



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
THE SECRETARY
WASHINGTON, D.C. 20410-0001

May 7, 1996

Dear Fellow Public Housing Supporter:

On behalf of the U.S. Department of Housing and Urban Development, I am pleased to invite you to attend the Public Housing Summit on May 28-30, 1996, at the Crystal Gateway Marriott Hotel in Arlington, Virginia. The Summit will provide an unparalleled opportunity to learn more about recent legislative and administrative changes that mark the most far-reaching changes in public housing in a generation.

Beginning with a reception hosted by me and other senior Administration officials on the evening of May 28, we will welcome officials from key public housing agencies, local government and law enforcement, and the private sector, as well as elected officials, community leaders, HUD staff, and other national and local parties committed to making public housing a springboard to opportunity for low-income families.

The Summit will offer a unique forum for discussing the profound policy changes now underway, and for finding out how some of your colleagues are already taking advantage of these changes to transform public housing in their communities. Key Federal and local officials—the men and women who are in the forefront of implementing these changes—will lead practical and penetrating workshops on critical issues such as the redesign of older public housing, self-sufficiency and work initiatives, anti-crime efforts, and organizational restructuring and management reform.

This Summit is being designed in close cooperation with the Nation's leading public housing industry groups—the National Association of Housing and Redevelopment Officials, the Public Housing Authorities Directors Association, and the Council of Large Public Housing Authorities—to ensure that it is responsive to the needs and concerns of public housing professionals and their local partners. In addition, Summit preparations have benefited from the active participation of other national organizations, including the National Association of Counties, the National League of Cities, the American Planning Association, and the American Institute of Architects.

I hope you will be able to attend this exciting event. The Summit schedule, lodging information, and the registration form are enclosed. I look forward to meeting with you in May and wish you continued success as your community works toward making the transformation of public housing a reality.

Sincerely,

A handwritten signature in black ink, which appears to read "Henry Cisneros", is written over the typed name.

Henry G. Cisneros

what about residents?



Agenda

Public Housing Summit 1996

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
**CHANGING THE LANDSCAPE OF AMERICA'S COMMUNITIES:
TRANSFORMING PUBLIC HOUSING**

May 28-30, 1996
Crystal Gateway Marriott Hotel
Arlington, Virginia

Tuesday, May 28, 1996

3:00PM - 9:00PM *Advance Registration - Arlington Ballroom Foyer*
5:30PM - 7:30PM *Networking Reception - Arlington Ballroom*

Wednesday, May 29, 1996

7:00AM - 9:00AM *Registration and Networking - Arlington Ballroom Foyer*
9:00AM - 10:30AM *Opening Plenary Session - Arlington Ballroom*
Welcoming Remarks by Congressman James Moran

Opening Remarks
Secretary Henry Cisneros

Remarks by Congressman Barney Frank

Campus of Learners Presentation by Stella Madrid and
Cynthia Jones

10:30AM - 11:00AM **Break**
11:00AM - 12:15PM *Plenary Session #2 - Arlington Ballroom*

Changing the Landscape of America's Communities: Transforming Public Housing

Speakers: Mayor Dennis Archer
 Peter Calthorpe
 Msgr. William Linder
 Alex Polikoff
 Moderator: Secretary Henry Cisneros

12:15PM – 1:30PM

Lunch (on own)

1:45PM – 3:15PM

BREAKOUT SESSIONS I - Arlington Ballroom

Participants will break into smaller groups for discussion on topics that fall into four major subject areas: (1) public housing redevelopment and neighborhood renewal; (2) public housing as a platform for self-sufficiency and independence; (3) achieving operational excellence; and (4) security and safety: making public housing "safe havens." Specific breakout topics are listed below.

PUBLIC HOUSING REDEVELOPMENT/NEIGHBORHOOD RENEWAL

1. *Planning and Design*—Will focus on "new urbanism," "defensible space," and other innovative planning and design strategies that are being used in public housing replacement and redevelopment.

PUBLIC HOUSING AS A PLATFORM FOR SELF-SUFFICIENCY AND INDEPENDENCE

2. *Linking Residents to Technology and Educational Institutions: Campus of Learners*—Will showcase PHAs that have launched campus of learners initiatives or other exemplary linkages with educational institutions and technology companies.

3. *Services for Older Americans*—Will explore the latest trends in providing programs and services for older Americans to help them live independently for a longer period of time.

ACHIEVING OPERATIONAL EXCELLENCE

4. *Strategic Planning*—Will showcase PHAs that are developing comprehensive, strategic plans and making necessary changes in the management and assessment of their stock to adapt to today's greater flexibility and tighter resources.

SECURITY AND SAFETY: MAKING PUBLIC HOUSING "SAFE HAVENS"

5. *"One Strike and You're Out" Screening and Eviction Policies*—Will examine how PHAs can develop and implement tough defensible "One Strike and You're Out" admission and eviction policies and procedures.

3:15PM – 3:30PM

Break

3:30PM – 5:00PM

BREAKOUT SESSIONS II - Arlington Ballroom

*Agenda***PUBLIC HOUSING REDEVELOPMENT/NEIGHBORHOOD RENEWAL**

1. *Building Public-Private Partnerships: Linking With Developers*—Will examine partnerships that have emerged between PHAs and private developers for replacing demolished public housing. Will demonstrate how public housing subsidies can be used to leverage low-income housing tax credits and other public and private resources.

PUBLIC HOUSING AS A PLATFORM FOR SELF-SUFFICIENCY AND INDEPENDENCE

2. *Linking Residents to Work: State-of-the-Art in Connecting Residents to Jobs, Job Training, and Welfare Reform Initiatives*—Will showcase PHAs and other non-profit agencies that are successfully linking residents to job training and welfare reform efforts.

ACHIEVING OPERATIONAL EXCELLENCE

3. *Improving Troubled Public Housing Authorities*—Will examine the different models of recovery efforts in troubled PHAs.

SECURITY AND SAFETY: MAKING PUBLIC HOUSING "SAFE HAVENS"

4. *Collaborating With Local Law Enforcement*—Will showcase aggressive and innovative collaborations between local and federal law enforcement agencies to crack down on gangs, drugs, and violent crime in public housing.

7:30PM

Dinner - Arlington Ballroom

Awards Banquet for Heroes of Public Housing

*Changing the Landscape of America's Communities: Transforming Public Housing***Thursday, May 30, 1996**

7:00AM - 9:00AM	Continuing Registration and Networking - Arlington Ballroom Foyer
9:00AM - 9:30AM	Plenary Session #3 - Arlington Ballroom Assistant Secretary Kevin Marchman
9:30AM - 10:15AM	Remarks by Vice President Albert Gore
10:15AM - 10:30AM	Break
10:30AM - 12:15PM	Plenary Session #4 - Arlington Ballroom Speakers: Richard Baron Asia Coney Claire Freeman David Gilmore Joe Jones Victor Rush Moderator: Secretary Henry Cisneros
12:15PM - 1:30PM	Lunch (on own)
1:45PM - 3:15PM	BREAKOUT SESSIONS I - Arlington Ballroom

PUBLIC HOUSING REDEVELOPMENT/NEIGHBORHOOD RENEWAL

1. *Section 8 Relocation and Replacement*—Will discuss how PHAs are using Section 8 vouchers both to relocate families from distressed public housing and to replace housing that has been demolished. Will examine, in particular, the types of counseling and outreach efforts that are underway in major cities. Will also examine efforts by PHAs to redevelop affordable housing on scattered sites.

PUBLIC HOUSING AS A PLATFORM FOR SELF-SUFFICIENCY AND INDEPENDENCE

2. *Homeownership*—Will showcase PHAs that have helped public housing residents "graduate" to homeownership.

