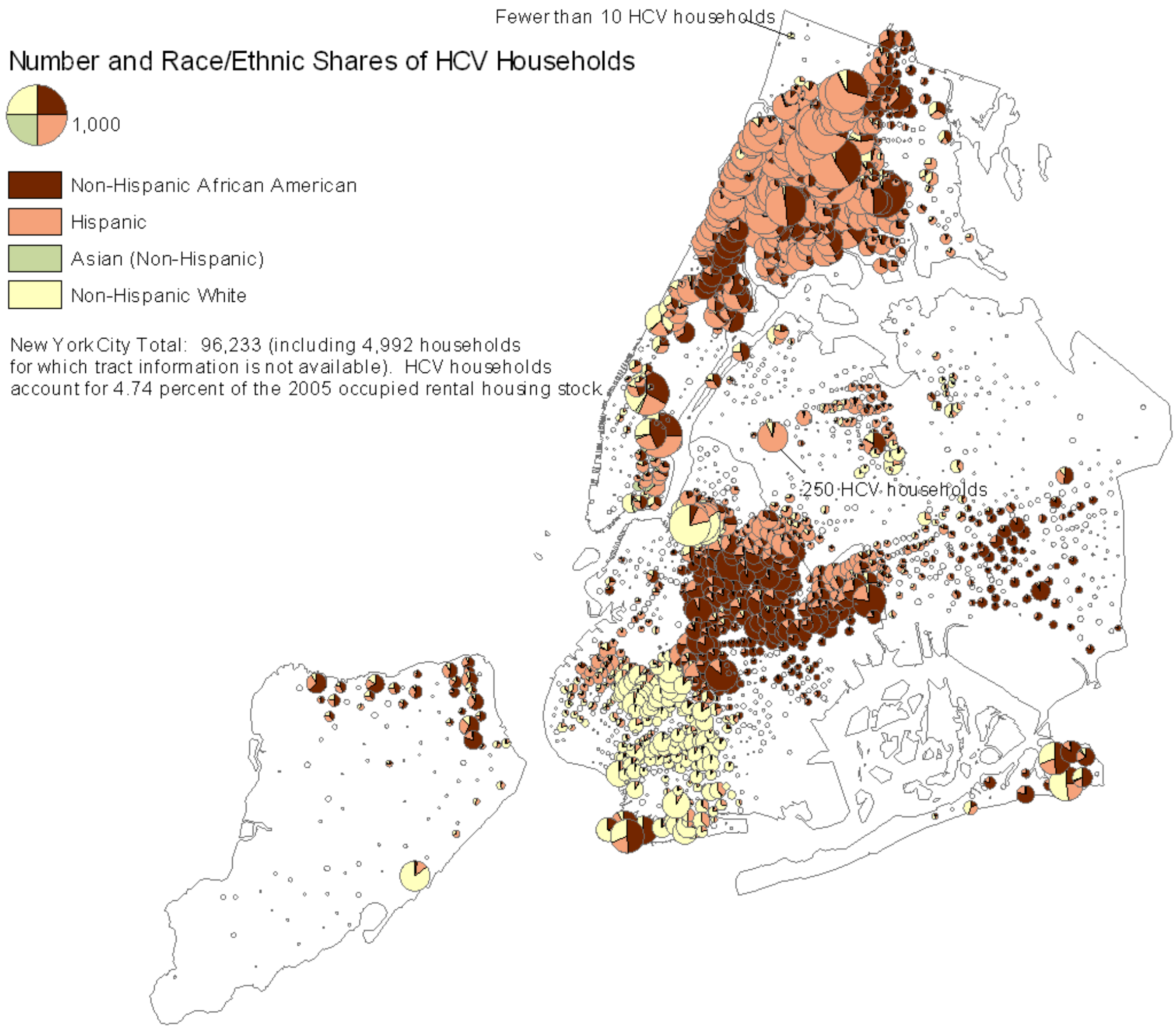

Figure 5. Racial-Ethnic Composition of Voucher Households. Circle sizes are proportional to the total number of HCV households in each tract; circles are divided and colored according to the racial/ethnic composition of voucher recipients in each tract. *Source*: U.S. Department of Housing and Urban Development (FOIA request).

reflections of the fine-grained fabric of neighborhood change and sedimented histories of housing development, we are still focusing on a tiny segment of the market -- HCV recipients account for fewer than one in twenty renter households in an intensely competitive market. Our analysis is focused on the sharp edge of restructuring of the physical and institutional legacy of the federal welfare state, cushioned by the City's continued (but precarious) role in collective consumption in the built environment.

