

“New Deal Ruins” by Edward G. Goetz

**Reflections by Jon Gutzmann
Executive Director
March 26, 2013**





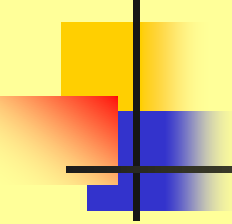
Outline

- Discuss some of Professor Goetz's findings, data, and important history lessons around "slum clearance" then... and "urban revitalization" (dismantling of public housing) today
- St. Paul PHA as a "quiet success"
- Issues moving forward



National Housing Goals

- U.S. Housing Act of 1937:
 - “decent, safe, and sanitary dwellings for families of lower income”
- U.S. Housing Act of 1949:
 - “a decent home and a suitable living environment for every American family”



Chapter One: Quiet Successes and Loud Failures

- P. 24, “Story of American public housing is one of quiet successes drowned out by loud failures”
- P. 27, Legislative Battles (1937 Act)
 - Slum clearance orientation
 - Limits placed on construction costs
 - “Equivalent elimination clause”
 - Not compete with private housing



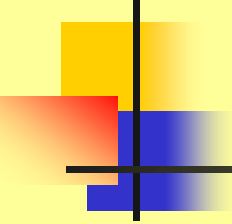
Legislative Battles (cont.)

- U.S. Housing Act of 1949
 - Full on assault by the Real Estate industry, cold war images/rhetoric “government ownership of housing the first step toward national socialism”;
 - 1952 Loyalty Oaths. p. 28



Legislative Battles (cont.)

- 1949 Act, final amendment to eliminate entire PH program defeated by 5 votes
- “Program that emerged from these legislative battles calculated to appease critics as much as accomplish the goals of the supporters” p.29
 - Decentralized authority, local control in siting, cost containment, tenant selection, etc.



Chapters Two and Three: Dismantling Public Housing

- 1969 one-for-one replacement (until 1983, Reagan administration)
- Early Demolition of public housing, p.49
- Desegregation lawsuits (1976 Gautreaux)
- 1992-95 lawsuits (Mpls., Dallas, etc.)
- Commission and HOPE VI (reversal)
- Case studies in Chicago, Atlanta, HANO



Chapter 5: Fate of Displaced

- “Making sense of the record...the demolition of public housing has for the most part not produced significant or consistent benefits for the very low income families displaced” p. 150
- “Extent to which planners have underestimated the importance of supportive social networks...” pp. 152-153 (read)

St Paul PHA as a Quiet Success (Thanks Ed!)



The PHA helps families and individuals with low incomes achieve greater stability and self reliance by providing safe, affordable, quality housing, and links to community services.



PHA's Three Major Programs: All Federal Funding from HUD

1. Public Housing
(Operating Fund)
2. Capital Fund
3. Section 8/ Housing
Choice Vouchers



Designated "High Performer" PHA for 22 consecutive years; providing 8700 + affordable homes to over 20,000 people.

What is the Saint Paul PHA?



- Property owner:
The PHA owns and manages 4247 houses and apartments for low income people.

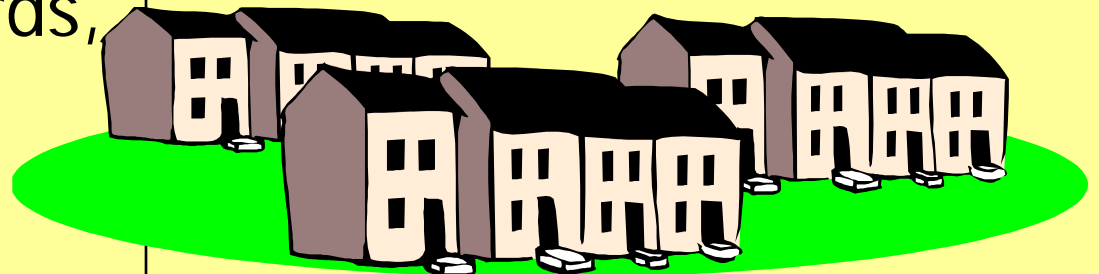
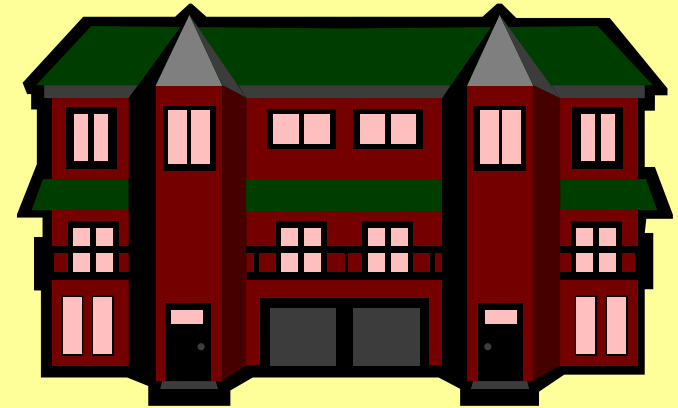