ACHIEVING OPERATIONAL EXCELLENCE

3. *Training and Professionalization of Staff*—Will examine the latest in training resources that are either now available to HUD and PHA staffs or are under development.

4. *Excellence in Section 8 Management*—Will showcase management and administrative innovations in the Section 8 program including privatization, turning around poorly managed systems, and metro-wide counseling for improved mobility.

*Agenda***SECURITY AND SAFETY: MAKING PUBLIC HOUSING "SAFE HAVENS"**

5. *Neighborhood Partnerships Against Crime*—Will address the need for public housing communities, assisted housing communities, and surrounding neighborhoods to work in collaboration to share resources and develop strategies to fight crime in their contiguous communities.

3:15PM – 3:30PM

Break

3:30PM – 5:00PM

BREAKOUT SESSIONS II - Arlington Ballroom**PUBLIC HOUSING REDEVELOPMENT/NEIGHBORHOOD RENEWAL**

1. *Community Building*—Will feature new linkages among organizations and new partnerships between residents, neighborhood organizations, and public agencies to build stronger communities.

PUBLIC HOUSING AS A PLATFORM FOR SELF-SUFFICIENCY AND INDEPENDENCE

2. *Rent Rules, Admission Rules and Income Mixing*—Will examine how rent and admissions policies can attract working families, encourage working families to stay in public housing, and help dependent families make the transition to employment.

ACHIEVING OPERATIONAL EXCELLENCE

3. *Management Innovations*—Will showcase PHAs that have privatized management operations, used the latest technological and computer advances to monitor and manage PHA activities, or introduced other innovations to deliver effective services.

SECURITY AND SAFETY: MAKING PUBLIC HOUSING "SAFE HAVENS"

4. *Crime Prevention*—Will examine the type of crime prevention activities that are being supported through public/private partnerships (e.g., Boys and Girls Clubs, afterschool programs, and law enforcement crime prevention).

5:00PM – 5:30PM

Wrap-Up

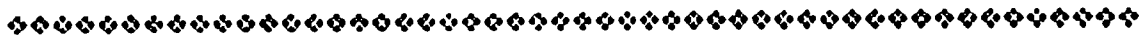
LODGING INFORMATION***Public Housing Summit***

◆◆ **HOST HOTEL: *Crystal Gateway Marriott Hotel***
1700 Jefferson Davis Highway
Arlington, VA 22202

Reservations: 1-800-228-9290 or 1-703-920-3230 Cut-off Date: May 15
Check In: 4:00 p.m. Check out: 1:00 p.m.
Most sleeping rooms and all meetings and functions will be here

We have also secured additional sleeping rooms at the following hotels (listed in order of proximity to Crystal Gateway Marriott Hotel):

- ◆ **Crystal City Marriott**, 1999 Jefferson Davis Highway, Arlington, VA
 Reservations: 1-800-228-9290 or 1-703-413-5500
 Check In: 4:00 p.m. Check Out: 1:00 p.m.
Located adjacent to and in same building as Crystal Gateway Marriott.
- ◆ **Sheraton Crystal City**, 1800 Jefferson Davis Highway, Arlington, VA
 Reservations: 1-800-862-7666 or 1-703-486-1111
 Check In: 3:00 p.m. Check Out: 1:00 p.m.
Located next door to the Crystal Gateway Marriott.
- ◆ **Embassy Suites**, 1300 Jefferson Davis Highway, Arlington, VA
 Reservations: 1-800-362-2779 or 1-703-979-9799
 Check In: 3:00 p.m. Check Out: 12:00 p.m.
Located approximately 2 blocks from the Crystal Gateway Marriott.
- ◆ **Crystal Courtyard Marriott**, 2899 Jefferson Davis Highway, Arlington, VA
 Reservations: 1-800-847-4775 or 1-703-549-3434
 Check In: 3:00 p.m. Check Out: 1:00 p.m.
Located approximately 4 1/2 blocks from Crystal Gateway Marriott.
- ◆ **Doubletree Hotel**, 300 Army-Navy Drive, Arlington, VA
 Reservations: 1-800-222-8733 or 1-703-416-4100
 Check In: 3:00 p.m. Check Out: 12:00 p.m.
Located approximately 5 minutes (drive time) from the Crystal Gateway Marriott.



◆ Complimentary shuttle service to and from Washington National Airport is provided by all of the above hotels. Please ask for additional information when making your reservations.

◆ Please refer to the **PUBLIC HOUSING SUMMIT** when making reservations at any of the above hotels.

◆ The government rate of \$124 (tax inclusive) will be honored at all of the above hotels.

◆ After May 15, reservations at all of the above hotels will be taken only on a rate- and space-available basis.

HOTEL RESERVATIONS MUST BE MADE BY
WEDNESDAY, MAY 15, 1996

REGISTRATION FORM*Public Housing Summit**May 28-30, 1996*

Name: _____
(Please print your name as it appears on photo identification)

Title: _____

Organization: _____

Street Address: _____

City _____ State _____ Zip _____

*Social Security Number: _____

*Date of Birth: _____
(Required for security reasons)

Work Telephone: (____) _____ Fax: (____) _____

Home Telephone: (____) _____

Special Needs (Please describe): _____

☐ I will ☐ will not attend the Reception on Tuesday, May 28th at 5:30 p.m.

☐ I will ☐ will not attend the Dinner/Awards Banquet on Wednesday, May 29th at 7:30 p.m.

My dinner entree selection is:

☐ Medallion of Chicken Breast/Poached Salmon Combination OR ☐ Vegetarian

ATTENTION

✶ The cost to attend the Dinner/Awards Banquet is \$40.00. Please make your check payable to *Aspen Systems Corporation*. Please mail the registration form and your check by Wednesday, May 15 to:

Aspen Systems Corporation
1600 Research Boulevard
Mail Stop 3-0
Rockville, MD 20850
ATTN: Janice London

If you have any questions or concerns, please contact the Public Housing Summit Hotline at (301) 251-5019.

REGISTRATION DEADLINE: MAY 15, 1996



**U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
THE SECRETARY
WASHINGTON, D.C. 20410-0001**

Dear Friends of the Public Housing Summit,

Since it was launched in 1937, public housing has served as a place for individuals to get a good start in life. Through the years, working families moved in and moved on. Today, most of the nation's public housing is safe and clean, and most residents are responsible, law-abiding citizens who want to work and raise a strong family.

However, there are cities where public housing is not working, where crime, drugs, urban poverty and despair flourish. In these communities, misguided federal policies and local objections have made providing affordable housing to the nation's most vulnerable families a daunting task.

Over the past two years, we at HUD have been working with you to learn how we can fix this broken system and make all public housing work for families. Together, we are steadily transforming the nation's worst developments into safe, attractive neighborhoods that offer the most basic resident needs as well as the latest innovations in job linkages, computer-based learning, child care, and other opportunities that help residents achieve self-sufficiency.

The Clinton Administration is working closely with Congress, public housing authorities, residents, and local communities to adopt long-awaited solutions that usher in a new day for America's public housing. We are reinventing public housing with concrete action to:

- replace the worst public housing developments with less dense, economically integrated developments that will spur neighborhood renewal;
- turn around troubled public housing authorities through swift and decisive action to correct chronic management and operational deficiencies;
- infuse public housing with positive incentives that support and reward responsible residents who commit themselves to achieving self-sufficiency; and
- impose tougher expectations that hold public housing residents accountable for their actions.

This publication reports on the state of our efforts to transform public housing. It gives people who care about the future of America's cities a look at the new public housing — stronger and healthier than yesterday's symbol of neglect. Today, for the families, and especially the children, there is new hope.