Differences in spatial patterns, however, do not necessarily mean deconcentration: the policy emphasis on dispersal is justified by the idea that voucher households will gain access to better neighborhoods. A second approach to evaluate the deconcentration hypothesis, therefore, is to calculate an array of socio-demographic characteristics weighted by the number of households in each program -- thus yielding a portrait of the census tract characteristics for the 'average' assisted household (Table 3). This procedure reveals only modest differences in neighborhood characteristics of voucher holders and those living in project-based subsidized homes; only slight contrasts appear for a range of variables, including average income, poverty rate, and racial-ethnic composition. Voucher holders, to be sure, live in areas that are slightly higher income, a little bit 'whiter,' and with somewhat lower rates of public assistance. But the differences are modest, particularly when considering the dramatic claims of a policy discourse that was forged in the rather incendiary underclass debates and struggles over the survival of HUD itself. Measured in terms of racial desegregation, vouchers do seem to offer incremental progress on stated policy goals: the average voucher household lives in a neighborhood that is 34.4 percent African American, compared with 41.8 percent for those in active project-based units. Conversely, if desegregation/assimilation is proxied by proximity to Anglo Whites, vouchers deliver an average of 3 percent (i.e., from 15.96 percent to 18.9 percent). In the case of poverty, however, the shifts are negligible. The average voucher householder lives in a neighborhood with a poverty rate of 32.2 percent, compared with 34.0 percent for project-based units; ominously, recent entrants to the HCV program face a higher neighborhood poverty rate than voucher households overall (32.9 percent versus 32.2 percent). Measured at the median, recent admissions to the HCV program face a marginally higher rate of neighborhood poverty than residents of active project-based units (33.3 percent versus 33.2 percent). These kinds of minor differences are easily explained by 'creaming' behavior, as landlords withdraw housing in better neighborhoods from the subsidy programs. This dynamic is especially pronounced in neighborhoods where owners have opted out of project-based subsidies: this set of tracts is clearly the outlier, in terms of being significantly wealthier, whiter, and less poor. These areas also stand out on two specialized indicators of the housing boom -- median mortgage loan amount, and a rent capitalization ratio that is similar to the price/earnings ratios obsessively used in stock market analysis[7] – and in both of these categories is actually higher than the incredibly inflated citywide average. These tracts do tend to be a bit poorer (with both lower average incomes and higher poverty rates) than the city as a whole; but they also have a greater share of high-income households -- reflecting the intense class polarization that is often evident in gentrifying neighborhoods. At the other extreme, HUD terminations of project-based units are in neighborhoods that are poorer, less white, and with significantly higher vacancy rates that the city as a whole or neighborhoods with other subsidized housing.

Table 3. Average Demographic Characteristics of Neighborhoods with Subsidized Households.

Neighborhood Characteristics ...	**... for the average Household**					
	in New York City	in the HCV Program	Recently entering HCV Program	in active project-based unit	in a tract with more than 100 owner-terminated project-based units	in a tract with more than 100 HUD-terminated project-based units
Growth in number of households, 1990-2000	111	118	114	156	112	123
Non-Hispanic White share, 2000	40.3	18.9	16.0	16.0	42.3	3.0
Non-Hispanic Black share, 2000	23.7	34.4	38.4	41.8	22.1	44.8
Non-Hispanic Asian share, 2000	10.5	5.2	4.4	4.1	4.4	1.2
Hispanic share, 2000	24.7	40.4	40.2	37.6	29.7	50.8
White change, 1990-2000	-7.6	-4.4	-4.0	-2.8	-3.0	-0.6
Black change, 1990-2000	0.6	-0.3	-0.2	-1.0	-1.7	-3.3
Hispanic change, 1990-2000	2.9	2.9	2.8	2.8	2.4	4.2
Average household income, 2000	$ 58,505	$ 37,675	$ 38,254	$ 35,765	$ 56,640	$ 27,654
Change in average income, 1990-2000	41.5	40.8	40.9	48.1	56.9	53.2
Share of households with income > $150,000, 2000	9.3	8.4	8.4	8.6	10.3	8.0
Poverty rate, 2000	19.9	32.2	32.9	34.0	27.2	46.7
Share of households with public assistance income, 2000	15.0	25.8	25.9	29.1	18.9	36.3
Homeownership rate, 2000	29.2	16.0	15.8	11.1	19.5	11.1
Ownership change, 1990-2000	0.7	0.8	0.7	1.9	3.0	1.8
Vacant rental units, share of total housing units, 2000	2.3	3.6	4.0	3.5	2.8	7.4
Change in number of housing units, 1990-2000	97	133	128	165	110	209
Median single-family mortgage loan, 20003	$ 220,016	$ 210,829	$ 216,775	$ 197,441	$ 271,080	$ 197,555
Rent capitalization rate, 20003	25.9	28.9	30.0	34.5	37.8	39.1

