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New York City Housing Authority

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Cover Page Footnote

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FROM WELFARE TO WORK IN NEW YORK CITY PUBLIC HOUSING

Ruben Franco*

I. Introduction

Poverty in public housing and its attendant myths of social, academic and motivational inferiority, can only be conquered and disproved individually. The personal determination to excel and succeed, however, must be accompanied by social and educational opportunities to do so.

For sixty years, the New York City Housing Authority (the "Housing Authority") has offered some of those important opportunities by providing safe, decent and affordable shelter to low- and moderate-income families. During its first forty years, New York City public housing was both economically and racially integrated.¹ Over the past two decades, however, the number of welfare recipients in public housing has grown while the percentage of working residents has shrunk concomitantly.² The Housing Authority has thus become affected by the multiple sociological problems faced by communities with a high percentage of public assistance recipients.

This Essay highlights the relationship between welfare and work in New York City's public housing. Part II discusses the composition of the Housing Authority's tenant body in past years as well as the political and social changes affecting the Housing Authority. Part III presents current Housing Authority ideas and programs that address moving tenants from welfare to work. Part IV outlines strategies employed by the Housing Authority to attract more working families, thereby improving the economic mix and social stability of the tenant population. Finally, this Essay concludes that while the Housing Authority cannot, and perhaps should not, address the complex social issues of poverty, it will continue to pro-

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1. For an historic example of the economic and racial mix of Housing Authority residents, see NEW YORK CITY HOUSING AUTHORITY DEPARTMENT OF RESEARCH AND POLICY DEVELOPMENT, TENANT DATA: CHARACTERISTICS OF TENANT DATA AS OF JAN. 1, 1969, 1974, 1985 AND 1994 (on file at the *Fordham Urban Law Journal*).

2. See *id.* For a discussion comparing the percentages and impact of welfare families versus working families, see *infra*, part II.

vide economic and other opportunities for its residents to function and prosper, while accomplishing its primary mission—to provide safe, affordable and decent housing for low- and moderate-income New Yorkers.

II. New York City Housing Authority: A Look at the Past

In a community center near the Amsterdam Houses, a public housing development located on Manhattan's West Side, a counselor named Stanley Hill³ was one of several counselors who first encouraged me to take school seriously. I and many others did just that, following the lead of those counselors who provided us with "positive role models" long before the term became popular.⁴ To us they were simply working men and women who knew what they were talking about. They taught the young residents of public housing to be both responsible and resourceful individuals.

For me, like many New Yorkers, this was one way in which public housing served as an important way-station on the road to the middle class and a bridge to the dazzling possibilities of the greater world outside public housing. A recent issue of *The Housing Authority Journal*⁵ printed an extraordinary letter from a former resident named Susan Schwartz. This letter is a testament to the promise of public housing.

In her letter, Ms. Schwartz offered "a belated thank you" to the Housing Authority. Married and pregnant at seventeen, Ms. Schwartz chronicles the many ways in which public housing helped her reach her goal of completing her college education, thus allowing her to become a productive, tax-paying citizen.

Ms. Schwartz described that positive experience:

Our rent was based on our income, so by being careful, my husband and I were both able to stay in school. When my marriage ended in divorce, at first I was extremely worried about how I would be able to complete school and still support my son. When I explained my changed situation to the Housing Authority management office, my rent was adjusted downwards based on my child support. This humane support was an enormous

3. Mr. Hill is now the President of the District Council 37 Municipal Union, which represents a majority of New York City government employees.

4. In visits to our developments, I have met many young people who cannot name a family member who has ever worked. Such a pronounced and prolonged absence of working role models is, very simply, a social calamity.

5. *The Housing Authority Journal* is the monthly publication produced by the New York City Housing Authority for its 600,000 residents. The Journal is the largest non-profit newspaper in the country.

relief and perhaps the single most important factor enabling me to finish my degree.