Together, we are making tangible and meaningful change for public housing residents. Let's continue our collaborative, bipartisan effort to make good public housing the first and last impression Americans have of this vital resource.

Henry Cisneros

THE WHITE HOUSE

WASHINGTON

May 20, 1996

Since its creation, public housing has offered millions of American families a way into the economic mainstream -- a home in which to raise their children, an opportunity to hold down a steady job, and the ability to save for the future so they can ultimately move into a home of their own. I believe that public housing serves a critical role in our society, and my Administration will continue to support it and the families and individuals who live there. In some cities, however, public housing has strayed from its original purpose.

Under the leadership of Secretary Henry Cisneros this Administration has worked to implement the most far-reaching changes in public housing in decades. We are taking the bold steps needed to transform public housing and bring hope and opportunity back into our most troubled communities.

Our efforts stem from one very simple belief: Responsible families living in public housing deserve a safe and decent place to live and an opportunity to make the most of their lives.

"Public Housing that Works" describes our vision of public housing as we approach the next millennium. Public housing must be safe, clean, and affordable. It must be an integral part of the community and a place where families can take hold and flourish. But this report is more than just our vision of the future. It describes our plan of action and our greatest successes to date. It relays a new hope in this country, a hope that public housing can once again be thought of as a safe and decent place for families who need a little help as they pursue -- and achieve -- the American dream.

Bill Clinton

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WASHINGTON

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A handwritten signature in black ink, reading "Bill Clinton". The signature is written in a cursive, flowing style with a long horizontal line extending from the end.

Dear Friends,

96 MAY 14 P1:29

Since its creation, public housing has offered millions of American families a chance to make ~~their~~ way into the economic mainstream -- a temporary home from which to raise their children, hold down a steady job, and save for the future so they can ultimately move into a home of their own. I believe that public housing serves a critical role and my Administration will continue to support it and the families and individuals who live there. For many families, public housing works. They live peacefully and securely in their homes and use public housing as the place to start as they work toward economic independence and self-reliance. My Administration strongly supports and advocates for our nation's public housing and the families and individuals that live there.

In ~~a number~~ ^{some} of cities, however, public housing has become a blight on the community. From the beginning, we have been determined to turn this adverse situation around. As HUD Secretary Henry Cisneros often says, we can do this.

Under ~~his~~ ^{the} leadership, for the first time in a generation, ~~HUD~~ ^{this Administration} is taking the bold steps needed to transform public housing and to bring hope and opportunity back into our most troubled communities.

Our efforts stem from one very simple belief: Decent, responsible families living in public housing deserve an opportunity to make the most of their lives. Most residents obey the law, work hard, and are good parents. We want to help them.

^{a safe and decent place to live and} This document describes our vision of public housing as we approach the next millennium. Public housing must be safe, clean, and affordable. It must be ^{an integral part of} a place where communities and families can take hold and flourish. ^{a place where} But this report is more than just a vision statement. It describes our plan of action and our greatest successes to date. It relays a new hope in this country, a hope that public housing can once again be thought of as a temporary place for families who need a little help as they pursue -- and achieve -- the American dream.

Sincerely,

President Bill Clinton

^{that}
Public Housing Works:
The Transformation of this Public Housing
Hoshy

Non-publicly:

- to institutionalize changes
- to get buy-in from key participants

1

**CHANGING THE LANDSCAPE OF AMERICA'S COMMUNITIES:
TRANSFORMING PUBLIC HOUSING
A National Conference**

Purpose: The Public Housing Summit is designed to outline for locally-elected officials, community leaders, and public housing officials the monumental changes that have occurred in public housing and how communities can implement these new strategies and legislative reforms to become leaders in the national movement to remake public housing.

Background: The Administration and Congress are working in concert to put forth the most-far reaching and systemic changes to the laws governing public housing in a generation. Some of these changes have already been enacted as part of appropriations bills; others are included in authorization legislation now moving through Congress. Many public housing officials are eager to understand the vast legislative changes that are in place or underway.

At the same time, evidence of reform is already visible in communities across the country. Dozens of distressed public housing developments have been torn down and are being rebuilt as economically-integrated townhouse communities. Troubled housing agencies are forging model partnerships to address management deficiencies. Communities are embarking on innovative education, job creation and computer-based strategies for public housing residents.

Date: May 29-30, 1996

Location: Chrystal Gateway Marriott, Alexandria, VA

Attendees: Approximately 1,000-1,200 participants, consisting of mayors, federal, state and local officials, community leaders, private developers, members of key public housing groups, and HUD public housing directors and mid-level managers.

The President has also been requested to participate.

Outline of Events: This is a 2 1/2 day conference that includes general sessions in the early part of the day with break-out discussions and panels on an array of specific subjects in the afternoon. Topics of discussion include:

Innovative Plans and Designs for New Public Housing
Rent Reforms
Job Training and Welfare Reform
Management Innovations
Privatization
Screening and Evictions

DRAFT

Dear Friends of the Public Housing Summit,

When it was launched in 1937, public housing was a safe place to get a good start in life. Through the years, working families moved in and moved on. Many successful people have lived in public housing.

Today, most Americans view public housing as a symbol of failed federal policy. But as you know, most of the nation's public housing is safe and clean. Most public housing residents are responsible, law-abiding citizens that want to work and raise a strong family. Unfortunately, where public housing is not working, public housing is home to crime, drugs, and urban poverty and despair.

Over the past two years, we at HUD have been working with you to learn how we can fundamentally change this broken system and make public housing work for families. Today, as a result of your sound guidance, we are steadily transforming the nation's worst developments into safe, attractive neighborhoods that offer the most basic resident needs as well as the latest innovations in job linkages, computer-based learning, child care, and other opportunities that help residents achieve self-sufficiency. We have abandoned failed government policies and are adopting new and long-awaited solutions that usher a new day for America's public housing.

With your help, the Clinton Administration is carrying out an ambitious plan to reinvent public housing, including concrete action to: (1) tear down and replace the worst public housing developments with less dense, economically integrated developments that will spur neighborhood renewal; (2) turn around troubled public housing authorities through swift and decisive action to correct chronic management and operational deficiencies; (3) infuse public housing with positive incentives that support and reward responsible residents who commit themselves to achieving self-sufficiency; and (4) impose tougher expectations that hold public housing residents accountable for their actions.

Public housing in America is being returned to its original purpose: a home for families who need a little time before they can live on their own. We want to connect public housing with the road to success, not allow it to be the last stop in the culture of poverty.

This publication reports on the state of our efforts to transform public housing. It gives people who care about the future of America's cities a look at the new public housing -- stronger and healthier than yesterday's heap of crumbling buildings. Today, for the families, and especially the children, there is new hope.

Together, we are making tangible and meaningful change for public housing residents. Let's continue this collective, bi-partisan effort to make good public housing the first and last impression of public housing in the American mindset.

Sincerely,

Henry G. Cisneros

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Outline of Events: This is a 2 1/2 day conference that includes general sessions in the early part of the day with break-out discussions and panels on an array of specific subjects in the afternoon. Topics of discussion include:

Innovative Plans and Designs for New Public Housing
Rent Reforms
Job Training and Welfare Reform
Management Innovations
Privatization
Screening and Evictions

DRAFT**The Challenge Before Us**

Since 1937 the federal government has invested some \$90 billion in the nation's public housing inventory. The legacy of that investment is mixed.

Public housing provides a stable supply of rental housing that is affordable to families with very low incomes. Approximately 1.3 million households live in public housing developments operated by ^{about} some 3,400 public housing agencies. Approximately 45 percent of these households are families with children, 35 percent are elderly, and another 10 percent are people with disabilities.