A Multivariate Assessment

These results provide only the most qualified support for the deconcentration hypothesis: the maps suggest notable differences in the geographies of voucher holders and residents of

[7] Our capitalization ratio is calculated as the median single-family mortgage loan origination in a census tract, divided by the annualized median contract rent (based on 2000 Census data and adjusted based on inflation to 2003) for renter-occupied housing units. Rents more closely mirror the use value of housing services, while home values are much more sensitive to exchange-value considerations driven by interest rates and speculation; the capitalization ratio thus offers a benchmark gauge of the level of speculative interest in a neighborhood, especially where such behavior is facilitated by mortgage debt availability.

project-based units, but tabulations of neighborhood characteristics yield more ambiguous evidence. The average voucher holder lives in a neighborhood with a poverty rate that is only 1.8 percent lower than the rate for residents of active project-based units. The comparable figure for residential segregation, proxied by neighborhood African American share) is 7.3 percent; but this drops to 5.1 percent if the owner-terminations in the wealthier, whiter neighborhoods had not occurred.

Despite the insights provided by such maps and tabulations, however, these approaches cannot provide a definitive, rigorous test of the deconcentration hypothesis. Deconcentration policy assumes that the shift from projects to vouchers will allow assisted households to gain access to neighborhoods with more white, middle-income, and unsubsidized households; in other words, the policy rests on the assumption that moving to a neighborhood with a lower minority percentage will deliver other benefits, in terms of neighborhood income, poverty rates, and so on. Simple maps and tabulations are insufficient to test these assumptions; instead, we need to consider multiple factors at once, to measure a) interactions between poverty deconcentration and racial segregation, and b) differences and similarities between subsidized households and the general population characteristics of the neighborhoods where they live.

Our first step in this approach is to analyze racial segregation and poverty concentration amongst subsidized households in the two programs, which together account for fewer than one in ten occupied rental units citywide; how does the racial segregation created by each of these programs relate to the broader conditions of unsubsidized households in the same neighborhoods? For example, in tracts with active project-based units, non-Hispanic African Americans on average comprise about 48 percent of total project-based units -- but this share varies widely, from tracts where African Americans constitute all of the project-based households, to neighborhoods where they are completely absent. Can we predict the African American share of a tract's project-based units if we know other things about the neighborhood -- such as its poverty rate, average income, prevalence of public assistance, racial composition, and relative share of project-based assisted units? We estimated a set of regression models to answer this question, for both project-based units and vouchers, for the four main racial groups.[8]

[8] To account for variations in the number of assisted households compared with each neighborhood's total population, the models are weighted by the number of households in each program; an indicator of the proportion of each tract's households receiving the specified assistance is also included as a control variable. Models excluding this control variable yield similar coefficient estimates and test diagnostics to the results presented here.

If the shift from projects to vouchers is to deliver on the promise of deconcentration, then there should be striking differences in the way that neighborhood conditions help to predict each program's racial composition across different city neighborhoods.