Although seventeen years have passed, better late than never. I was very sorry to see the policy of building housing for low and middle income families go by the wayside—it is such a humane and productive investment of our resources. I fervently hope that many more people get the chance that I got, because it was the chance of a lifetime.⁶

Unfortunately for public housing residents, the upwardly mobile path experienced by Ms. Schwartz and countless others has become the exception rather than the rule. Over the past two decades, changes in public policy, drug use and trafficking, and the growth of violent crime have made public housing increasingly inhospitable.

Public policy changes over the last two decades have transformed public housing from its historic role as temporary housing for the working poor.⁷ These policies include the creation of national tenant selection rules, the Brooke amendments,⁸ which pegged tenants' rent to income thus making public housing accessible for the first time to the poorest of the poor, and the creation of federal preferences in the early 1980s, requiring public housing authorities to serve an increasingly troubled population.⁹ Over the last decade social conditions in New York City public housing have also been exacerbated by significant employment loss and the continued transformation of the economy toward services, and away from low-skilled manufacturing. As the number of homeless families has grown and the stock of housing serving those individuals and families has been destroyed, demolished or converted, the pressure on the Housing Authority to provide "housing of last resort" has increased.¹⁰

6. *The Housing Authority Journal*, Vol. 2, No. 1 at 3. (Jan. 1995)

7. For a brief history of federal public housing policy see *Reinvention: The PHADA Plan and the HUD Myth*, PUBLIC HOUSING DIRECTOR'S ASSOCIATION, at 11-15 (1995).

8. Housing & Urban Development Act of 1969, Pub. L. No. 91-152, § 213 (a), 83 Stat. 379 (amending § 2 (1) of the United States Housing Act of 1937) (1969).

9. See PHADA Plan, *supra* note 7, at 12. The effect of these policy changes on public housing was then heightened by the crack cocaine epidemic of the 1980s and by its accompanying crime rise. For a general discussion of the effects of drugs on public housing authorities, see JOHN P. VIETTA, SECURITY CRIME AND DRUGS IN PUBLIC HOUSING: A REVIEW OF PROGRAMS AND EXPENDITURES (A Paper by the Council of Public Housing Authorities, Report #2-1 August 1992).

10. *Id.* at 12. There has been a national trend toward "warehousing" the poorest of the poor in public housing. *Id.*

Society in general was unprepared to cope with these new and debilitating changes, and the Housing Authority was no exception. Residents nostalgically recall the early years when Housing Authority managers could apply rigorous, and sometimes subjective or even discriminatory, screening criteria to new applicants.¹¹ As admission rules changed and tenant selection became increasingly driven by regulation, the screening of new applicants was essentially eliminated. Unlike private landlords, the Housing Authority did not investigate whether prospective residents had a history of paying rent on time, had difficulty living peaceably with neighbors, or had used their former apartments for drugs or prostitution.

These circumstances caused many working families to move out of public housing, thus effectively destroying the Housing Authority's economic mix of one-third working families, one-third elderly, and one-third families receiving public assistance, resulting in a significant, negative change in the social fabric and quality of life for public housing residents. Moreover, as buildings and systems have aged, there has been an accompanying deterioration of the physical condition of public housing, which has put at serious risk an essentially irreplaceable community resource—180,000 Housing Authority apartments. It would cost an estimated \$25-30 billion to replace New York's public housing stock.¹² As we approach the twenty-first century, protecting this fragile and irreplaceable resource is obviously one of the Housing Authority's primary concerns.

To address some of the problems experienced by the new, poorer and more challenged families in its developments, the Housing Authority has developed or expanded existing social services, counseling and alternative education programs. These programs are intended to once again give our families what Susan Schwartz correctly identified as "a chance of a lifetime."

III. Moving Residents From Welfare to Work

Education and economic advancement are inseparable areas in which the Housing Authority has attempted to provide much-

11. In compliance with a consent decree resulting from *Davis v. New York City Housing Authority*, 90 Civ. 0628 (PNL) (opinion and order Dec. 30, 1992), the Housing Authority now admits tenants under the Tenant Selection Application Plan ("TSAP") which is designed to avoid discriminatory practices.