For these people, public housing provides a real, tangible response to the failure of the private market to provide sufficient housing at affordable rents. ^{and an option for families during periods of limited income} Today, 5.3 million very low-income households pay more than half their income for rent or live in severely substandard housing. This number would be much larger without public housing and other forms of federal housing assistance.

But despite serving this critical function, the current public housing system is plagued by deeply rooted, systemic problems that make its task all the more difficult. Perhaps the most destructive of these fundamental problems is that *public housing concentrates the very poor*. Misguided policies that required housing authorities to restrict assistance to the poorest Americans have robbed public housing communities of the working families whose example is so crucial. The average income of the public housing population has fallen from 35 percent of area median income in 1980 to less than 17 percent today. This concentration of poverty has left much urban public housing prey to an array of economic and social problems that destabilize families and neighborhoods.

In addition, *public housing is itself concentrated in high-poverty neighborhoods*. The politics of project location have led to the physical, social, and racial isolation of public housing in many cities, cutting off residents from jobs, basic services, and a wide range of social contacts. According to one recent analysis, 45 percent of family public housing developments are located in areas of concentrated poverty. In many cases, insensitive design, inhuman — ? scale, and inferior construction have compounded the misery and alienation of these developments.

The discipline of the market does not apply to public housing. Because public housing is for many the housing of last resort, local public housing authorities (PHAs) have had little motivation to manage their properties in a way responsive to the needs of their customers. Residents, who are in the best position to identify management deficiencies and compel changes, lack the consumer's most powerful tool—the ability to take their business elsewhere. And the federal government rarely withdraws funding for fear of putting residents on the street. Thus insulated from the competitive pressures that influence private property managers,

a few housing authorities have fallen into chronic mismanagement. Approximately 100 of 3,400 PHAs in the United States are currently designated as "troubled." Even among the great majority of housing authorities whose performance is regarded as adequate, a commitment to customer service and innovative solutions is too often smothered by the demands of maintaining technical compliance with federally mandated procedures.

Federal micromanagement aggravates all of these problems, frustrating the efforts of public housing managers and residents to realize their potential. Every aspect of public housing—including admissions, rents, evictions, resident rights and relations, modernization, development, and procurement—is regulated by federal statutes and rules. Many current regulations embody misguided incentives that push PHAs and residents in the wrong direction. For example, federal laws have discouraged employed families from working and working families from staying. Public housing rents take away earned income and can rise to levels far higher than the unit could command in the private market.

as a civilized society we must continue to ensure that all have decent affordable places to live

The challenges confronting public housing are daunting, but they must be met. Walking away from public housing as a nation is simply not a realistic option. The challenge is to fix it—to demolish the worst sites and modernize those that need improvement, to cease federal micromanagement and allow local ingenuity to flourish, and to change the rules in ways that restore both opportunity and responsibility to families. The pages that follow describe the progress of HUD's strategy for meeting the challenge before us.

DEMOLISH AND REPLACE THE WORST DEVELOPMENTS NOW

Over the past two years, cities across the nation have witnessed ceremonies marking another milestone in HUD's effort to tear down the worst public housing developments and replace them with better housing opportunities. Public housing residents, joined by federal and local officials, have watched with a mixture of sorrow and joy as the weary buildings they had called home collapsed and fell to the ground in a giant cloud of dust.

too much Prior to this Administration, statutory impediments and preservation of the status quo had seemingly condemned these residents to life in profoundly distressed public housing projects locked in a downward spiral of decay and despair. Only about 1,600 units of the most obsolete and irreparable public housing were being torn down each year. However, President Clinton and HUD Secretary Henry G. Cisneros have worked with Congress to end this impasse through policies that are ridding our cities of these malignant environments. By the end of 1996, the Clinton Administration will have approved the demolition of 30,000 units of public housing, a 4-year pace that exceeds the 20,000 units demolished in the previous 10 years combined.

se The ~~highly visible~~ demolitions are an acknowledgment that *many* large, highly concentrated public housing developments have failed to provide healthy environments for our poorest and most disadvantaged citizens. But the elimination of blighted buildings is not an end in itself. The demolitions signal the birth of a new approach to public housing—a fundamental shift to smaller, more human-scale communities that offer a stable starting point from which poor families can begin to move back into the economic and social mainstream. “We’ve learned our lesson,” Secretary Cisneros said last year as he presided over the ~~implosion~~ *demolition* of the Vaughn public housing complex in St. Louis. “We’re changing the model.” *what about NYC?*

Working in partnership with Congress, local public housing authorities (PHAs), public housing residents, and private-sector developers, HUD has pursued this change through two complementary strategies. First, it has aggressively implemented HOPE VI, a large-scale initiative that provides PHAs with the funding and flexibility to remake an entire public housing neighborhood from A to Z. Through HOPE VI, some of the nation's most deteriorated and crime-ridden inner-city projects are being remade into safer and less dense communities capable of attracting and retaining an economically diverse population. This revitalization goes more than surface-deep: HOPE VI also incorporates education and skills training, job placement and development, and other supportive services needed to restore opportunities and help residents rebuild their lives. In most HOPE VI developments, a portion of demolished public housing units are replaced by tenant-based rental assistance that residents can use to obtain housing and seek opportunity—anywhere in the private market. *how? not just referring to Camp-f-Lens*

Second, Congress and HUD have repealed or revised existing laws, regulations, and funding restrictions to speed the reconstruction of public housing. Costly mandates that kept poverty concentrated in public housing developments and prevented housing authorities from removing

obsolete units from their inventory are being swept away; the logjam of stalled civil rights litigation that sought to end discriminatory treatment and social isolation in a number of local public housing programs has been broken. Outmoded practices are being reformed. Today, HUD and its local partners are applying the lessons of the past and the best ideas of the present to the challenge of creating a new kind of public housing that can prepare its residents for the future. } and? ✓

Changing the Model

Large urban public housing projects, however well meant originally, have too often had the effect of separating their residents from the rest of the community, ~~creating the modern equivalent of the reservation system for the poorest of our citizens~~. The public housing system often exacerbated the *physical isolation* of its residents. Siting decisions, driven by racial politics or a desire to shut away the poor, led to many public housing developments being located behind physical barriers such as freeways and bridges, distant from other residential neighborhoods. Massive "superblocks" cut off streets and inhibited circulation within the community. Public housing buildings, designed as bare, utilitarian boxes and constructed at inhuman scale, often stood out from their surroundings and stigmatized the families that lived there. why put them?

In addition, public housing policies have contributed to the *economic isolation* of residents. Projects were often placed in desperately poor urban areas already decimated by public and private disinvestment (where the only businesses remaining were liquor stores, check-cashing outlets, and similar services). In such places, even municipal services are typically overwhelmed, underfunded, or absent altogether. The combination of physical isolation and inadequate public transportation has left public housing residents distant from educational facilities, employment opportunities, and essential services. ✓

Finally, *social isolation* also afflicts much of the worst public housing. Local admission and tenant-assignment policies have left many projects racially segregated. Federal policies that gave preference to the poorest of the poor have excluded from public housing the working families who are the role models and social glue of stable communities. For those families that remained in these pockets of concentrated poverty—with few economic opportunities or social resources and, increasingly, with little hope—rampant crime and drug abuse have come as the final and most virulent plagues. As the rule of law and shared social values are replaced in the worst public housing developments by the reign of terror of drug dealers and gangs, residents have been effectively trapped in their apartments, forced to choose between protecting their children and pursuing social, educational, and employment opportunities.