The model results offer a rigorous test of the deconcentration hypothesis (see Tables 4 and 5). Diagnostics suggest a robust fit: [9] with a few measures of racial composition, poverty, average income, and so on, we are able to account for most of the variation in the racial composition of different neighborhoods' voucher and project-based households. We are able to predict 75 percent of the variance in tracts' non-Hispanic African American share of project-based units, for instance, with these basic measures (see the adjusted r-squared for the Non-Hispanic Black model in Table 4). Several other important findings are apparent. Project-based assistance is tied closely to neighborhood racial segregation: if we increase the neighborhood share non-Hispanic Black by one standard deviation (i.e., from a neighborhood that is 43 percent Black to a neighborhood that is 73 percent Black), then the Black share of project-based households increases by nearly the same amount (note the "standardized Beta" of 0.86 standard deviations; a perfect one-to-one link would yield a Beta of 1.00).[10] The squared semi-partial correlation indicates that 64 percent of the variance in the Black share of project-based households can be accounted for by the variance in neighborhood Black population, *independent of all other factors included in the model*. For other racial/ethnic groups, the *strength* of the relationship is pretty much the same (Betas between 0.87 and 0.89 standard deviations), but the proportion of variance attributable to neighborhood segregation varies considerably. Across the board, though, neighborhood racial composition is the only reliable predictor of project-based racial composition. In racial-ethnic terms, households living in project-based homes are very much like their neighbors.

But the same applies to vouchers. Defying the expectations for deconcentration, the racial composition of HCV households closely parallels neighborhood racial composition. Indeed, there is evidence that the connection is slightly stronger for vouchers than for project-based units. Increasing the neighborhood non-Hispanic Black share by one standard deviation boosts the Black share of tract HCV households by 0.88 standard deviations (compared with 0.86

[9] Tolerance values confirm no serious multicollinearity problems: no tolerances for any of the models presented fall below the 0.20 threshold normally regarded as cause for concern, and most exceed 0.50.

[10] It is necessary to use standard deviations to avoid the problem of comparing things measured on different scales such as average household income, measured in dollars, versus neighborhood share African American, measured in percentage terms.

Table 4. Project-Based Segregation Models.

Variable	Non-Hispanic Black Standardized Beta	Non-Hispanic Black Squared Semi-partial Corr Type II	Non-Hispanic White Standardized Beta	Non-Hispanic White Squared Semi-partial Corr Type II	Hispanic Standardized Beta	Hispanic Squared Semi-partial Corr Type II	Non-Hispanic Asian Standardized Beta	Non-Hispanic Asian Squared Semi-partial Corr Type II
Number of households	-0.080 *	0.005	0.155 ***	0.016	-0.015	0.0002	0.030	0.001
Racial group share of total tract population	0.863 ***	0.642	0.871 ***	0.351	0.889 ***	0.587	0.888 ***	0.681
Poverty rate	0.083	0.001	-0.131	0.003	0.003	0.000002	0.132	0.004
Share of households with public assistance income	-0.106	0.003	0.156 *	0.006	-0.058	0.001	-0.056	0.001
Average household income	0.070	0.002	-0.192 **	0.011	0.111	0.004	-0.014	0.0001
Active project-based units, as share of tract housing	0.030	0.001	0.019	0.0003	-0.063	0.003	0.048	0.002
Adjusted Model R^2	0.75		0.72		0.72		0.75	
Number of observations	219		219		219		219	

Note: all regressions are weighted with the total number active project-based units in each census tract. Models estimated only on tracts with active project-based units.
*Coefficient significant at P<0.05; **P<0.01; ***P<0.001.

Table 5. Voucher Segregation Models.

Variable	Non-Hispanic Black Standardized Beta	Non-Hispanic Black Squared Semi-partial Corr Type II	Non-Hispanic White Standardized Beta	Non-Hispanic White Squared Semi-partial Corr Type II	Hispanic Standardized Beta	Hispanic Squared Semi-partial Corr Type II	Non-Hispanic Asian Standardized Beta	Non-Hispanic Asian Squared Semi-partial Corr Type II
Number of households	0.038 ***	0.001	-0.092 ***	0.007	0.082 ***	0.006	0.109 ***	0.011
HCV households, as share of tract households	-0.039 **	0.001	-0.021	0.0003	0.034 *	0.001	0.003	0.000004
Racial group share of total tract population	0.884 ***	0.647	0.735 ***	0.263	0.935 ***	0.574	0.450 ***	0.160
Recent HCV entrants as share of tract households	0.045 ***	0.001	0.015	0.0001	-0.003	0.000004	0.010	0.000
Poverty rate	0.069 ***	0.001	0.139 ***	0.005	-0.069 ***	0.001	0.090 *	0.002
Share of tract households with public assistance income	0.075 ***	0.002	-0.073 ***	0.002	-0.117 ***	0.004	-0.026	0.0002
Average household income	0.084 ***	0.003	-0.147 ***	0.009	-0.037 *	0.001	-0.016	0.0001
Elderly as share of HCV households	-0.059 ***	0.003	0.355 ***	0.072	0.012	0.0001	0.044	0.002
Adjusted Model R^2	0.82		0.82		0.77		0.21	
Number of observations	1870		1870		1870		1870	

