

**When a House is not a Home:**  
**Household Deformation and the rise of modern homelessness**

**CHAPTER 2:**

**I stay to myself and keep to myself**

*Wanda Lawson moved into the Morrisania Air Rights complex in the early 1980s only a few years after the three-building complex with 843 apartments housing nearly 2,000 people had opened. Located in the Bronx, New York, Morrisania got its name from the zoning variance that allowed construction over the railroad air space of the Metro-North Train running below ground between East 156<sup>th</sup> and 163<sup>rd</sup> Streets. Morrisania was one of the last public housing projects to be completed in New York City, and Wanda admitted that her building “looks more like a co-op than public housing.” It offered a great improvement in living conditions when she and her two little girls (three and seven years old at the time) moved out of a dilapidated slum apartment in Harlem that had accrued over 5,000 building code and safety violations.*

*At the time of her move-in, welfare and food stamps provided the family’s primary cash and non-cash resources. HUD certified the family quickly after Wanda sent a ten-page letter of complaint to Mayor Koch’s office. She recalled an initial 1986 rent of \$149 a month, calculated using the HUD formula from Wanda’s welfare income of about \$800 minus allowable dependent child deductions.*

*Within a year, Wanda found job training nearby after excelling at a typing test and being noticed by one of the instructors who knew of a job opening. She quickly secured employment as a keyboard/typing specialist. Her income increased to \$1250 per month and her rent rose to*

*\$350. At the same time, her children were getting older. “Teenage girls cost a lot more than toddlers”, Lawson remembered. At the time, the rent increase came as a bit of a shock, but she was still a young mother and it was just one of many responsibilities she juggled.*

*Concealed from the housing authority during those early years was the fact that her husband, who was not on the lease, would often stay with her. When she originally signed the lease, she had marked her status as married, but told the housing officials convincingly that she did not know the whereabouts of her husband so his income did not increase the calculated rent. This was far from an outright lie; Wanda’s husband’s whereabouts were often unknown and any income he might provide was far from a reliable source. One of the primary reasons for keeping her husband off of the lease was not so much his income, but the fact that he had a significant criminal record that would have prevented Wanda and her kids from being approved for a unit. No husband moving in, no problem.*

*But even though he was not on the lease, Wanda continued to let him stay, sometimes months at a time, until his skilled profession as a “lock-picker” who fenced stolen merchandise caught up with him and he was incarcerated. In the good years, Wanda and her kids were often the beneficiaries of his “earnings,” although she does not hesitate to call her ex-husband a “professional bum.”*

*Trouble hit for Wanda in the 1990s, as the drug problems that infiltrated the African American urban communities, especially places like the Bronx, found another willing participant. Several years of self-admitted substance abuse landed her out of her state job, back on welfare, and with a few lost years. Her rent also dropped to \$150 a month. She eventually got clean and did her best to “keep to herself” at the complex. She made ends meet through the extra money she received from her father or some occasional cash work, which she did not*

*report on her yearly annual certification. By the late 1990s, welfare, now called Temporary Aid to Dependent Families (TANF) was not enough to “get by.”*

*In 2000, her first child graduated high school and went off to college, followed by her youngest child in 2003. To satisfy the New York City Housing Authority (NYCHA), Wanda had to get a notarized statement from her eldest daughter stating that she was no longer living with her mom and therefore her income should not be counted in the rent calculation. As her kids got older, they also began working and helping their mom. None of this income was reported and Wanda’s rent pretty much remained at \$150 for a long-time, since her official income did not change. Keeping to herself and not calling attention to her activities served her well during these years.*

*More recently, problems arose when Wanda checked the box on her annual income certification indicating that she had been working since the kids had left the nest. Increased income would, of course, dictate increased rent. However, she found an unexpected ally in the NYCHA income certification worker. As Wanda explained, a quiet, unimposing, African American man wearing a suit knocked on her 12<sup>th</sup> floor apartment door and pointed to the box where she had checked that she now had employment income. In a monotone voice, he said to her, “You are still on public assistance. When you are working you will be allowed six months.” She remembers thinking about what he said: “Six months until rent increases.” It took her a few seconds to understand, but she realized then that rather than acting as enforcer, he became her guardian angel. She nodded, and the man in the suit erased the mark and closed the yellow book and then her front door. Her rent remained low. Officially, she still reports no earned income.*

*From her birth in Harlem in the Drew Hamilton tenement at 142<sup>nd</sup> Street between Frederick Douglas and Malcolm X Boulevards, to surviving absentee slumlords, to finally her*

*last three decades in public housing, Wanda has experienced what many low-income Americans endure. Wanda is upbeat about her future; she is working as a peer specialist and is hoping to help others who are trying to maintain sobriety as she is. Her daughters are working adults and responsible, although the youngest is quite the spend thrift, according to her mom. While her father passed a decade ago, Wanda's octogenarian mother maintains her independence at her own public housing unit, despite sitting on a large nest egg, according to Wanda. Her mom has no interest in leaving her subsidized unit or spending money on a "nicer place".*