What is the Saint Paul PHA?



- **A Funder:**

The PHA pays \$39 million/year in Sec. 8 rent subsidies to private landlords, for > 4500 apartments.

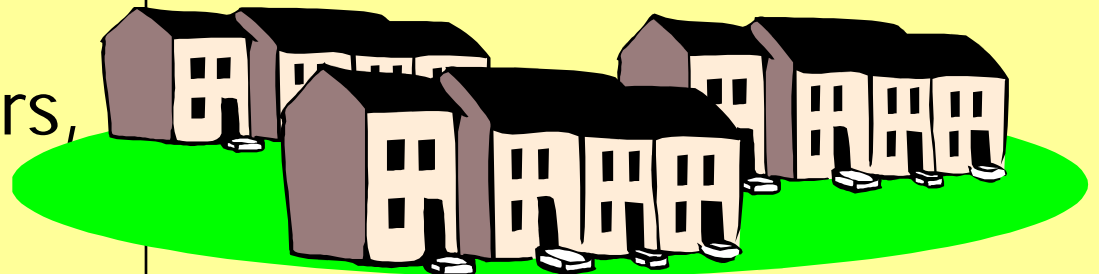
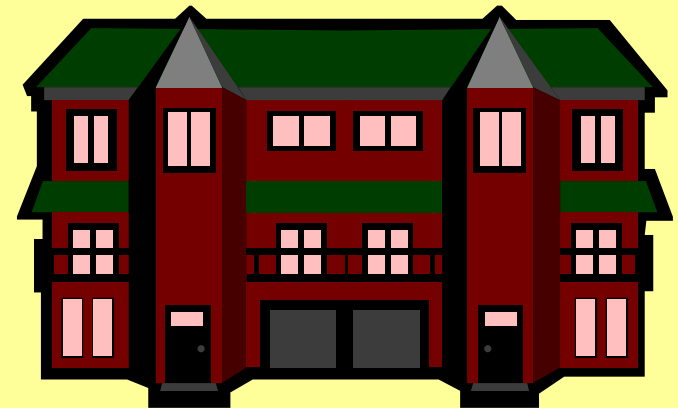