Note: all regressions are weighted with the total number of HCV households in each census tract. 293 tracts were excluded for missing values.
*Coefficient significant at P<0.05; **P<0.01; ***P<0.001.

for projects); for Latinas and Latinos, the corresponding figures are 0.93 (HCV) and 0.89 (projects). Almost two-thirds of the neighborhood variation in the Black share of voucher households can be attributed solely to neighborhood Black population; no other neighborhood effects -- poverty, income, overall reliance on public assistance -- even come close to the importance of racial segregation.

If racial segregation is the benchmark for evaluating the results of deconcentration, then vouchers seem to operate no differently than project-based assistance. The racial composition of each program's clients closely mirrors the neighborhoods where they live. If poverty is the benchmark, the results are even more alarming. Regression models predicting tract poverty rates indicate that the distribution of vouchers has failed to break the link between housing assistance and neighborhood impoverishment: about one quarter of the variance in neighborhood poverty rates can be attributed solely to variations in the distribution of voucher households (see the squared semi-partial correlation for Model 1 in Table 6). This effect dramatically overshadows the role of project-based housing assistance, regardless of whether we model all neighborhoods in the city or just those with both vouchers and projects (compare Models 1 and 3). Ultimately, what this means is that the distribution of voucher households is much more closely tied to the contemporary spatial dynamics of poverty -- whereas many active-based project units built generations ago in poor or working-class districts have been surrounded by recent waves of gentrification. Clearly, neighborhood poverty cannot be linked solely to housing assistance; but adding a suite of housing and demographic predictors to the models does not alter the main interepretations. Even after accounting for racial composition, homeownership, and other factors, the link between housing assistance and neighborhood poverty is strongest for vouchers, *not* project-based units. Citywide, a one-standard deviation increase in the share of voucher households in a neighborhood is associated with a 0.167 standard deviation increase in neighborhood poverty, independent of all other factors in the model (see Model 2, Table 6). Small as it may be, this effect is 2.93 times as large as that for project-based units (i.e., a Beta of 0.167 versus 0.057 in Model 2). When we narrow the focus to mixed-subsidy tracts, the contrast is even sharper (the relationship between vouchers and poverty is 5.46 times as important as that for project-based unis (see Model 4 in Table 6).

Table 6. Neighborhood Poverty Models.

	Citywide				**Mixed-Subsidy Tracts†**			
	Model 1		**Model 2**		Model 3		Model 4	
Variable	Standardized Beta	Squared Semi-partial Corr Type II	Standardized Beta	Squared Semi-partial Corr Type II	Standardized Beta	Squared Semi-partial Corr Type II	Standardized Beta	Squared Semi-partial Corr Type II
Active project-based units, as share of tract housing	0.179 ***	0.031	0.057 ***	0.003	0.103	0.010	0.030	0.001
HCV households, as share of tract households	0.514 ***	0.256	0.167 ***	0.019	0.497 ***	0.238	0.164 ***	0.018
Average household income			-0.278 ***	0.044			-0.536 ***	0.084
Population growth, 1990-2000			-0.022	0.0005			-0.057	0.003
Non-Hispanic Black share			0.190 ***	0.021			0.041	0.0003
Hispanic share			0.270 ***	0.037			0.198 **	0.008
Non-Hispanic Asian share			0.014	0.0001			-0.052	0.001
Change in Black share			-0.121 ***	0.013			-0.124 **	0.008
Change in Hispanic share			-0.067 ***	0.004			-0.108 *	0.006
Ownership rate			-0.281 ***	0.050			-0.164 ***	0.016
Change in ownership rate			0.013	0.0002			0.071	0.004
Rental vacancy rate			0.041 **	0.001			0.035	0.001
Adjusted Model R^2	0.33		0.73		0.27		0.71	
Number of observations	2163		2163		234		234	

Note: all regressions are weighted by total number of households in each census tract.
*Coefficient significant at P<0.05; **P<0.01; ***P<0.001.
†Tracts with both HCV voucher holders and active project-based housing units.