These complex and deeply entrenched problems will not be solved through cosmetic improvements or piecemeal changes. But concerted efforts are now underway that can reduce the isolation of public housing. Failed highrises are being replaced with townhouses and garden-style apartments. Urban street grids are being reconfigured, and defensible space strategies are being used to enhance safety in the community. Supportive services designed to foster self-sufficiency

are becoming integral parts of public housing developments. Projects that once concentrated poverty are becoming mixed-income developments that can attract working families and spawn both residential and business investment throughout the neighborhood. And all of these changes are being pursued simultaneously ~~through a single~~ program called HOPE VI. ✓

Implementing HOPE VI

Since 1993 HUD has allocated more than \$1.4 billion in HOPE VI grants nationwide to help PHAs and their public and private partners reconnect public housing and its residents to the larger community, both economically and socially. At 85 of America's most distressed public housing projects, from Boston to Los Angeles, grants and technical assistance worth up to \$50 million are being used to turn what was once blight into a source of local pride.

HUD, working together with local housing agencies, public housing residents, and private-sector developers, has drawn on the best of contemporary thinking to rebuild public housing. Incorporating design principles of the New Urbanism, redevelopments such as Louisville's Cotter and Lang Homes will feature garden apartments and townhouses that fit into their urban context while providing a lower density, "resident-friendly" environment. Streets will once again pass through public housing neighborhoods, such as Vaughn Apartments in St. Louis, instead of skirting them. At Newark's Columbus Homes and other developments, yards and landscaping devices are being used to create "defensible space" that is not only attractive but also enhances safety and a sense of resident control. ✓

HUD's new approach to public housing also creates healthier communities by dispersing concentrated poverty. Typically, HOPE VI redevelopments contain fewer housing units than the projects they replace. In fact, two-thirds of all replacement units are either scattered-site public housing or tenant-based rental assistance located away from the original site. Both of these housing options give very low-income families access to stable, economically integrated communities and the opportunities these places can offer.

HUD is committed to fostering similar conditions at redeveloped sites, encouraging nonprofit and for-profit developers to become partners in the creation of communities that mix public housing, assisted and market-rate rental units, and, in some cases, affordable owner-occupied housing. Such partnerships are spearheading reinvestment and renewal in distressed public housing neighborhoods such as Cabrini Green in Chicago and Pico Gardens in Los Angeles.

HOPE VI projects also attract new amenities and opportunities that contribute to the economic revitalization of urban neighborhoods. The redevelopment of Lafayette Courts is bringing new business to Baltimore's inner city and new employment opportunities for residents. Techwood/Clark Howell Homes, located across from Atlanta's Olympic Village, will boast a new K-5 magnet school, public library, and recreation center. HOPE VI also provides community-building assistance that helps PHAs and resident groups design and implement the array of support services needed to foster stronger families, more dynamic communities, and a better

educated and prepared workforce in public housing. This goal has found its strongest expression in HUD's new Campuses of Learners program, which will provide a wide range of computer-based education and training for children and adults ^{to} at selected public housing developments (see [page], below). *initiative* *help bring*

Comprehensive reforms such as HOPE VI are making urban public housing developments attractive places to live once again. "Our new townhouses have made us the first—not the last—resort in the city," said Harold Lucas, executive director of the Newark Housing Authority, at a recent ceremony marking the demolition of two highrise buildings. "We are receiving numerous inquiries from a wide range of people of varying income levels asking if our units are for sale."

Changing the Rules

The principles and practices being pioneered in the HOPE VI program are applicable to many public housing developments. HUD is working with Congress on statutory and regulatory reforms that would provide local housing authorities with maximum flexibility in speeding the reconstruction of public housing.

Although some reforms ^{such as} are not yet in place, significant progress has been made on crucial legislative changes that will, for example, *repeal the one-for-one replacement rule*. Enacted to ensure that demolition was not used simply as a pretext for reducing the size of the public housing stock, this rule forced housing authorities to replace each demolished unit with a new one. The effect of the mandate, however, has been to make it prohibitively expensive for PHAs to undertake the kind of dramatic transformation needed to reclaim our most troubled urban public housing developments. In July 1995 Congress agreed to suspend this rule through the 1996 fiscal year, pending legislation that would make this repeal permanent.

HUD has also won approval from Congress for changes that will remove existing barriers to redevelopment initiatives. One provision will *allow PHAs greater flexibility in using modernization funds*. Modernization funds provided through the Comprehensive Grant Program are the primary resource available to housing authorities for ensuring that their properties continue to provide safe, adequate housing for their customers. However, existing program rules have prohibited them from pursuing demolition and reconstruction as one option for dealing with aging, obsolete, or derelict units. Last fall HUD won approval from Congress for statutory changes that expand eligible uses of modernization funds to include demolition and replacement activities, thereby empowering PHAs to choose the path of greatest cost effectiveness in modernization decisions. The same provisions allow use of modernization funds for all HOPE VI-eligible activities.

In addition, Congress has agreed to allow HUD to *target Section 8 assistance to relocation of public housing residents*. Before demolition and/or replacement of the worst public housing can

provided proceed, current residents must be relocated to other public housing units or, more commonly, ~~placed in~~ private rental housing. A provision in the recent FY 1996 appropriation bill makes relocation from public housing and provision of permanent replacement housing priority uses of nonincremental Section 8 rental assistance. ✓

HUD has also pursued statutory and administrative changes that would *encourage mixed-income development of public housing*. PHAs in St. Louis, Seattle, and other cities are already blending public housing with affordable and market-rate units to foster the mix of incomes that multifamily real estate experts know is crucial to successful development. However, ownership requirements and other restrictions have made it difficult for PHAs to develop mixed-income housing independently or through public-private partnerships. HUD is seeking ways to relax these limitations while continuing to protect the public interest. For example, following a recent opinion by HUD's General Counsel, the Department is now allowing housing authorities to commit operating subsidies to mixed-income developments. (?)

Finally, HUD is determined to *break the gridlock of stalled civil rights cases* that seek redress for policies and practices in many major cities that contributed to the isolation of public housing. HUD has settled 17 of the 19 civil rights cases filed before 1993. HUD also has invested substantial time and effort in resolving court cases related to major demolitions, such as the redevelopment plans for Chicago's Henry Horner Homes and Cabrini Green.

The changes described are already speeding the physical transformation of public housing across the country. HUD has approved the demolition of more than 30,000 public housing units; approximately 13,800 have already been demolished. By the summer of 1996, 65 percent of the planned replacement housing will be under construction. And HUD has won an additional \$480 million in FY1996 to fund HOPE VI revitalization of public housing sites. At many other public housing developments, extensive renovations will be occurring. However, the end result of this vast commitment of resources will depend on the ability of local public housing authorities to manage both the increased flexibility and the heightened responsibilities envisioned for them under HUD's transformation agenda. This new compact with public housing authorities is the subject of the next section.

Sidebar #1 for Step One

Transforming Public Housing in St. Louis

Nowhere can the full significance of public housing's new direction be seen more clearly than from the vacant multi-acre site in St. Louis on which once stood the notorious Pruitt-Igoe project, an environment so oppressive in its design and its effects that it was finally deemed uninhabitable. Still an open wound on the neighborhood more than two decades after it was demolished, the desolate site is an apt symbol of the oblivion into which the public housing system seemed to be sliding—overwhelmed by poverty, paralyzed by bureaucracy, and seemingly incapable of arresting the tragic cycle of deterioration and despair that has devastated ~~the hearts~~ of many American. ✓

cities. ↗

The nearby 525-unit Vaughn Apartments, whose stark towers loomed over the Pruitt-Igoe site until recently, suffered from many of the same problems that ultimately destroyed its infamous neighbor. The mostly abandoned highrises of the old Vaughn were demolished in May 1995, but a new kind of public housing community will soon begin to spring up in their place. The highrise "superblocks" that once warehoused poor families are giving way to townhomes arrayed along tree-lined streets, where public housing units will be mixed with—and indistinguishable from—affordable and market-rate housing. Instead of barren, windswept grounds, the new Vaughn will boast neighborhood parks and playgrounds. Property management will be onsite, not remote and unresponsive.