Although Wanda might never know it, her story is shaped heavily by the passing of the Housing and Urban Development Act of 1969 which contained the pivotal Section 213(a) tying apartment rents to a percentage of the family income. Previously, housing authorities featured flat rent policies, similar to the private market, and maintained rents below market rate and at a level more affordable for low-income families. Flat rents could also be set by housing authorities to ensure sufficient income to cover annual facility maintenance and operations.<sup>1</sup> With the advent of Section 213 which would be later referred to as the Brooke Amendment, tenants would be charged no more than 25 percent of household income. The Amendment was so named to honor its primary sponsor, Massachusetts Senator Edward Brooke III, a liberal Republican who became the first popularly elected African American Senator in 1966, and served until 1979. Prior to his work on the Act, Brooke co-wrote the 1968 Fair Housing Act, which prohibited housing discrimination based on race and outlawed the practice of bank redlining.<sup>2</sup>

Since passage of the Brooke Amendment, federal housing programs (including federally-owned public housing), the Section 8 Program (including housing voucher programs), elderly housing programs (202 and 811), the Homeless Supportive Housing Program (SHP) and the Veterans Supportive Housing (VASH), limit the amount of monthly rent owed by each tenant to no more than 30 percent of their adjusted household total income.<sup>3</sup> The threshold was increased from 25 percent to 30 percent in 1981 as part of the Omnibus Reconciliation Act.<sup>4</sup> Households paying more than 30 percent of their income for rent are often defined as “rent burdened,” while those paying more than 50 percent are considered “severely rent-burdened.” The Brooke Amendment sought to eliminate rent burdens for low-income families in housing owned or subsidized by the federal government.

The 1981 Omnibus changes also included provisions requiring that no more than 5 percent of new tenants in public housing or Section 8 may make between 50 to 80 percent of the median income, with 80 percent being the maximum for eligibility. This effectively limited access to public housing for many working families. Rent maximum thresholds were also eliminated, causing many higher-income tenants to move out. Currently, it is mandated that 40 percent of public housing units and 75 percent of new housing-voucher households must be extremely low-income (ELI).<sup>5</sup> The rise in crime and drug use at subsidized housing projects was a direct result of the flight of working families. This supposed unforeseen consequence of trying to help more very low-income households laid the foundation for the crime and drug problems that many residents would experience and one of the key root causes of homelessness. Wanda’s husband, Wanda’s grandmother, and later Wanda’s kids were all part of this change in the way households are formed or later deformed.

For Wanda, the Brooke rules did give her family a low monthly rent of \$149 as she recalled, but it also meant that she no longer could legally have family members come and go into her apartment when the need arose – be it her husband, her children, or a friend in need. Of course, she did anyway, living under the wire for many years. Any change in her household was subject to approval by the housing authority which prioritized the need to document any income of any new household member. Wanda’s strategy kept her rent very low for many years and kept her from eviction and possible homelessness due to her drug problems. Her strategy kept her husband off the streets and shelters many nights as well.

The 30 percent rent-to-income standard is now viewed as a benchmark for affordability in social policy and is considered an untouchable cornerstone of U.S. housing policy. Housing studies often measure and report the proportion of households paying more than 30 percent in rent as an indicator of housing affordability in a given community. From the viewpoint of Brooke Amendment advocates, the Amendment successfully lowered the rent burden for several million poor families, especially very-low income tenants of public housing, who had been paying fixed or minimum rents that often exceeded the 30 percent threshold. With the passage of this new legislation, a person receiving \$150 dollars in adult assistance in 1970 would pay no more than \$45 per month for rent.<sup>6</sup>

Prior to passage of the Brooke Amendment, some public authorities had been slowly increasing tenant rents to cover ever-growing operating costs, although many found it difficult given the low incomes of their residents. Documentation from Pruitt-Igoe in St. Louis shows that tenant rents ranged from between \$55 to \$59 dollars per month during the 1960s, which often represented over 50 percent of tenant incomes. The residents of Pruitt-Igoe staged a rent

strike in February 1969, which helped them win more involvement in management decisions and helped propel the Brooke Amendment to victory later that year. Advocates thought it senseless to require very poor families to pay rents that would leave them without enough money for food, clothes, healthcare and other essentials. They believed that a maximum rent based on a percentage of income could help families struggling with temporary economic hardships; it would also allow families to afford other necessities as they worked to climb up the economic ladder. The average rent in Pruitt-Igoe fell approximately 40 percent in 1970 after Brooke implementation, ranging from \$35.01 to \$36.66 per month, depending on the unit.<sup>7</sup>