V. Fighting to save subsidized housing; or "running to stand still"

Housing activists both locally, in NYC, and around the country, have long understood that landlords were withdrawing from the affordable housing programs once neighborhoods showed signs of gentrification. They have organized accordingly, and worked to put pressure on both the federal government, and their local and state governments to save the project-based subsidized stock, and not accept vouchers as alternatives. These efforts have resulted in several victories, which have preserved the stock better than it would have been otherwise. And not only have they taken place at all scales of government, but also have taken programmatically different directions depending on whether the properties are subsidized through the older subsidy programs or the newer, Section 8 program.

Federal Preservation Policies

At the national level, as soon as the older-subsidized tock starting leaving in the 1980s, activists organized[11] and won legislation in 1987, which was strengthened in 1990 to entice landlords to stay in the program – or sell the properties to "preservation purchasers" who would do so. The preservation acts, and their incentives, however, were de-funded in 1996 (though they technically remain on the books). Only one property in New York City, on the Upper West Side of Manhattan, was preserved through this legislation. There are two other ways in which the older-subsidized stock can be preserved by federal policy, but they use is limited, and not likely to increase anytime soon. The first is the process of "de-coupling" a property's mortgage subsidy from its initial mortgage. This allows the refinancing of the subsidized properties without terminating the subsidy or its accompanying use restrictions. This is therefore an attractive option for owners to preserve the affordability of their properties, while taking advantage of other, sometimes subsidized, sources of capital. Thus far this has occurred in over 130 properties in several states, but has not yet occurred in New York City. The second is the pooling of the excess capital that remains when an older subsidized property's mortgage subsidy is terminated through prepayment or foreclosure. This pooled money, in turn, is to be used to provide grants or loans to other subsidized properties for various purposes. Despite being in HUD's annual budgets, and growing to $300 million in the early 2000s, this money was never

[11] These early organizing efforts did not just yield legislation, they also led to the creation of the National Alliance of HUD Tenants, a nationwide organization that mobilizes tenants in project-based subsidized housing. See Ceraso, 1997

allocated and the policy never implemented by HUD. In the summer of 2002, Congress rescinded these funds to use them for other purposes.

The bigger issue is the preservation of the project-based Section 8 stock (if for no other reason than most of the older stock is also now subsidized by Section 8). Section 8, as we already discussed, had its subsidy based on the federally-defined FMR at the time of the initial subsidy, which was thereafter adjusted upwards via HUD's "Annual Adjustment Factor" (AAF) (which is based on the Consumer Price Index's data on housing costs). The problem was that as rents rose dramatically in many cities around the country in the second half of the 1990s, they greatly outpaced the AAF that HUD was using. In hot neighborhood markets, therefore, landlords were getting significantly less from HUD than what they would have in the private rental market. Owner-opt outs exploded in this period (which also coincided with the end of the 20-year contracts for the bulk of the Section 8 properties, which were built from the mid- to late 1970s), and an estimated 40,000 units were removed nationwide just from October 1996 to April 1999 (Achtenberg, 2002). The widespread outcry from tenant and community activists around the country prompted HUD to introduce the "Mark-Up-to-Market" (MU2M) program. In June 1999 HUD issued a ruling saying that owners with expiring contracts with below market rents could be offered contracts that "Mark Up" their rents to the prevailing market, or "street rent" in their neighborhood. This was codified in legislation in October 1999. With MU2M landlords are offered enough of a financial incentive to remain in the Section 8 program, and maintain their housing units' affordability. And the program has played a very significant role in preserving the affordability of the Section 8 stock in New York. Thus far, almost 6,000 units have been preserved through MU2M in New York City. These properties, as would be expected, have tended to be in gentrified or gentrifying areas in the city – areas such as Hell's Kitchen/Clinton, the East Village, Morningside Heights, Harlem, and East Harlem. And the average unit preserved through MU2M is a census tract that is wealthier, whiter, and less poor than the rest of the active project-based stock.[12]