The redevelopment is also an economic opportunity for current Vaughn residents, some of whom are serving as paid trainees in development, planning, and design. And they will be part-owners as well, through an innovative partnership that includes the St. Louis Housing Authority and a nationally recognized private developer of affordable housing.

"What we are doing is reintroducing ownership and pride in the community," said Richard D. Baron, developer of the project.

Sidebar #2 for Step One

"New hope and opportunity" in Newark

"What's bad does not have to stay up forever," said Newark (New Jersey) Mayor, Sharpe James. "If it's bad and not working, why not bring it down and give new hope and opportunity?"

With these words, Mayor James and other city and HUD officials witnessed the demolition of two 13-story buildings that were once a part of an 8-building complex called Christopher Columbus Homes. Columbus Homes was the epitome of bad public housing, with rows of dilapidated highrise buildings, warehousing over 1,500 families on only 14 acres of land. The development has stood vacant since 1990. *when?*

Former residents of the demolished buildings see "new hope and opportunity" across the street in the form of 74 new public housing townhouses under construction, part of more than more than 2,000 under construction throughout the city. Approximately 300 townhouses will be built on the site of the recent demolition. The ongoing transformation is being made possible by a \$50 million HOPE VI grant, local cooperation between public and private officials—and HUD flexibility that enabled the housing authority to modify its HOPE grant to allow for demolition and new townhouse construction.

SIDEBAR #3 for Step One

More of the Best Remakes of Public Housing

Techwood/Clark Howell Homes (Atlanta): Techwood and Clark Howell Homes, constructed in 1936 and 1940, consist of 41 buildings located across from the Olympic Village for athletes participating in Atlanta's 1996 Olympic Games. Demolition of all 1,000 units began in May 1995, and a combination of larger townhomes with private entrances and garden-style apartments is beginning to rise on the site. The community will also be home to a new K-5 magnet school focused on math and science, a new public library, and a new YMCA recreational center. In addition, 40 percent of the new homes to be built in and outside the community will be market-rate housing to attract working and middle-class families.

Lafayette Courts (Baltimore): Beginning last August, all 6 highrise buildings and 17 lowrise developments that make up Baltimore's Lafayette Courts were torn down. Onsite construction of the new townhomes, garden apartments, and senior buildings for nearly 400 households began this spring. A new McDonald's and other businesses will also be built in the neighborhood to provide job opportunities for residents.

Henry Horner Homes (Chicago): Redevelopment is underway at Henry Horner Homes, the setting of Alex Kotlowitz's shocking book, *There Are No Children Here*. HUD has demolished two highrises (466 total units) and will tear down three additional midrises by next spring. These five buildings will be replaced by 700 new townhouses and two- and three-flat homes throughout Chicago's Near West side.

Cabrini Green (Chicago): HUD has accelerated the stalled redevelopment of the infamous Cabrini Green development, located just blocks away from the shops and restaurants of Michigan Avenue. Demolition began for the first two of three buildings to be torn down. Meanwhile, HUD is currently seeking private sector partners in rebuilding Cabrini Green. More than \$5 million has been released to residents for community services, high school equivalency training, job placement, entrepreneurship, and other social services.

Cotter and Lang Homes (Louisville): Built in 1959, the development houses 620 families in 63 buildings squeezed onto only 42 acres of land. Demolition of more than 1,100 units of housing began last spring. The new community will offer a range of garden-style apartments, lowrise townhomes, and single-family homes built onsite and throughout the city for low- and moderate-income families.

Ellen Wilson Homes (Washington, D.C.): HUD has begun to tear down and remake Ellen Wilson Homes, a dilapidated 13-building public housing development near the U.S. Capitol. Ellen Wilson will be redesigned as a townhouse community that fits into the architectural character of Capitol Hill. The redevelopment will include 134 new apartments, 27 new townhomes for sale to moderate-income families, a day-care facility, a community center, and a small park.

TURNING AROUND TROUBLED PUBLIC HOUSING AUTHORITIES

Even as public housing developments are being transformed from concrete projects into living communities, HUD is pursuing a less visible, but equally vital transformation in its relationship with public housing authorities (PHAs). The days of "made in Washington" solutions, enforced by process-driven federal regulations, are over. Instead, HUD has developed an approach to public housing administration that balances increasingly flexible programs and streamlined regulations with an uncompromising demand for accountability. For well-managed PHAs that provide safe, adequate housing and a springboard to opportunity for residents, there are rewards. For PHAs that prove unequal to their responsibilities to taxpayers and public housing residents, there are consequences.

For the 97 percent of the nation's 3,400 PHAs that do their jobs well, HUD is eliminating needless federal regulations and red tape to make it easier for HUD staff and PHA employees to devote their energy and creativity to providing safe, decent, and affordable housing. But this flexibility demands accountability. For the approximately 100 "troubled" PHAs that fail to manage and maintain their buildings responsibly, HUD is taking swift, vigorous action to help them correct their deficiencies.

Assessing Severe Management Problems

HUD defines a public housing authority as "troubled" if it scores less than 60 points out of a possible 100 on the Public Housing Management Assistance Program (PHMAP), a management evaluation system that assesses the PHA's ability to maintain the overall physical condition of its buildings, collect rents, avoid lengthy vacancies, and work with residents to promote self-sufficiency and provide safe, drug-free environments.

In 1992 the number of failed public housing authorities and the magnitude of their problems seemed almost unmanageable. Some PHAs, such as those in New Orleans and Chicago, had been listed as "troubled" authorities since the 1970s. The consequences of the chronic mismanagement, bureaucratic inertia, and, in some instances, criminal activity that have plagued troubled agencies are played out every day in the lives of their residents. Apartments and playgrounds remain abandoned or in disrepair for months or years; gangs roam the corridors unchecked; and the promised "hand up" to opportunity is not extended, leaving the hopes of children and adults alike to wither unnourished.

In little more than three years, aggressive joint action by HUD and local leaders has cut the number of troubled agencies among the nation's 40 largest PHAs by more than half—from 19 in 1993 to 8 today. This success can be attributed in part to HUD's recognition that the causes

of PHA mismanagement are as different as the cities themselves. There is no standard formula for turning around a troubled PHA, but the guiding strategy is clear—intervene in a timely manner to arrest the damage, assess priorities for stabilizing operations and services, and set clear objectives to guide recovery.

For each troubled PHA, HUD assigns a "recovery team" of Department staff and private experts that works with housing authority staff, local leaders, and residents to develop and implement a detailed recovery plan. In some cases, the solutions may seem dramatic—taking over the management of a profoundly troubled PHA or requesting the appointment of a judicial receiver. In all cases, though, strategies are determined after close consultation with mayors and local stakeholders.

HUD's work in cities such as Cleveland and Jacksonville has proven that troubled PHAs can turn themselves around to become vital and progressive agencies. The Cuyahoga Metropolitan Housing Authority (CMHA) in Cleveland received HUD's 1994 award for "Greatest Improvement" by a large PHA and boasts an occupancy rate of 96 percent. Once unable to effectively provide basic services for residents, today CMHA is a leader and innovator, earning national recognition for programs like Miracle Village (see [page], below), a first-of-its-kind initiative that links family substance abuse treatment, medical care, housing, and employment support for public housing residents.