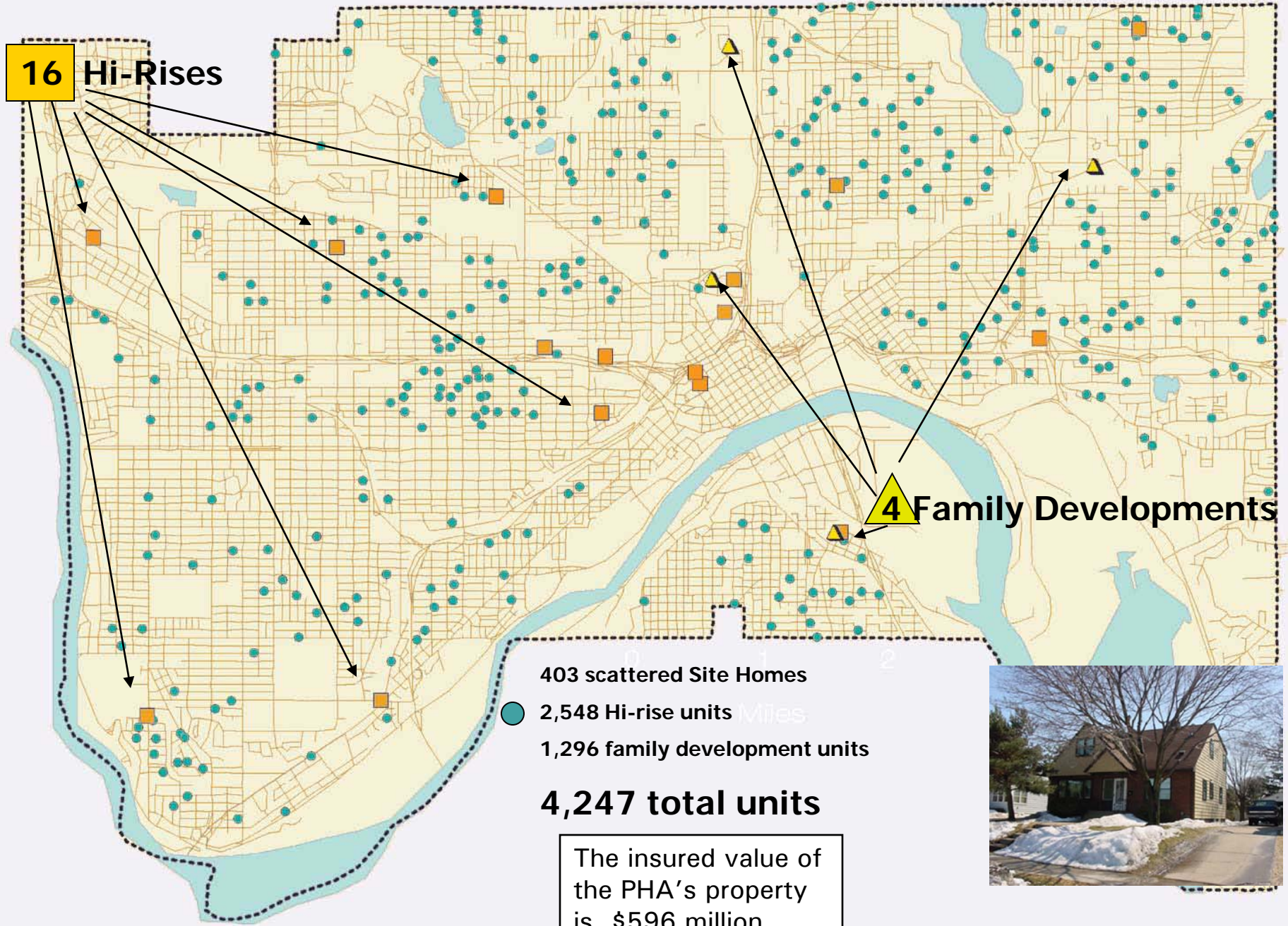
What is the Saint Paul PHA?



- **A Community Partner:**

The PHA returns federal tax dollars to local private landlords, the city, contractors, and more...





PHA Quiet Successes:

Fact Sheet at www.stpha.org



High Performer for 22 consecutive years means:

- 99% occupancy (for 17 consecutive years)
- preparing and re-renting ~600 vacant units each yr in an average of 13 days key to key
- collecting 99% of rents each month
- attaining 100% resident satisfaction ratings on work orders
- sustaining a community policing program that yields crime rates lower than non-PH neighborhoods in the city

PHA Quiet Successes:

Fact Sheet at www.stpha.org



High Performer for 22 consecutive years means:

- modernizing versus tearing down our public housing (while maintaining 99% occupancy)
 - Mt. Airy: modernized 272 family units between 1991 and 1996 at a total cost of \$17,108,843 (\$62,900/DU)
 - Roosevelt Homes: modernized 244 family units between 1997 and 2001 at a total cost of \$16,088,629 (\$65,937/DU)
 - McDonough Homes: modernized 484 family units between 2002 and 2012 at a cost of \$35,128,080 (\$72,578/DU)
 - Dunedin Terrace: will modernize 88 family units between 2012 and 2020 at an estimated cost of \$7,791,000 (\$88,534/DU)

PHA Quiet Successes:

Fact Sheet at www.stpha.org



High Performer for 22 consecutive years means:

- selling land adjacent to Roosevelt Homes to Habitat for Humanity who constructed 30 homes for single family homeownership
- adding new PH were possible (12 units in the last year)
- pushing back against the “exaggerated discourse of disaster” (p. 40) that presumably inevitably accompanies concentrations of poverty in public housing

PHA Quiet Successes:

Fact Sheet at www.stpha.org



High Performer for 22 consecutive years means:

- 98-99% tenant success rate each year (1% to 2% evictions for cause/yr)
- creating an enduring record of public sector employee/governing body performance excellence, while promoting fairness and non-discrimination in everything we do
- debunking other myths and stereotypes
- literally saving and improving lives (testimonials, read one)

Public Housing Myths



- “It’s mostly single moms with kids”

- **Fact:** 64% of all public housing heads-of-household are either elderly or disabled: 79% in hi-rises; 43% in family developments.