Since the passage of the Brooke Amendment, efforts to modify or eliminate the rent rules have been few and far between, given the sanctity of the 30 percent of income ideal. In the 1990s, Republican Representative Rick Lazio (NY) led an effort to repeal the Brooke Amendment with the intent to open public housing back up to a greater range of families, as it had been in its first decades. The bill (H.R. 2406) sponsored by Lazio passed the Republican-controlled House with support from both sides of the aisle in a 315-107 vote.<sup>8</sup> The bill would not only have repealed Brooke, but it would have eliminated over 3,000 housing authorities and replaced them with locally-controlled housing authorities that were not under the thumb of Washington DC. Lazio had hoped to dismantle the entire 1937 Housing Act and allow local authorities to set their own rental rules, but it failed to pass the Senate.<sup>9</sup>

More recently, under the Trump Administration, HUD Secretary Carson proposed raising the rent maximum to 35 percent of income and other provisions to allow more leverage of public financing.<sup>10</sup> The administration's initial budget proposal sought to decrease the HUD budget as well as all non-discretionary programs other than defense spending. Efforts failed, however, with HUD actually receiving a relatively large increase in the 2018 budget signed by Trump.<sup>11</sup>

Public housing authorities (PHAs) have been experimenting with greater flexibility as part of the “Moving to Work” initiative,<sup>12</sup> which began in 1996. Select housing authorities have proceeded to modify minimum rent standards and employ different types of low, fixed rents for non-elderly residents. Some authorities have allowed vouchers holders to pay additional rent, if they choose an apartment that exceeds the maximum Fair Market Rent threshold for their city. These experiments continue to show great promise in many areas of client service and administration without significant negative repercussions. However, wider implementation has not yet occurred, and certain regulations continue to restrict tenants’ ability to utilize their housing for family or friends in need.<sup>13</sup> No initiatives have proposed incentives to encourage two adult (or more) households without facing a rental increase. Despite the successes of many of these rent flexibility demonstrations, the Brooke Amendment remains the guiding and legal policy on rent assignment for more than 10 million HUD tenants.

Many social welfare policies are written by well-meaning legislators and advocates who fail to understand how the lower classes live, or they have an idealized concept of how families will react to programs intended to help them. The unintended consequences of many HUD housing rules were never fully understood until years later, and some never at all. The key provision of the Brooke Amendment – linking income to rent – offers a perfect example. Imposing a rule that could create so many negative consequences on household formation and consequently household income and support -- a rule that impacts the relationships between income producers of a family, typically the husband and the wife – can be interpreted as naïve at best and reckless at worst.



One can identify four distinct impacts of the Brooke Amendment and the larger 1969 Housing Act that led to unexpected and negatives consequences to several million housing subsidy recipients over the past 50 years. These effects either directly or indirectly pushed the norm towards a reduced household size among very-low income families, which laid the groundwork for the rise of modern homelessness beginning in the mid to late 1970s. These impacts also successfully worked to ensure that people would know that their government residence is not really their own home to be used as a safety net for their family and friends.

The immediate outcome of the Brooke Amendment new rent rules reduced housing authority revenues. Lower rents greatly diminished the pot of money housing authorities could collect to keep facilities in good repair. The rent stream had always served as the primary source of funds for repairs and maintenance. The lack of an adequate and dedicated funding stream for public housing repairs during the 1970s through the 1990s proved detrimental to public housing authorities, both in large cities like Chicago (peaking at over 30,000 units and currently 21,000 units), and small cities like Chapel Hill, North Carolina (currently over 330 units).<sup>14</sup> This funding shortage hit when many public housing complexes were celebrating their 20<sup>th</sup> or 30<sup>th</sup> year of operation, so the shortfall came at a time when many aging facilities were in need of repair. The Morrisania Air Rights complex where Wanda lived would soon be known as “Vietnam” due to high level of crime and vandalization akin to a war zone in no short part due to the growing disrepair.

While HUD had initiated a new line of funding to augment operational funding as early as the 1960s (prior to Brooke), the amount allocated represented only a drop in the bucket compared to the growing needs. It did not help that many housing projects had been shoddily built, causing needed repairs to mount almost immediately. Despite increased actions from

many (PHAs) during the 1990s, the backlog in repairs remains large to this day. As recently as 2010, HUD reported a need for \$25.6 billion to complete all needed repairs and renovations, or \$26,000 per unit.<sup>15</sup>