Taking Control of the Worst Performing PHAs

HUD has placed a high priority on ensuring the prompt recovery of the largest remaining troubled agencies, whose collective problems affect more than 150,000 households. After careful documentation, planning, and negotiation with local leaders, HUD has formed specific recovery partnerships with the eight most troubled big-city housing authorities—New Orleans, Washington, D.C., Detroit, Philadelphia, Chicago, Atlanta, Pittsburgh, and Puerto Rico.

One of the most highly visible strategies employed by HUD has been to temporarily take over the management functions of the worst PHAs. For example, HUD has taken control of the Chicago Housing Authority (CHA), ending years of mismanagement and fraud at one of the nation's largest PHAs. Although Chicago's problems dwarf those of other PHAs in their magnitude, the changes being implemented there are based on principles that are transforming public housing across the country. Instead of taking a piecemeal approach to public housing, HUD is laying a firm foundation that institutionalizes change at CHA developments. The demolition of highrises and the construction of two- and three-story townhouses are only the most visible sign of these changes.

In *New Orleans*, HUD, acting under a management agreement reached with Mayor Marc Morial in February 1996, has assumed oversight responsibilities for the Housing Authority of New Orleans (HANO) formerly held by the city Board of Commissioners. Mayor Morial

appointed an Executive Monitor to oversee and facilitate the implementation of the partnership and created a Board of Advisors, composed primarily of residents and chaired by the Mayor. The agreement includes a timetable that requires HANO to achieve strategic planning milestones by specific dates. The partnership will continue until HANO is no longer deemed a troubled agency.

In *San Francisco*, Mayor Willie Brown requested that HUD temporarily take over the San Francisco Housing Authority, even though its ranking on the PHMAP scale was slightly above that of an officially "troubled" agency. With many of that city's public housing units deteriorating and the agency behind in collecting more than \$500,000 in back rent, Brown welcomed HUD's participation in rebuilding and reinvigorating the agency.

A team of housing experts, known as a Recovery Council, has been created to oversee the partnership effort, which HUD expects to last for approximately 18 months. The first 6 months will be spent reorganizing the agency; the next 6 months will be spent recruiting people to fill the top positions; and the remaining time will be used to set up a system to monitor the agency's performance.

Innovative Partnerships to Stabilize Troubled PHAs

To help other large, troubled PHAs, HUD has worked with local leaders to establish partnerships of varying scope and duration that focus on the specific problems facing each agency. For *Puerto Rico*, which operates the nation's only public housing system in which all the properties are privately managed, HUD designed a recovery program that will improve public oversight, management accountability, and competition for management services.

Since 1994 HUD has targeted significant resources and technical assistance on turning around the *Atlanta* Housing Authority (AHA). With HUD's help, AHA has put together a remarkable private-public partnership to spur economic growth, house low- and moderate-income families, and provide job training and educational opportunities for youth. Through the Olympic Legacy Program, AHA will redevelop 3,000 units—about 20 percent of its inventory—over the next two years. Management has also improved: scores rating the agency's performance on such items as rent collection and resident initiatives have jumped from F's and D's to A's.

In *Detroit*, HUD's involvement has taken a different form. As a department of city government, the Detroit Housing Department operated ineffectively. A 3-month partnership between Mayor Dennis Archer and HUD will lead to the abolition of the Detroit Housing Department and the creation of the independent Housing Commission. During the past several months, the Department has taken dramatic steps to resolve the future of three of Detroit's four troubled developments, which now have several thousand vacancies.

As evidenced by the examples above, the support of local mayors has been crucial to the

success of HUD's recovery partnerships. *Philadelphia* Mayor Ed Rendell recently agreed to renew his tenure as chairman of the board of that city's housing authority, which was created under a partnership with HUD. Since the board was established in the summer of 1993, the Philadelphia Housing Authority has improved its performance enough that HUD could remove it from the list of PHAs with troubled modernization programs.

In a handful of cities, including *Washington, D.C.*, HUD is working with court-appointed receivers to stabilize PHA management practices. With the support of Mayor Marion Barry, HUD helped negotiate the court order that took management out of the District of Columbia's hands and placed it with a receiver, who has made solid progress.

Focusing on Results

a critical resource ?
The tens of thousands of dedicated local housing professionals who administer the nation's public housing are among its most precious resources. They are also among its most poorly utilized—too much of their energy and creativity is stifled by restrictive federal regulations, and too much of their time is wasted cutting through the bureaucratic red tape that has overgrown the public housing system. HUD is unleashing the ingenuity of PHA staff and their local partners by shifting the focus of public housing administration from process to performance—eliminating needless regulations and building new flexibility and incentives into HUD programs.

To foster the achievements of successful PHAs, HUD has literally thrown away the book on public housing, eliminating or drastically reducing the size of 18 public housing handbooks whose guidelines were too often treated as mandates. In addition, HUD no longer requires PHAs to submit their annual operating budgets for preapproval.

HUD is building broad flexibility and tangible incentives into its funding for public housing, giving PHAs broad discretion in deciding how to deploy these resources to fulfill their housing mission. The Department's FY 1997 budget once again proposes consolidating public housing funding into two performance funds. An Operating Fund would incorporate the current operating subsidy payment, as well as the expanding array of anticrime activities funded under the Public Housing Drug Elimination Program. A Public Housing Capital Fund would be modeled after the current modernization programs and would also absorb public housing development activities. A portion of each fund would be set aside as a bonus pool for superior performers. In the recent FY 1996 budget agreement, Congress took a significant first step toward creation of a Capital Fund by adopting similar eligible uses for public housing development and modernization funds and by allowing the modernization program to be used for redevelopment activities.

Insisting on Accountability

Public housing managers must be accountable to the people they serve—taxpayers and public housing residents—for the use they make of this flexibility. Such accountability is both a moral imperative and a fiscal necessity. HUD will ensure accountability by exposing PHAs to the time-tested discipline of the market and by establishing clear standards for their performance.

Under legislation passed by Congress in April 1996, HUD will require PHAs to remove from the public housing inventory those large, densely constructed projects for which costs exceed market rents and other revitalization strategies are not feasible. The public subsidies for those units would be converted to tenant-based rental assistance. Although this “market test” would affect few PHAs, the market discipline it represents will be essential if public housing expenditures are to fit within the tight fiscal constraints imposed by a balanced budget.

HUD has received a clear mandate from Congress to intervene with PHAs that fail to perform. Under legislation moving through Congress, HUD must take over a PHA’s operations or place it in receivership if its PHMAP score falls into the “troubled” range for a year and does not improve significantly. The Department also has requested enhanced authority to deal with issues such as impediments in state and local law to “reasonable” hiring and procurement. Drawing on the lessons learned with Chicago and other troubled PHAs, HUD will explore opportunities for privatizing some functions, such as property management and administration of Section 8 rental assistance. In addition, HUD will not hesitate to pursue the breakup and decentralization of large, troubled PHAs.

HUD’s recent progress in beginning to turn around some of the largest and most troubled PHAs demonstrates that it is possible to overcome the chronic, systemic management problems that have long plagued some housing authorities. Public housing managers must have the capacity, the creativity, and the commitment to use their new flexibility effectively if the public housing system is to meet the challenge ahead. Today, as never before, PHAs are more than just landlords. They have a unique social responsibility as well—to help families return to self-sufficiency, to help the elderly and disabled live with the greatest possible dignity and independence. Transforming public housing to become a platform from which residents can achieve these goals is the subject of the next section.