- “People stay forever”

- **Fact:** We have over 20 years of data to support that the average length-of-stay is around 6 years

- “Everyone’s on Welfare”

- **Fact:** 32% of family public housing residents receive MFIP

Public Housing Myths (cont.)



- “Public housing residents don’t pay rent”
 - **Fact:** Rent is paid & is based on income. The average rent is \$226 per month for hi-rise residents; \$345 per month for residents in the family developments.
- “Nobody works”
 - **Fact:** 58% of public housing family households have earned income (average earnings \$21,000/yr or ~22% AMI).
- “Properties are unsafe”
 - **Fact:** SPPD/ACOP published crime statistics for Public Housing developments are lower in almost every category than City

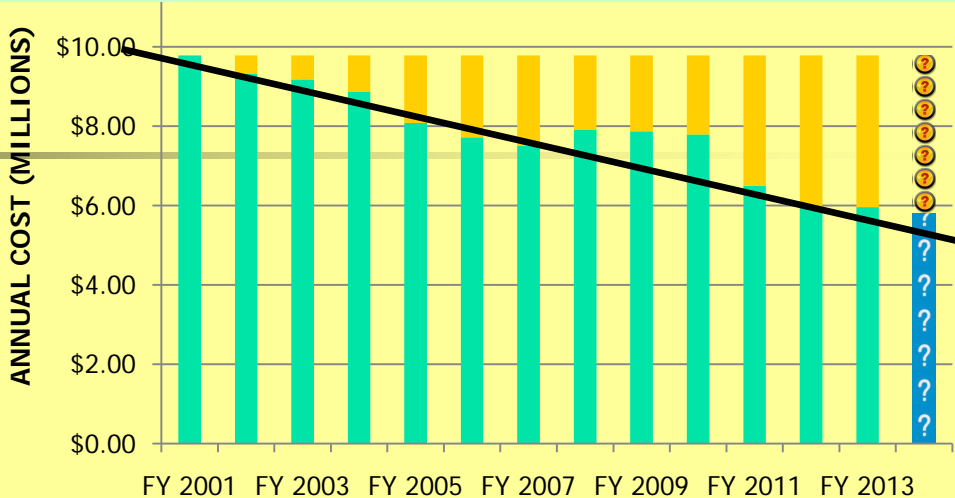


Future: Funding and Policy

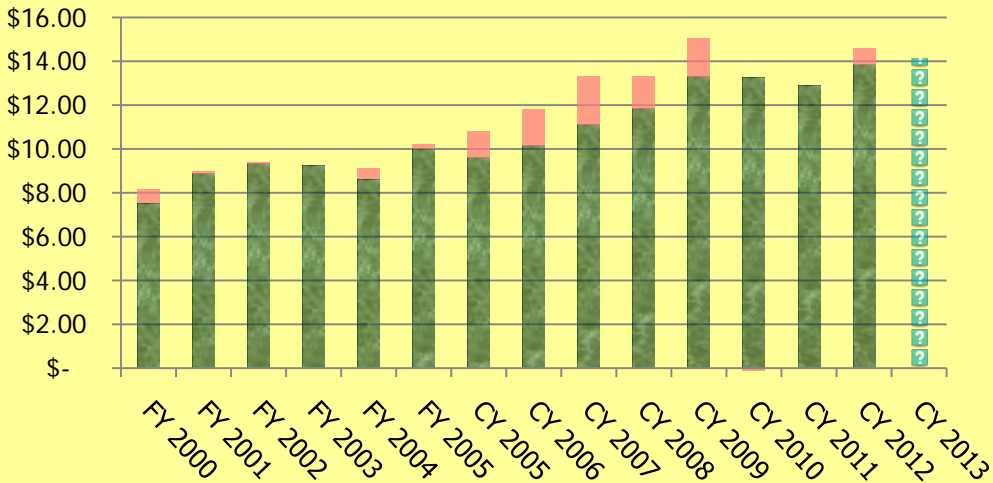
- Sequestration happened and is painful
- PH Regulatory burden is real and disproportionate compared with multi-family portfolio
- PH = “conservative dollars and liberal rules”
- Federal 2014 budget out soon...possible hope
- HUD seeks to re-invent public housing all the time (PETRA now RAD)
 - I am part of the fight to preserve the traditional public housing program...see speech and letter
- Recent State of MN commitments to PH capital needs very hopeful, but federal resources key to survival