For the last two decades, Howard Husock of the Manhattan Institute has written extensively about the problems with public housing and subsidized housing in general. In *The Trillion Dollar Mistake* and subsequent writings, Husock identifies the Brooke Amendment as a “financial tsunami” that quickly began to starve public housing authorities of the needed revenues for operations, maintenance and repair.<sup>16</sup> In 1969, the year Brooke began to be implemented, tenant rents fell only 5 percent short of operation expense needs, with a range between a 12 percent surplus and a 13 percent deficit at small PHAs. The impact on revenues was understood at the time, and the 1969 Act included subsidies for maintenance and repair to cover the revenue-to-expense gap. In 1975, HUD implemented a Performance Funding System that utilized a formula to estimate annual operations subsidy needs.<sup>17</sup> While operations subsidies rose from \$990 million in 1981<sup>18</sup> to over \$2.9 billion in 1997<sup>19</sup>, the maintenance and repair backlog grew even faster. Federal funding had provided only 5 percent of public housing operations in 1969, but grew rapidly to 42 percent by 1980 and 54 percent as recently as 2013.<sup>20</sup> Nearly 35 years later, the maintenance backlog has increased despite the demolition of some of the largest and most notorious complexes in Chicago, Washington DC, Baltimore, Los Angeles and dozens more cities, large and small -- which has reduced the inventory of public housing units from 1.4 million to 1.1 million units.

The literature on the impact of under-funded operations and maintenance budgets is significant and its impact on the condition of housing complexes are rarely debated. Recent work by Nicolas Dagen Bloom attempts to show how the New York City Housing Authority

(NYCHA) kept its complexes in better shape by augmenting federal funds with local sources of income.<sup>21</sup> Husock points out that rent revenues at NYCHA covered only one-quarter of annual operations.<sup>22</sup> New York City, with its huge budget and long history of more “progressive” thinking on social housing, may have remained the one big city exception to crumbling public housing complexes. Interestingly, New York City public housing has always been known to have a large number of ghost tenants who are not on the lease but essentially reside with family or friends.

Certainly, not all complexes among the 3,000 public housing authorities became as dilapidated as Cabrini-Green or Pruitt-Igoe. HUD only recently began monitoring reports on facility quality, so there is no complete data on facility quality from some of the worst years in the 1960s through the 1990s. Growing building disrepair and crime contributed to an environment that pushed aside older norms of household formation consisting of two parents and their biological children and often multigenerational living together. Under-resourced households often could not provide much assistance to prevent homelessness among family members and relatives.

The second major impact of the Brooke Amendment stemmed from the new rent and eligibility policies, causing an acceleration of the exodus of lower-middle class black and white working families from public housing and an influx of more non-working and very poor families. Calculating rents based on actual income caused rents for many working families in public housing to rise above private market housing rates, giving incentives for families to move out of public housing. At the same time, there was political pressure to serve more and more very low-income families, especially African American families<sup>23</sup>, as the Fair Housing Act of 1968 helped desegregate and open doors to private and public housing. The expansion of loans

from the Federal Housing Administration, beginning in the 1950s, also financed this trend. While estimates show 98 percent of new home loans went to white families, the remaining 2 percent did trickle down and help some black families escape the inner city. Black homeownership rose precipitously from 23 percent in 1940 to 38 percent in 1960 and continued to rise above 40 percent until the stagnant economic years of the 1970s.<sup>24</sup> Many of these black families came from public housing, as their rents began to rise before and after Brooke, leaving only the poorest of the poor in the projects.

Public housing also had a large direct and indirect discriminatory aspect. Many large inner-city projects were built to maintain racial segregation, while many whites left desegregated complexes as the proportion of black families grew. The Pruitt-Igoe complex originally contained separate buildings for white and black families. The greater demand by black families, coupled with whites fleeing as blacks became an ever-larger proportion, propelled the complex to become nearly all black in the years prior to its demolition.<sup>25</sup> Many public housing complexes in the South that were largely white in the 1950s and even the 1960s become nearly all African-American by the late 1970s. Built in 1962, the same year as Pruitt-Igoe, Hillside Court in Richmond, Virginia experienced a dramatic turnover during the course of two decades. The complex, a series of 68 two-story apartments (418 units), went from 91 percent white in 1968 to 68 percent black in 1974 and then 98 percent black in 1979.<sup>26</sup> While race played a large role in the changing composition of public housing, the fact remained that the average income level of families living in public housing, race aside, became ever lower after the introduction of the Brooke Amendment. Many families moving in had little to no income or only welfare cash benefits, with most families headed by single mothers.<sup>27</sup>

With the passage of the 1974 Housing and Community Development Act, additional pressure began to mount to serve more very low-income families. The Act required PHAs to fill at least 20 percent of public housing units (30 percent for Section 8) with very-low income families. In 1981, Congress increased the minimum level of very low-income families (below 50 percent of median income) in public housing units to 40 percent. The combination of these new requirements, rising rents among working families, and greater public pressure all worked to greatly increase the number of very low-income families in public housing complexes. While the baseline goals for 1974 were modest, public pressure to house the most-needy families sent the percentage of very low-income families to as high as 90 percent in some complexes. In 2017, the average income of public housing families remained just under \$15,000 per year, with 90 percent of households defined as very low-income and 71 percent defined as extremely low-income, or lower than 30 percent of median income.<sup>28</sup> Table 1.1 presents these key statistics for each state, showing the range of very low-income prevalence from 40 percent in Vermont to 77 percent in Ohio.<sup>29</sup>

