

Housing the Urban Poor: The Evolution of HUD and Federal Low-Income Housing Policy

Executive Summary

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Within the broad policy arena, the history of housing programs stands out as a prime example of how federal efforts to assist the poor have ebbed and flowed with the differing philosophies of presidential administrations and congressional coalitions. Yet, despite the perspective and political power that any one set of actors has brought to the table in more than sixty-five years of federal housing policy, the issues of debate have remained much the same—equity, supply, quality, cost, and the role of government.

Essential to a discussion of the evolution of housing in the United States is examination of the evolution of the Department of Housing and Urban Development (HUD), which was established in 1965 under President Lyndon B. Johnson (HR 6927; PL 89-174). The legislation upgraded the former Housing and Home Finance Agency (HHFA; established in 1947) to Cabinet-level status, making it the eleventh Cabinet department as of midnight, November 8th, 1965.

Several programs have been developed during the course of presidential administrations in the late 20th century in the interest of handling issues surrounding housing for the poor, the un/underemployed, the handicapped, the elderly, and the homeless, among other groups. These programs include the Community Development Block Grant (CDBG) program, which came into existence in 1974. The CDBG was designed to provide needs based assistance to cities and urban counties, as well as small communities via programs administered by the state. The McKinney Homeless Assistance Act (PL 100-77) aligned multiple agencies in the effort to fight homelessness. Included in the effort was the creation of emergency shelters to be administered by HUD and the expansion of emergency food and shelter grants administered by the Federal Emergency Management Agency (FEMA) and emergency food programs in the Department of Agriculture. State and local authorities were also involved in providing community based services for job training, health care, and services to substance abusers and the mentally ill. Also, provisions were made within the Section 8 housing program for the construction or rehabilitation of SRO facilities.

With regard to the agency itself, HUD Secretary Henry Cisneros, appointed by Clinton in 1993, developed a plan to “reinvent” HUD through a streamlining agenda. He began by calling for the elimination of 1,000 jobs within the HUD framework, by ridding it of its regional offices, in order to remove what he described as its “layer of bureaucracy.” He looked for ways to address the agency’s financial problems and to empower local public housing authorities (PHAs). In doing so, supported the suggestions made in Vice President Gore’s task force report, *Reinventing Government*, which viewed the design of

the federal public housing program as an excessive regulatory measure that reduced the ability of local entities to perform efficiently.

Additional measures taken against housing discrimination by the Clinton administration included greater emphasis on enforcement of fair housing and lending laws, particularly the redlining of inner-city neighborhoods by insurance and lending institutions and against older persons under the Housing the Older Persons Act of 1995 (PL 104-76). Then in 1998, the administration took part in Congress' approval of public housing reforms aimed at reducing segregation by race and income, in addition to encouraging reward work and increasing the availability of subsidized housing for the poorest families. Its advocacy of empowerment zones, with provisions for various community needs programs in order to increase the coordination and delivery of federal funds and extended the program to include rural areas, broadened the program from the original initiative considered during the Reagan administration.

In the year 2000 the homeownership rate reached nearly 68 percent, a record high for the nation. It is a figure that would suggest to many that Americans have achieved a degree of affluence never before witnessed by such a large segment of the population. However, what about those who have been left behind? What does the future hold for those Americans for whom more than 65 years of policy has failed to produce a decent home in a decent living environment? What direction will the new Bush administration take and is it feasible that a higher standard of living can be obtained for those remaining in "pockets of poverty" and "urban ghettos" through current or additional federal initiatives?

President Bush's ideological perspective suggests that he will take a position similar to that of Republicans past. He has lined his Cabinet in a manner reminiscent of Eisenhower. He has reiterated his desire to place more control at the local level and reinstate *laissez faire* through a reduction of government intervention and increased competition, echoing the call of Nixon and bearing the mark of Reagan. However, also like many who have come before, President Bush is faced with a national crisis and the complications of war that have turned the presidential agenda away from domestic policy reform to one of national security. In light of that, it is likely that federally supported low-income housing programs will suffer over the course of the current administration.