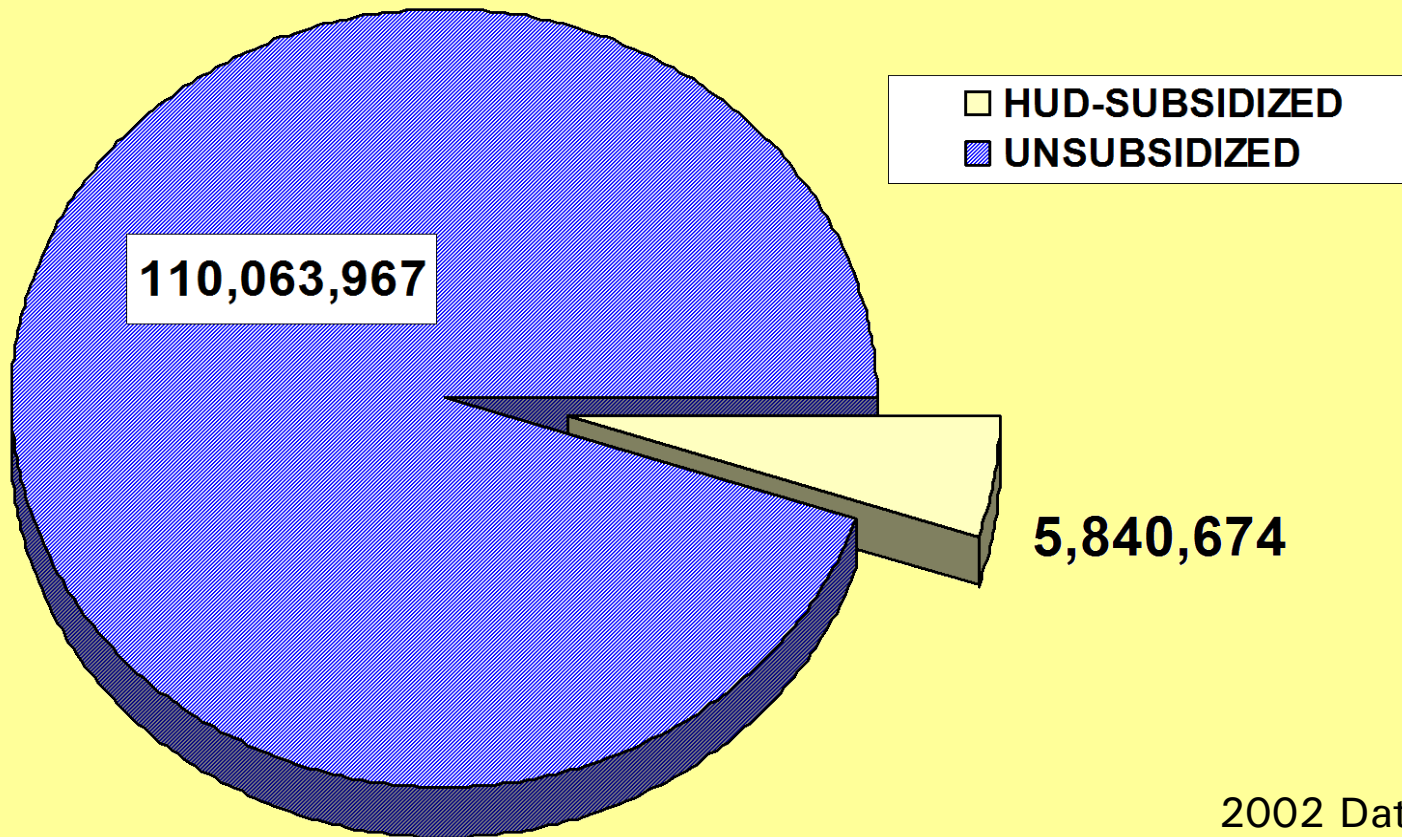
Capital Funding Cuts: \$23.6 Million in 7 Years