**[INSERT TABLE 1.1]**

A third impact of Brooke Amendment-style regulations stemmed from the preclusion of tenants, nearly always males and mostly African American, who were ineligible to legally live in public housing due to their criminal justice histories. Wanda's story highlights the impact of these rules which caused her to decide not to put her husband on the lease and then later allow him surreptitiously to live at her unit for weeks or months at a time. As a fence for stolen merchandise, her husband's criminal escapades were relatively non-violent compared to the

growing violence at a complex soon to be dubbed Vietnam. But even the behind the closed door generosity of the many Wandas living in public housing could only temporarily house African American and other males, while the streets and shelters more often provided a place to rest.

In an effort to reduce crime in public housing, HUD enacted further regulations through the Anti-Drug Abuse Act of 1983 and the Quality Housing and Work Responsibility Act of 1984 that required PHAs to include clauses that allowed for eviction of tenants who committed drug violations.<sup>30</sup> In terms of eligibility, it gave PHAs freedom to refuse admission to persons who were deemed a risk to the community. The Affordable Housing Act of 1990 strengthened this ability, imposing a three-year or greater ban for tenants evicted for drug-related crimes. Research has shown that PHAs had wide discretion in these policies of eviction, admission, waitlist denial, with tenants generally not aware of the regulations. One study found that many public housing authorities could effectively create any exclusions for any potential client based on their own internal rules.<sup>31</sup> Most importantly, the study results supported a heavy-handed use of criminal-justice-history-based denials of both acceptance into and eviction from public housing.<sup>32</sup>

While not a direct part of Brooke and the 1969 Housing Act, these drug and crime policies put additional pressure on families by specifically excluding the ability of a partner, generally male, to be put on the formal lease. The fact that homelessness, especially street homelessness, has been predominantly an adult male problem is easy to understand. Of course, many husbands or boyfriends visited or stayed overnight, putting themselves and the family at risk of eviction. Whether Wanda's husband was really not eligible due to his criminal justice issues loses the point that potential tenants knew to hide anyone with any criminal record from the housing application lest they give the Housing Authority a reason to deny them. Ironically,

both the rise in crime in public housing facilities and the subsequent perceived need for these draconian drug policies can be seen as a direct result of changes in the mix of families living in public housing, stemming from the Brooke era regulations that caused an exodus of working families.

The fourth and most direct negative impact of the income-based rent policy stemmed from the fact that rent increases could occur for a number of reasons related to the tenant's personal life and family. Rent could go up when the tenant received a raise at work, got married, or allowed her adult son or any other income earner to be put on the lease. In the private rental market, events such as these would never trigger a rent increase, and in fact such events would work to reduce the overall economic burden on the household. A key strategy of many renters is to share the cost of housing with other housemates, be they family, friends or strangers. The most fundamental reason for the formation of households is to provide a strong economic foundation for family and friends.

While Wanda tells of her ability to circumvent many of these rules and keep her rent low while housing her immediate family, she did so by quietly flaunting the Brooke rules. As with Wanda, success at this game often depended on the winks and nods of dapperly-dressed certification officials. In some cities, housing recipients could be successful, in others not so much. Family conflict certainly is not quelled by this strategy. Putting residents in a position to feel that the moral action is to break the rules also does not generally harbor good consequences.

The income-based rent policy also meant that rents could fall if income dropped. This safety net became a big selling point since public housing functioned as housing of last resort for families who could not afford private market housing, especially as working-class families, both white and black, left public housing in the 1960s and 1970s and as pressure mounted to help the

very lowest income households. In theory, the idea that rent would decrease if income fell sounded appropriate. Why should the very policy that helps low income families afford housing put them out on the street when bad luck happens? Providing additional assistance when health and employment issues temporarily impact family income is one thing, but codifying that approach in the regulations of the rent calculations brings unexpected consequences. When PHAs began to recruit more working families in the 1990s, many heads of household would simply report earned income and then, shortly after moving into their unit, lose their job either intentionally or unintentionally. No one ever questioned whether a family with no income should be provided with their own apartment on a long-term basis. Given the fact that the modest appropriations for public housing or housing subsidies never allowed it to serve all eligible families, providing such a lottery prize to a select few families also seemed unfair.