The program is therefore doing largely what it had set out to do, preserve the stock in neighborhoods where the market is strong, and the option of opting-out of Section is particularly appealing to landlords. There are, however, three basic problems with MU2M. First, the

[12] The tract median incomes are $34,958 for the MU2M properties, and $23,928 for the rest of the stock. Similarly, MU2M units are in tracts that are much less poor, and with significantly higher white populations.

contract renewals that landlords sign with HUD have generally been only five years long, and are increasingly only for one year. Tenants are therefore left in a position of never knowing whether their home will be secure beyond the next twelve months. Second, getting owners to enroll usually requires significant mobilization by the tenants and their advocates to pressure a very often reluctant HUD to offer owners enough of an incentive to stay in the program. Meetings must be organized, demonstrations must be staged, etc. Such mobilizations also usually require the involvement of the communities' representatives in Washington in order to force HUD to act – the ease of which varies from representative to representative. HUD, of course, does not welcome these efforts, and we've been told by many tenant leaders that HUD has said they don't want the tenants in the room when HUD is meeting with the landlords, because the tenants would side with the landlord against HUD.

Finally, there are the related questions of equity and sustainability that come with MU2M. That is, given the tightness of the rental market in New York City (and other cities, such as San Francisco, Boston, etc.) landlords are often given incredible sums of money to provide affordable housing. In the most extreme case in New York, French Apartments in Clinton signed a MU2M renewal that pays 338% of the area's FMR. That translates into more than $3,200/month for a one-bedroom unit, and more than $3,600/month for a two-bedroom. Not coincidently, French Apartments is the only property in the five boroughs to sign a 20-year renewal through MU2M. This is an extreme case, but there are many properties in the 200-300% of FMR range. It is difficult to get away from the question of why should we be giving landlords $3,000 a month for a two-bedroom apartment in the East Village, just because the private rental market would pay that? Given the relative scarcity of public sector resources for affordable housing, is this a good use of limited funds? Related to the equity question is the issue of sustainability. Is this a long-term solution to the problem of affordability?

The MU2M program embodies a dangerous paradox of assisted housing policy. Conservative critics would readily agree with progressive housing advocates that the case of the French Apartments exposes a serious waste of money. But conservative analysts are quick to use such examples to issue an indictment of public intervention in the housing market on behalf of the poor and working class. For conservatives, the French Apartments present a symbol of irresponsibility, of lavish government handouts doled out by a discredited welfare state. Framing the problem this way, conservatives are able to launch remarkably effective attacks on the tattered remains of the stillborn Great Society. Conveniently forgotten in such a narrative, however, is that the exorbitant subsidy goes directly to the landlord: a few tenants may benefit from the use value of apartments protected by MU2M adjustments, but the landlord class lays claim to the dramatic escalation of exchange values propelled by gentrification and broader speculative housing bubble dynamics. The MU2M program is thus fundamentally at odds with long-term protection of housing affordability. Matching the market simply reifies the market processes that have failed to deliver affordable housing services, and undermines the possibility of using public intervention to carve out an alternative to market failure. A more sensible use of resources would involve shifting ownership to preservation purchasers -- tenant organizations or community based not-for-profit corporations. These approaches are certainly not easy, nor are they free of complications and risks; but they offer a much more viable means of securing long-term affordability without paying ongoing bribes to the landlord class.

State and Local Government Policies Around the Country

While the federal government has been spotty and uneven in its preservation policies – shifting to vouchers and offloading properties on the one hand, and instituting MU2M on the other – state and local governments have responded to pressure from housing activists to preserve the affordable stock by enacting a set of policies designed to preserve the stock. New York, while not leading the country in these efforts, has been active and contributing to them.

At their most basic, these have included increased notification requirements for landlords to inform tenants when they are planning on terminating their project-based contract with HUD. Currently, federal law requires notification to the tenants and HUD of an anticipated termination of project-based Section 8 one year before such termination is to occur. For the older-subsidized properties, notification of prepayment requirements are no less than 150 days, and no more than 270 days. Many states and localities have notification requirements ranging up to two years (in Rhode Island), as well as expanding the list of recipients of the notification (to include state and local governments).