12. Currently, the average replacement cost of a Public Housing unit in New York City is \$110,000.00, or approximately \$20 billion for all New York City Housing Authority units. When factors such as land value and community centers are taken into account, the total replacement cost for the Housing Authority's stock rises to between \$25 and \$30 billion.

needed help to its residents. One example of this commitment is a program run by the Housing Authority's Office of Alternative Education. Since 1988, the program has offered young people who have dropped out of high school an opportunity to earn a traditional high school diploma or a general equivalency diploma. Presently, there are fifty Alternative High Schools throughout the Housing Authority. Since its inception, over 1000 students have graduated from the Alternative High School program.¹³

Equally significant is the Housing Authority's recent collaboration with the "I Have a Dream Foundation" ("IHAD"). IHAD is a privately-funded program that provides mentoring, academic and financial assistance to children beginning in early elementary grades through the completion of college.

In an excellent example of public-private cooperation, IHAD's private sector sponsors have agreed to provide tutoring and mentoring support to all entering third graders of the Chelsea-Elliott and Ravenswood public housing developments, which will continue through their high school years. These sponsors also agree to provide financial assistance to offset the costs of obtaining an undergraduate degree. By employing a panoply of services provided by institutions such as the New School for Social Research, and non-profit organizations such as the Hudson Guild and the Boys and Girls Clubs, IHAD provides a comprehensive and encouraging atmosphere for children and their families.¹⁴

While these are valuable and well-intentioned programs that make a significant difference for certain individuals, it is beyond the Housing Authority's resources and expertise to correct existing, systemic flaws in our educational system. Educational programs do, of course, help our residents to acquire skills needed to break dependency on welfare. There is, however, simply no social substitute for the stability of work.

The economic indicators prevalent in public housing in recent years reveal part of the economic tilt away from a desirable economic balance amongst public housing residents. As recently as ten years ago, nearly 50% of the families in the Housing Authority's developments were working families.¹⁵ Today, fewer than

13. NEW YORK CITY HOUSING AUTHORITY, OFFICE OF ALTERNATIVE EDUCATION SERVICES, ALTERNATIVE HIGH SCHOOL PROGRESS REPORT (1995).

14. Services include mentoring, tutoring and other general guidance activities, as well as social services for youngsters provided by volunteers from these organizations.

15. NEW YORK CITY HOUSING AUTHORITY, DEPARTMENT OF RESEARCH AND POLICY DEVELOPMENT, REPORT ON TENANT DATA CHARACTERISTICS 2 (Jan. 1, 1985).

one-third have an employed person, and barely 3% of the families have two employed adults.¹⁶ Moreover, a mere 7.7% of the approximately 135,000 families on the Housing Authority's waiting list are working families.¹⁷

The Housing Authority realizes that the best crime prevention tool of all is a job; thus it has worked hard to expand employment opportunities for its residents. The Housing Authority created its Office of Economic Development to develop programs to increase resident employment, and in some cases, to help residents become self-employed. Some of the innovative strategies include the Basic Education and Special Training ("BEST") program, which annually sponsors an Opportunity Fair for vendors to discuss employment opportunities with Housing Authority residents. In addition, BEST counselors are located in every Housing Authority district in order to reach out actively to residents seeking employment, and referral to job training programs.

In addition, over the past two years the Housing Authority's Allied Health Careers program has enrolled 336 residents in six professional training programs including those for licensed practical nurses, medical coders, dental assistants and radiologists.¹⁸

The Housing Authority has also successfully included its residents in the labor pool when construction and renovation work is done in Authority developments. Recently, this process has been taken a step further—residents with construction skills have been encouraged to become independent contractors on Housing Authority contracts through the Manage Your Own Business program. Through this effort, resident-owned contracting firms have won forty-nine Housing Authority contracts, thus employing an additional 125 residents.¹⁹

The Housing Authority also maintains a revolving loan fund to provide adult residents with seed money to start their own businesses. During its eighteen months, this loan fund, entitled Loan

16. NEW YORK CITY HOUSING AUTHORITY, DEPARTMENT OF RESEARCH AND POLICY DEVELOPMENT, REPORT ON TENANT DATA CHARACTERISTICS 3 (Jan. 1, 1994).