While the Brooke Amendment's general intent aimed to keep rent low for families with little income, the linkage with current income caused problems for households working hard to increase their income. Brooke's formula of rent as 25 percent of income, which increased to 30 percent in 1981, caused the marginal tax rate for each dollar of earned wages to become a large disincentive to work or increase income -- or at least to report any increased income to public housing in annual certification documents. Why would someone seek increased earnings when they could lose up to 70 percent of the extra pay in increased rent, lost food stamps, taxes, childcare costs, clothing, and transportation costs? If the housing authority raised the rent, and an employer later cut back hours and hence decreased pay, the employee might find themselves in a difficult financial position. The bureaucracy of the HUD system often lacked the efficiency to reduce the rent in a timely fashion that prevented additional burdens on the family.



For low-income families who experienced an increase in income, the loss of the earned income tax credit (EITC) alone – an essential part of the safety net for working families – carried a significant effect. EITC has historically reduced payments by one dollar for every three or four dollars of additional income. Even today, the EITC is reduced by 15 to 20 percent after earnings rise above the income threshold for the maximum credit.<sup>33</sup> While this seems reasonable as a general policy, among people with rents that are based on income the linkage becomes problematic. Food stamps (or Electronic Benefits Transfers (EBT) are also reduced for families as incomes rise above \$15,000 to \$20,000, depending on family size and state specific rules. Adding together the 30 percent additional cut for rent along , the EITC decrease and mandatory payroll tax payments as well as reductions in Food Stamps and Medicaid benefit, the marginal tax rate for public housing or housing voucher recipients can rise higher than that for both the middle or upper classes. Many people receiving health insurance through Medicaid are deathly afraid of doing anything that might jeopardize their health care coverage. Employment benefits for the lower classes are far from guaranteed in the workplace, and low-income workers are more subject to layoffs than white collar and especially government workers. By tying rent to income, the Brooke Amendment added one more layer of complexity to the calculus of decision-making for the low-income household. For many, making no change became the safer path.

Taken together, these impacts – the budgetary shortfalls that facilities faced caused by lower rent contributions, the exodus of working families, the growing concentration of very-low and non-working households in public housing developments, family fragmentation and household deformation– likely make the Brooke Amendment and its related policies from a series of housing acts in the late 1960s through the early 1980s, one of the most damaging social policies in American history. Its impact on the African American community is particularly

substantial since they are disproportionately the recipients of public housing assistance, especially in the large urban areas of Northeast and Rust Belt states.<sup>34</sup>

These housing policies have had broad and continuing consequences. Public housing's destructive impact on the children raised in these complexes has been documented in books such as Alex Kotlowitz's eloquent ethnography of two children raised in public housing.<sup>35</sup> Discussion of the association between "the projects" and the stolen lives of these children has typically left out how the Brooke Amendment contributed to much of the chaos. Public housing as an idea is not the culprit; rather, the problems of public housing can largely be attributed to the negative impact of well-meaning policies written by politicians and advocates who lacked an understanding of the nature of families and households and implemented by bureaucrats who could be friend or enemy to the residents.

The perverse effects of public housing and similar programs regulated under Brooke rent rules can be summarized by three basic imperatives that housing subsidy residents like Wanda find themselves forced to live by: don't marry, don't report, and don't get caught.

Don't Marry. Don't ever have a male (or female) partner put on the lease, since the extra income will increase your rent, and I mean *your* rent, since the head of the household is responsible for the rent. If you put someone on the lease that has income – a husband, a partner, or an adult child who is working – you will be responsible for paying their portion, even if they don't pay you. If you become divorced or have an adult child leave the house, make sure that management has full documentation and has taken that person off your lease. This rule has certainly exacerbated the decline of the two-parent African American family and helps explain why over 90 percent of families in public housing remain single-parent families. Household size

in public housing (2.1 persons) is much lower than the national average (3.1 persons). Almost no public housing households have two or more working adults in the household.<sup>36</sup>

Don't Report (or simply forget). Can you imagine if you signed a lease or a mortgage with a provision that your monthly rent would increase if you got a raise from your job? You would laugh. But this is the world of HUD policy, where negative incentives abound. It is often easier to just quit your job after you get into public housing, or better yet, not report the money you do make "under the table". That is why, for public housing residents, downward mobility is more common than upward mobility. The 30 percent rule is proof that policymakers do not understand family dynamics. The regulations create common criminals, so to speak, out of people that are just doing what they need to do to survive. Hiding both income and loved ones living at your place becomes de rigor.

And if you do have a partner, spouse or family member with a history of criminal justice involvement, do not try to put them on the lease. The rules are strict and may only put you in jeopardy of losing the lease if they know the person is a felon and should never be seen on the property. The less they know, the better for you.