The next step up from notification requirements has been the passage of "right of first refusal" laws. These vary from a "true" right of first refusal which allows the designated purchaser the opportunity to match any offer – and in some cases constrains the owners' ability to set the asking price – to much weaker versions, which don't amount to much more than a "right to make an offer" (with no obligation on the owner to sell). Local and state laws also vary in terms of the "triggering event" for the right to be exercised. Some legislation only provides the right of first refusal at the time of the sale of the property, but this means that terminations of the subsidy (through prepayment or opt-out) by an owner without sale of the property would trigger no such right. Finally, designated purchasers themselves can vary from local government agencies to tenant groups to CDCs, etc. – basically anyone that can be understood to be a "preservation purchaser."

In New York City, after years of mobilizing by a coalition of 67 community organizations, non-profits, and tenant associations called "New York City United to Save Affordable Housing," the city council passed the law *Intro 186-A* (now Local Law 79) in August of 2005. This law, which passed with an overwhelming majority, and overrode Mayor Michael Bloomberg's veto, is a true "right of first refusal" law for properties in the five boroughs. Importantly, it applies to Mitchell-Lama and the federally-subsidized stock, thereby avoiding the potential fragmenting of its support into different groups of tenants based on which form of subsidized property they live in. According to this law, tenants have the right to match any offer that a landlord receives if they are going to sell their property. As of the time of this writing, the legislation is in court, having been challenged by Real Estate Board of New York (a landlord organization) and its future is uncertain.

In addition to regulating notification and right of first refusal provisions, state and local governments have passed laws that are a mix of financial carrots and sticks to preserve the stock. In terms of sticks, several states and municipalities have passed laws requiring that landlords mitigate the costs of relocation for displaced tenants. In New York, some housing activists had been pushing the idea of "community impact assessment" – borrowed from the environmental impact assessment required for many land use changes and developments – to be conducted and paid for by landlords when they plan to terminate their project-based contract, but that idea seems to have lost political traction.

The carrots are more common than the sticks, and many states and localities are now offering financial incentives to landlords to retain their project-based contracts, or financial support for preservation purchasers. This often takes the form of earmarking a certain portion of their private activity bonds for housing preservation, often in conjunction with Low Income Housing Tax Credits. Several cities, including Cook County, IL, offer tax abatements alone or along with reduced assessed taxes for properties that retain their affordability. In New York, the state's Housing Finance Agency has been earmarking tax credits for this purpose. Also, in October 2005 the city's Department of Housing Preservation and Development (HPD) announced the creation of a fund to help finance the acquisition of properties in order to preserve their affordability (Lee, 2005).

Finally, there is a whole set of organizing that is going on with the city government working with tenant advocates to get HUD to turn over the properties that it holds the mortgages on to HPD, which would then turn those properties over to designated not-for-profits and/or tenants. This is a deal that would effect about 30 properties, with histories of disinvestment and problems (which is how HUD came to own the mortgages in the first place). This effort was progressing, with HUD working out the financial details of the transfer with the city – but HUD recently walked away from the table because of a technically unrelated organizing effort by tenants groups in the city to get HUD to keep a project-based contract in two properties in Brooklyn that HUD is trying to convert to vouchers. At the time of this writing, the future of these efforts to preserve the project-based stock at the other end of the termination spectrum remains unclear.

Conclusion

Given the persistent crisis state of affordable housing in the United States, how we understand such housing and its relation to the rest of society is of vital importance. Vouchers, we have been told, are a way to allow poor households to improve their situation in life by moving to better neighborhoods, which presumably have better schools and other public services. This is simply not the case in New York City, where, if we believe in the goal of mixed-income neighborhoods we should be preserving the project-based stock, rather than converting to vouchers. We strongly suspect that similar analyses in other cities like Boston and San Francisco would yield the same results. Thus productive work has been undertaken by housing advocates, tenant leaders and community groups to preserve the affordable housing stock already in place. And these efforts have scored some important victories. But these are victories that amount to a zero-sum – just holding on to what we already have, rather than expanding the quantity and quality of the stock of affordable housing. We are, in short, running to stand still. And as theory and policy coalesce around an unquestioned consensus on the virtues of deconcentration, activists and advocates working in the overheated housing markets of many American cities feel like they’ve walked through the looking glass.

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