Public housing is housing that is subsidized through public funding and managed by a public housing authority. Through demolition and decreased funding, public housing has been on the decline over the last several decades. In response, philanthropy, nonprofit development, and private-market incentives have become the primary mechanisms to address affordable housing shortfalls. Despite these efforts, housing research has demonstrated that public housing is one of the most effective ways to produce the volume of low-income housing to meet residential needs. Public housing proponents continue to battle a negative reputation from decades of disinvestment, government neglect, and the racialized criminalization of poverty.

**HOW PUBLIC HOUSING WORKS**

Public housing is **overseen and funded by the federal government** through the U.S. Department of Housing and Urban Development (HUD).

Public housing is owned and managed by local public housing authorities. These housing authorities receive subsidies through HUD. The amount of HUD-allocated funding is re-evaluated on a yearly basis through the federal budget process. Further operational funding comes through tenant rents.

The process to apply for public housing varies by local housing authority, but might incorporate factors such as criminal, rental, and credit history. Because public housing stocks are in such short supply, waitlists for public housing are notoriously long.

Once accepted to a unit, tenants pay a portion of their income in rent to the housing authority, usually around 30%.

Public housing tenants are subject to conditions and restrictions that vary by building and housing authority, but can include smoking bans and mandatory community service. Like tenants in the private rental market, public housing renters can be evicted.

**HISTORY OF PUBLIC HOUSING**

The number of public housing units has decreased by more than 250,000 nationally since the mid-1990s. In 2012 there were 1.64 million families waiting for public housing and an additional 2.76 million on waitlists for publicly subsidized housing vouchers.

- **1937** - The Housing Act of 1937 established the U.S. Housing Administration and was the first federal policy for publicly subsidized housing.
- **1965** - Congress established the Department of Housing and Urban Development (HUD).
- **1973** - President Nixon issued a moratorium on almost all public housing programs effectively ending the expansion of public housing stocks.
- **1974** - The Housing and Community Development Act established the Section 8 voucher program.
- **1992** - Passage of the HOPE VI urban-revitalization program provided grants to demolish and replace dilapidated public housing, leading to a net loss of public housing units.
- **1999** - The Faircloth Amendment to the 1937 Housing Act prohibited HUD-funding for public housing construction that would result in a net increase of public housing units.
- **2012** - The Rental Assistance Demonstration Program opened up public housing to private investment in order to finance repairs and redevelopment.
Public Housing vs. Voucher-Subsidized Housing vs. Tax Credits: What’s the Difference?

Public housing, housing vouchers, and low-income housing tax credits (LIHTC) operate through fundamentally different models. In public housing, prospective tenants are limited to designated housing that is owned and operated by a public housing authority. Public housing waitlists are generally shorter than for voucher-subsidized housing, and public housing tenants typically pay a smaller percentage of their income than they would in a voucher unit.

The voucher system, like public housing, is funded through HUD. It works by subsidizing private building owners for the difference between a low-income renter’s contribution and the determined “fair market rate.” Tenants are tasked with identifying and securing a unit within a designated period of time, otherwise they risk losing their voucher. Landlords and property owners hold authority to accept or deny voucher tenants. Depending on the fair market calculation, landlords may be unwilling to rent to prospective voucher holders. While some localities have laws that require landlords to accept vouchers, enforcement is necessary to make these laws effective.

LIHTC accounts for the vast majority of affordable housing units created today. These credits provide a tax incentive to private investors to finance affordable housing development. Ultimately this incentive-based program costs the Federal government more in lost taxes than the affordable investments generated.

An increasing percentage of federal housing funding is directed towards housing vouchers and tax credits rather than public housing authorities.

CONSIDERATIONS

Restrictive Application Processes

Public housing application measures falsely differentiate between “deserving” and “undeveloping” tenants through qualification restrictions based on criminal and credit histories. This reinforces an approach to shelter as an earned reward rather than a rightful need.

Bad Reputation

Public housing in the United States has a bad reputation. It is criticized for being ugly, imposing, and architecturally unimaginative, as well as a hotbed of public safety concern through the concentration of poverty. This reputation does not hold everywhere; other countries have successfully demonstrated that public housing can be a desirable, beautiful place to live for a range of income levels.

Unpredictable Funding

Because HUD funding is subject to the yearly budget appropriation process, the amount of money that local housing authorities receive changes year to year. This makes it hard for local authorities to plan future operations, particularly for capital-heavy projects to update infrastructure and implement cost-intensive repairs.

Predictably Underfunded

Federal funding for public housing has been on the decline for years. According to the Coalition of Large Public Housing Authorities, the Public Housing Operating Fund has been fully funded for only four of the sixteen annual budgets between 2001 and 2016, while at the same time capital funding needs have ballooned to over $35 billion as public housing ages and maintenance costs swell.