17. *Id.*

18. NEW YORK HEALTH CAREER CENTER, INC., NEW YORK CITY HOUSING AUTHORITY HEALTHCARE TRAINING PROGRAM, ONE-ON-ONE MONTHLY REPORTS (Jan. and Feb. 1995).

19. NEW YORK CITY HOUSING AUTHORITY, OFFICE OF ECONOMIC DEVELOPMENT, CONTRACTS WON AND WORK PERFORMED BY RESIDENT OWNED BUSINESSES (Oct. 1993 - Feb. 1995).

Initiative For Tenants, made twenty-nine loans to Housing Authority residents.²⁰

Other programs include the Youth Entrepreneurial Program, which has helped Housing Authority youths to open cooperative businesses, and the YOUTHBUILD program in which thirty-five former high school dropouts simultaneously study a building trade and pursue a high school diploma.²¹

These are all valuable programs. The Housing Authority, however, can neither provide the number or variety of jobs needed to make a true economic impact on our resident population. Nor can these programs help significantly to restore the economic diversity that once made public housing in New York City a vibrant and nearly perfect place to live. What can be done to further address the economic problems and imbalance, and to improve the quality of life for present residents, is to create a more secure and attractive atmosphere for the Authority's tenants.

IV. Attracting Working Families to the Housing Authority Developments

One of the most important reasons for attracting working families is to create an economically mixed community that is both reflective and part of the broader New York City community. Concentrating public-assistance recipients in public housing developments creates segregated, distinct and alienated environments. Public housing authorities in this country that have failed have one common element—the overwhelming majority of their residents are non-working poor. Economic diversity in public housing serves to build a strong community—with the positive influence of self-sufficiency at work.

Therefore, the Housing Authority is taking several steps to attract more working families. For one, greater security would allow the Housing Authority to encourage more working families to view public housing as a viable community in which to raise a family. To improve security in a meaningful way, families with demonstrable tenancy problems cannot be admitted to public housing.

Improved screening procedures for prospective residents now includes in-depth intake interviews, criminal background checks, home visits and a reference check of previous and current land-

20. NEW YORK CITY HOUSING AUTHORITY, LIFT LOAN PORTFOLIO SUMMARY 2 (Oct. 1993 - March 1995).

21. NEW YORK CITY HOUSING AUTHORITY, OFFICE OF ECONOMIC DEVELOPMENT, YOUTHBUILD MONTHLY REPORT (March 1, 1995).

lords.²² These procedures have resulted in the rejection of some 28% of all applicants—over 4,300 in 1994—at some phase of the screening process.²³ These are families with a demonstrative history of behavioral problems who would have been rented apartments prior to the implementation of tighter screening procedures. Both the Housing Authority and current residents believe that there are many low-income and deserving families on the waiting list who will not engage in criminal or disruptive acts that diminish the safety and quality of life of their neighbors. These law-abiding people deserve to become residents and neighbors—people who will help to improve the future in public housing.

Presently, the Housing Authority is constrained by the *Escalera*²⁴ consent decree from taking problem tenants directly to housing court for eviction, as all other landlords are able to do. Currently, a full evidentiary administrative hearing must be conducted before the Housing Authority can move to evict residents.²⁵ The Housing Authority is seeking to modify *Escalera* in order to expedite evictions in cases that involve the use of Authority apartments to facilitate drug-related criminal activity.²⁶

In July, the Department of Housing and Urban Development (“HUD”) ruled that public housing authorities may establish “local preference” programs that reflect local needs and priorities.²⁷ The Housing Authority’s local preference is to restore an economic bal-

22. The three components of the screening program—(1) criminal background checks, (2) home visits, and (3) landlord references—have been in place since February 1994. The Housing Authority is now developing a pilot program to apply these same criteria to current residents requesting an apartment transfer.