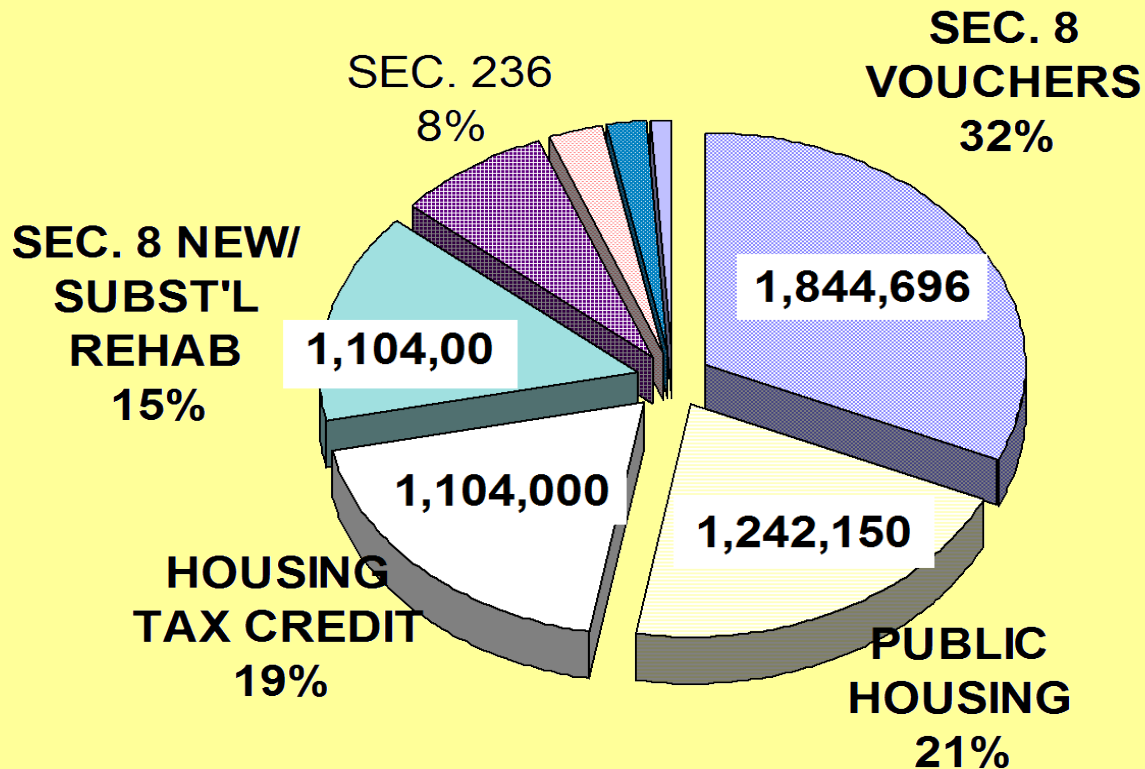
Public Housing Operating Subsidy Cuts: \$10.2 Million in 10 years