Don't Get Caught. While Emma Jackson could open her home to her family and friends when they needed it and when she wanted, Anita knows that it's against the rules. If she lets someone stay who is not on the lease, she could get evicted. She knows that her house is most definitely not her home. If she does let someone stay, she needs to make sure they keep a low-profile, including coming home in the late evening and avoiding bringing in clothes and household items that might give the appearance that they are living in the apartment. A home is a resource for a family, neighborhood, and community. While HUD creates and supports five

million apartments and over ten million persons through its public housing and housing voucher program, it has not created any real homes or any resources for families and communities. This is the most insidious effect of the U.S. housing policy. It “solved” overcrowding and overcharging by facilitating “undercrowding” -- more bedrooms than people -- and undercharging -- providing incentives to earn or report as little income as possible.

If the damage caused by Brooke extended only to the problems faced by public housing tenants and the facilities themselves, that would have been bad enough. The greater problem that this book attempts to illustrate is how reverberations of HUD rules – both direct and indirect – worked to fuel the rise and persistence of modern homelessness.

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<sup>1</sup> Thompson, Lawrence. 2006. 4.

<sup>2</sup> Massey, Doug. 2015. “The Legacy of the 1968 Fair Housing Act.” *Sociological Forum (Randolph, NJ)*. 30(Suppl 1), 571-588.

<sup>3</sup> U.S. Department of Housing and Urban Development. 2007. “Chapter 5: Determining Income & Calculating Rent. P5-1” HUD Occupancy Handbook. Last revised. June 2007.

<sup>4</sup> U.S. House of Representatives. 1981. H.R.3982 Omnibus Budget Reconciliation Act of 1981. Public Law 97-35. Sec 322 (f). This pertains to Section 236 of the National Housing Act (2) by striking out “25 per centum of the tenant’s income” and adding “30 per centum of the tenant’s adjusted income.”

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<sup>5</sup> Leopold, Josh, Liza Getsinger, Pamela Blumenthal, Katya Abazajian, and Reed Jordan. 2015. “The Housing Affordability Gap for Extremely Low-Income Renters in 2013.” The Urban Institute. Washington DC. 4.

<sup>6</sup> Adjustments to income included deductions for children (\$400 per child), adults with disabilities (\$480), and qualifying medical, employment and childcare costs. See HUD Occupancy Handbook Chapter 5: Determining Income & Calculating Rent for full calculations.

<sup>7</sup> Meehan, Eugene J. 1975. Public Housing Policy: Convention Versus Reality. New Brunswick: Center for Urban Policy Research.

<sup>8</sup> H.R. 2406 — 104th Congress: 1996.”United States Housing Act of 1996.” Passed on May 9, 1996. Retrieved at <https://www.govtrack.us/congress/bills/104/hr2406>. A total of 91 democrats voted along with 224 republicans.

<sup>9</sup> H.R. 2406 — 104th Congress: 1996.

<sup>10</sup> Jan, Tracy, Caitlin Dewey and Jeff Stein. 2018. “HUD Secretary Ben Carson to propose raising rent for low-income Americans receiving federal housing subsidies” *The Washington Post*, April 25, 2018, 28.

<sup>11</sup> National Alliance to End Homelessness. 2018. “Budget Deal Represents Historic Investments in Homelessness Assistance” Press Release. March 23, 2018. Washington, D.C.

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<sup>12</sup> Abt Associates.2014. “Innovations in the Moving to Work Demonstration” U.S. Department of Housing and Urban Development. Washington DC

<sup>13</sup> Abt Associates, 2014. “Innovations in the Moving to Work Demonstration,” 8. As of 2014, there were 39 Public Housing Authority’s involved in the Moving-To-Work demonstration. The report noted that at all but five sites selected, a culture of innovation developed which is characterized by staff asking what about goals and how they can be achieved instead of focusing on bureaucratic rules.

<sup>14</sup> The author served on the Chapel Hill Public Housing Advisory Committee from 1996-1999 during which renovations of all 11 complexes occurred. Urgency for repairs commenced after videos produced by public housing residents were shown to the Chapel Hill City Council showing a tremendous amount of disrepair and dilapidation in all buildings.

<sup>15</sup> Abt Associates. 2010. “Capital Needs in the Public Housing Program Contract # C-DEN-02277 -TO001 Revised Final Report” November 24, 2010. U.S. Department of Housing and Urban Development: Washington DC.

<sup>16</sup> Husock. 2003. *The Trillion Dollar Mistake*.

<sup>17</sup> General Accounting Office. 1998. “PUBLIC HOUSING SUBSIDIES Revisions to HUD’s Performance Funding System Could Improve Adequacy of Funding.” Report to the

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Subcommittee on VA, HUD, and Independent Agencies, Committee on Appropriations, June 1998, U.S. Senate. 2.

<sup>18</sup> U.S. Department of Housing and Urban Development. 1982. “Alternative Operating Funding Systems for the Public Housing Program.” Office of Policy Development and Research. Washington DC. 7. A total of \$990 million was identified from large PHAs. This total did not include smaller PHAs.