23. THE NEW YORK CITY HOUSING AUTHORITY, DEPARTMENT OF HOUSING APPLICATIONS, APPLICANT SCREENING PROCESS REPORT (1994).

24. *Escalera v. New York City Housing Authority*, 67 Civ. 4307 (S.D.N.Y., Judgment entered March 21, 1971). In 1971, the New York City Housing Authority and Authority residents reached an agreement resulting from a class action complaint brought by the residents. Known as the *Escalera* Consent Decree, this agreement requires that the Housing Authority conduct full evidentiary hearings before an impartial hearing officer when reviewing tenant termination cases on the ground of non-desirability. *Id.* In 1993, the Authority moved to either clarify or modify the *Escalera* Consent Decree to allow it to use N.Y. REAL PROP. ACTS. §§ 711 (5) and 715. Also known as the “Bawdy House” laws, these statutes provide landlords in residential buildings the right to seek immediate summary eviction proceedings against tenants who use the rental space for illegal trade and manufacture. *Id.* The Authority argues that under this law, it can by-pass the administrative hearing process and pursue immediate eviction for those public housing residents who manufacture and sell illegal drugs from their apartments. See *Escalera v. New York City Housing Authority*, 67 Civ. 4307 (W.R.M.) (S.D.N.Y., Motion entered August 2, 1993).

25. *Id.*

26. *Id.* at 4.

27. 24 C.F.R. § 88 *et. al.* (1994).

ance to public housing so that it looks and functions like other stable communities. Accordingly, the Housing Authority will fill 50% of all vacancies with working families from the waiting list. In short, working families will now move quickly to the top of the list, and into public housing developments.

This is not to say that the Housing Authority intends to create condo-like enclaves for the middle class. These residents will be qualified persons of modest income—the working poor—and for the most part, will be persons of color. This policy is yet one more tool needed to help establish a broader, more desirable economic mix in public housing.

With the fundamental restructuring of public assistance resulting in significant fund reductions on both the local and national levels,²⁸ the competition for affordable housing will become increasingly fierce in the years to come. HUD is avowedly moving toward a housing certificate fund system, which will be similar in many ways to the present Section 8 program.²⁹ New York's public housing will become an even greater housing bargain. This competitive atmosphere should encourage unemployed applicants on the Housing Authority waiting list to seek employment in order to qualify for what is an increasingly valuable preference.

V. Conclusion

Those who wish to live in public housing face the reality of the need for a "Move from Welfare to Work." The Housing Authority, to the extent possible, will continue to provide whatever economic development, job training and educational assistance that it reasonably can. However, shrinking resources may limit the Housing Authority's role in these areas.

The broader answers to the questions of poverty and allocation of civic resources lie in motivated, voting communities working together under disciplined leadership to help welfare recipients and

28. For a series of articles on local and national welfare reform proposals, and their potential impact, see SYMPOSIUM ON URBAN WELFARE REFORM: ARTICLES AND ESSAYS ON URBAN WELFARE REFORM 22 FORDHAM URB.L.J. 875-1365.

29. The Section 8 existing program provides very low income families with rent assistance through a voucher or certificate, permitting them to lease privately owned apartments anywhere in the metropolitan area and beyond. HUD has recently proposed providing a voucher to most residents of public housing to permit them to move to private apartments—or stay in their present apartments. See U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, HUD REINVENTION: FROM BLUEPRINT TO ACTION (1995).

young people just coming of age to become working and productive members of our society.

The New York City Housing Authority is determined to provide the safe, dignified and physically amenable atmosphere in which such community cohesion can develop and flourish. Public housing in this country, like the rest of government, needs to be reinvented.

In New York, it is already being done.