**APPROXIMATELY 116 MILLION HOUSING UNITS IN U.S.
ABOUT 5% OF THEM
RECEIVE FEDERAL SUBSIDIES THROUGH HUD**



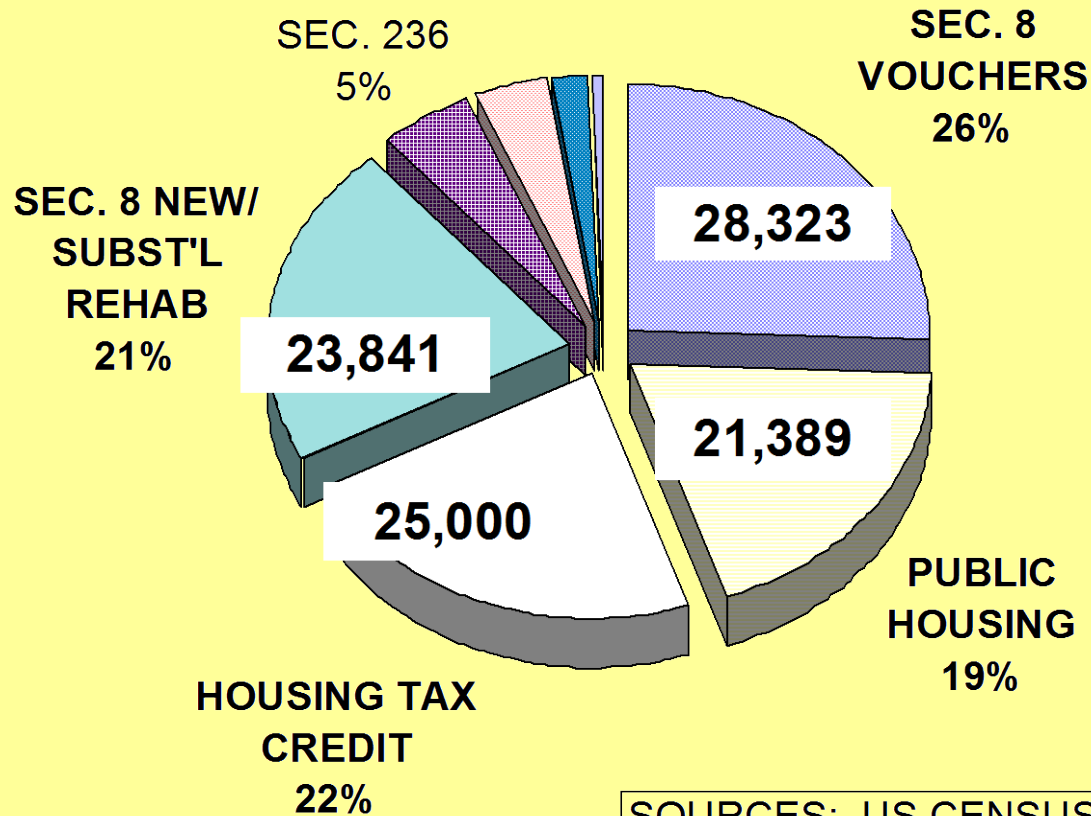
HUD SUBSIDIZED HOUSING IN THE U.S. - 5.8 MILLION HOMES - 5% of HOUSING SUPPLY



SOURCES: CENSUS BUREAU, HUD

2002 Data

HUD SUBSIDIZED HOUSING IN MINNESOTA: 111,000 HOMES 5% of HOUSING SUPPLY



SOURCES: US CENSUS BUREAU, HUD

PHA Responses: (Current Strategic Plan)

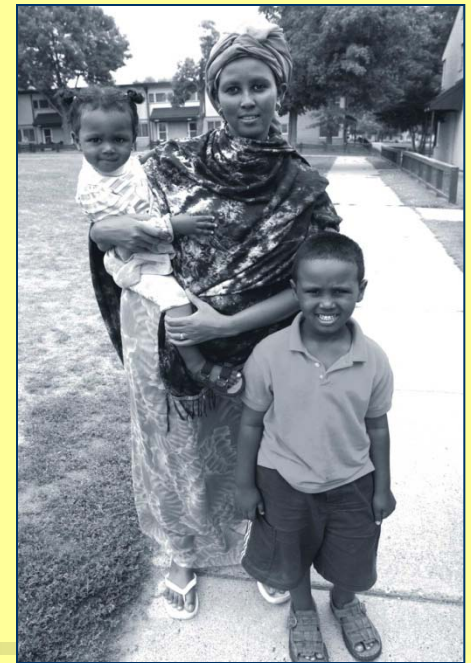


Fight to preserve this 76-year-old federally funded safety net resource:

- Public housing is 1% of housing supply in America
- More people living in poverty in America than the entire population of Canada (34 million)
- More a matter of “will” than “resources” (tax cuts vs. programs)
- Congressional efforts (letters from Senators to HUD), press events, industry group involvement, resident organizing, support from US. Conference of Mayors and others, etc. However, very limited “success” to date

Adapt with budget cuts and entrepreneurial efforts; avoid changing business model or inflicting tenant burden

Thank You



Thanks Professor Goetz. Your scholarship is also advocacy both of which are needed in these times.

Thanks to the PHA Board of Commissioners (Missy Thompson is here today) as well as our staff (represented today by Al Hester, Alicia Huckleby, Dominic Mitchell and Cynthia Yuen).