<sup>19</sup> U.S. Department of Housing and Urban Development. 1999. “HUD’s FY99 Budget Congressional Justifications Public and Indian Housing. Public Housing Operating Fund.” HUD Archives. Retrieved at <https://archives.hud.gov/budget/fy99/justif99/pih/bpihphof.cfm>.

<sup>20</sup> Husock, Howard. 2015. “How Brooke Helped Destroy Public Housing.” *Forbes*. Retrieved at <https://www.forbes.com/sites/howardhusock/2015/01/08/how-senator-brooke-helped-destroy-public-housing/>

<sup>21</sup> Bloom, Nicolas Dagen. 2014. *Public Housing that Worked: New York City in the 20<sup>th</sup> Century*. Philadelphia. University of Pennsylvania Press.

<sup>22</sup> Husock. 2015. *Forbes*

<sup>23</sup> Dagen Bloom, Nicholas. 2014. *Public Housing that Worked: New York City in the 20<sup>th</sup> Century*. University of Pennsylvania Press: Philadelphia. The City of Chicago specifically

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targeted service to lower-income, African American families. The decrease in non-senior, white families living in public housing is well-documented through HUD demographics and changing requirements to serve more extremely, low income families. See Banfield, Edward. 1970. *The Unheavenly City*. Boston: Little Brown and Company.

<sup>24</sup> Thompson, Lawrence. (2006). History of HUD. 4

<sup>25</sup> Bristol, Kathrine. 1991. "The Pruitt-Igoe Myth." *Journal of Architectural Education*, (44) 3, 163-171.

<sup>26</sup> Germer, Libby. 2015. "A Public History of Public Housing: Richmond, VA." Yale National Initiative. Retrieved at [http://teachers.yale.edu/curriculum/viewer/initiative\\_15.03.05\\_u](http://teachers.yale.edu/curriculum/viewer/initiative_15.03.05_u)

<sup>27</sup> The rise in single mothers among African American households mirrored the proportion in public housing with rates rising from 21% in 1960 to 67% by the year 2000. Sources include: Ricketts, Erol. 1989. "The origins of black female-headed families." *Focus* (32-37) and the Annie Casey Foundation. Family Database. Since the passage of welfare reform in 1996, the number of residents on welfare (AFDC, now TANF) has decreased substantially to far fewer than 10 percent although many more received EBT food stamp payments. Even in 2018, 17% of public housing households report an annual income of \$5,000 or less with 46 percent reporting \$10,000 or less.



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<sup>28</sup> U.S. Department of Housing and Urban Development. 2017. Picture of Subsidized Households. 2017 Resident Characteristics Data. Retrieved at <https://www.huduser.gov/portal/datasets/assthsg.html#2009-2018>. Accessed on Feb 26, 2019.

<sup>29</sup> U.S. Department of Housing and Urban Development. 2018. Office of Policy Development and Research. Picture of Subsidized Households. 2018 Resident Characteristics Data. Retrieve at <https://www.huduser.gov/portal/datasets/assthsg.html#2009-2018>. Accessed on Feb 26, 2019.

<sup>30</sup> Curtis, Marah, Sarah Garlington and Lisa Schottenfeld, Lisa. 2013. “Alcohol, Drug and Criminal History Restrictions in Public Housing.” *Cityscape: A Journal of Policy Development and Research*. 15 (3) 37-52.

<sup>31</sup> Curtis et al. 2013. 38.

<sup>32</sup> Curtis et al. 2013. 48

<sup>33</sup> Income threshold for EITC is \$18,750 for a household with qualifying dependent children. Benefits begin to decrease approximately \$8 for every \$50 in earned income. Maximum tax credit in 2018 was \$3,416 for a household with one children and \$5,716 for a household with two children.

<sup>34</sup> Across the nation, HUD demographics on all housing program recipients show 45 percent African American and 50 percent White which includes the majority of the 18 percent Hispanic

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population. Among non-senior and non-disabled housing, the percentage of African American households is much higher. Compared to the U.S. population, African American households are 3 times more likely to live in public housing or other HUD-subsidized housing. Demographics on HUD programs are accessible through its Resident Characteristics Report at <https://pic.hud.gov/pic/RCRPublic/rcrmain.asp>

<sup>35</sup> Kotlowitz, Alex. 1991. *There Are No Children Here. The Story of Two Boys Growing up in the Other America*. New York :Doubleday

<sup>36</sup> HUD data show that 30 percent of households reported earned income and 89 percent of families are single-female families. Less than 5 percent of families in public housing have two working parents. While many households may have two sources of income, the sources tend to be disability or social security income. HUD does not report the number of households with two earners, so estimates must be drawn from existing data. Data from Chapel Hill North Carolina Public Housing in 1999 showed only 2 households out of 326 with two adult earners.