SIDEBAR ONE**Turning Around Public Housing's Most Infamous Developments**

HUD's takeover of the troubled Chicago Housing Authority (CHA) in May 1995 was particularly notable because Chicago projects such as Cabrini Green and Henry Horner Homes have long typified what is wrong with public housing. Shortly after taking over the management duties, HUD named former HUD Assistant Secretary Joseph Shuldiner as CHA's Executive Director. An expert management team to oversee CHA functions—from finance to resident services—has been put in place. Second-tier management and field operations are currently being reviewed.

The partnership between HUD and Mayor Richard Daley has resulted in positive change throughout Chicago's public housing communities. There are numerous examples of what sound management and strong leadership can accomplish in a short period of time. Highrise buildings at the Henry Horner and Cabrini Green developments have already been demolished; community policing is in place with 75 new officers on the CHA police force. With tenant leases being rewritten to insist on resident accountability and make it easier to evict tenants who break the law, evictions at CHA are up by 33 percent. Financial controls have been put in place, and the mismanaged Section 8 rent subsidy program has been privatized.

Among CHA residents, wary after years of abandoned plans and broken promises, there is cautious optimism. "So far, we like what we see and we like what we hear," says Wardell Yotagham, President of the Chicago Association of Resident Management Corporations.

SIDEBAR 2**An Innovative Partnership in New Orleans**

The partnership announced by HUD Secretary Henry G. Cisneros and New Orleans Mayor Marc Morial on February 8, 1996, marks a new chapter in the history of the nation's most troubled urban housing authority. The Housing Authority of New Orleans (HANO) has vacancy rates five times higher than those of a well-run PHA. Housing conditions are so poor that 93 percent of the inspected units did not meet national Housing Quality Standards. These facts reflect deeply rooted problems—HANO has been on HUD's list of troubled agencies since 1979.

Transforming this profoundly failed agency required a unique response. The partnership between HUD and the city, known as a Cooperative Endeavor Agreement, puts HANO under the control of professional managers and gives HUD oversight responsibilities. The PHA's Board of Commissioners was formally dissolved, and Ronald Mason, Jr., Executive Vice President and General Counsel of Tulane University, was named as Executive Monitor to facilitate and oversee the implementation of the partnership. One unique and encouraging feature of this partnership is the active participation of two local universities, Tulane and

Xavier, which will develop model programs to forge cooperation among the universities and public housing communities.

HUD had tried other means to improve HANO's performance. A recovery team dispatched to New Orleans in 1994 worked out a series of plans for HANO, but to no avail. The agency was still unable to move forward on major public housing redevelopment projects or to make repairs in a timely manner. With thousands of HANO residents living in desperate conditions, HUD had no choice but to declare the city in breach of its Housing Assistance Contract.

INFUSING POSITIVE INCENTIVES INTO PUBLIC HOUSING

Luciana Galvan and the other members of the HOPE VI Planning Committee at the Kennedy Brothers Memorial Apartments in El Paso have dubbed the transformation of their public housing development "*Nuestro Sueños Al Amanecer*"—"Our Hopes for a New Beginning." And that is what most Americans believe public housing should be—not a dead end, but a stable starting point from which people can reenter the economic mainstream of our society.

But hope is all too rare in places where everyone is poor, where the accepted avenues of advancement seem closed, where children cannot imagine living to adulthood. And moving toward the mainstream can seem impossible from within a public housing system whose rules reflect neither the incentives of our economy nor the values of our society.

HUD is committed to making public housing a springboard to opportunity and self-sufficiency for residents who want to help themselves. However, this will require ~~nothing less than the complete~~ *significant* transformation of the web of perverse rules and policies that have governed the public housing system in recent years. HUD is working with PHAs, residents, and a wide range of public and private sector partners to infuse public housing with positive incentives and real opportunities that reward work, foster economic diversity, improve access to basic supportive services, and encourage self-sufficiency—while expecting in return that residents take responsibility for their lives and their actions.

Rewarding Work

Our shared culture values work and teaches us that those who work hard can make a better future for themselves and their families. However, misguided public housing rules have been sending a very different message to residents. Rules mandating that rents rise in lock-step with income have acted as a demoralizing surtax on families struggling to work their way up from poverty and become self-sufficient, siphoning off 30 cents of every new dollar of income earned.

HUD is *reforming public housing rent rules* so that working residents can keep more of what they earn. Now PHAs will be able to disregard newly earned income or medical insurance payments in calculating the household income from which a resident's rent is determined. This change not only rewards work by holding down rents for employed residents, it helps unify and strengthen families by eliminating the economic disincentive that once drove working members to live away from their families in order to avoid the penalty on earned income.

In another significant reform, HUD now will *permit PHAs to set rent ceilings* that cap public housing rents at levels competitive with the private market. Residents who have begun to move up the employment ladder—the role models most urgently needed in distressed communities—have been forced to move out of public housing as rising incomes drove their

rents to levels far in excess of what their unit could command in the private rental market. Capping rents at market rates will help public housing attract and retain these working families. And HUD is offering PHAs a financial incentive to adopt ceiling rents and other reforms that increase the number of working families in public housing communities. In a notice issued in May 1996, HUD announced that, for the next three years, PHAs would be allowed to retain any increase in rental income resulting from higher resident incomes.

HUD has demonstr'd that can be done w/in find' pot that fams not pay extreme proportions of income for rent.

Fostering Economic Diversity

Measures such as rent ceilings that would help restore a mix of incomes to public housing communities embody one of the most important ways in which HUD's transformation agenda breaks with the past. Well-intended federal policies dating from the 1970s that gave the poorest families priority in admission to public housing have had disastrous consequences, creating areas of concentrated poverty that are prey to a potentially overwhelming array of socioeconomic ills—including high incidences of crime, drug abuse, teen pregnancy, high school dropouts, long-term unemployment, and infant mortality.

Any effort to reverse the corrosive pathology of concentrated poverty in public housing must include a reassertion of the paramount importance of income integration. Working families, who promote work by example and maintain neighborhood stability, must be encouraged to return to public housing communities. HUD redevelopment initiatives such as HOPE VI place an emphasis on creating a mix of housing opportunities designed to attract and retain working families. In addition, Congress has recognized the importance of restoring diversity to public housing communities by suspending federal preferences for admission. PHAs will now have the discretion to exercise locally designed preferences that respond to community needs and priorities, while continuing to primarily serve very low-income Americans.

Improving Access to Supportive Services

Public housing should be a stable starting place that fosters in residents the skills and confidence to strike out into the world of work. Most residents, however, face significant barriers to stable employment. Many lack basic education and marketable skills. Few can afford the child care or transportation needed to get and keep a job. HUD and local housing authorities are working to help residents overcome these deficits by making basic supportive and job-readiness services more accessible. In addition to resident services supported through public housing modernization funds, Congress has appropriated \$53 million for grants to PHAs—as well as nonprofit organizations and other “appropriate entities”—to provide public housing communities with services such as child care, education, transportation, job training and placement, and congregate services for the elderly and disabled.

Public housing should be a healthy starting place for children as well, and HUD is working with

the U.S. Department of Human Services (HHS) on a new initiative *requiring all children in public housing to be fully immunized* against measles, diphtheria, mumps, polio, and other preventable diseases. HHS estimates that *only 75 percent* of 2-year-old children nationwide are fully vaccinated—rates in public housing and other low-income communities are thought to be significantly lower. Under a process to be tested in Chicago, proof of vaccination will become part of the annual recertification process for public housing residents, thus obliging parents to take responsibility for having their children fully immunized as a condition of residence.

Encouraging Self-Sufficiency

This conditionality, which links assistance to an expectation of responsible behavior, is a guiding principle of HUD's approach to transforming public housing. While HUD and progressive housing authorities are exploring innovative models for integrating housing and supportive services into an unprecedented continuum of self-sufficiency resources, inherent in the design of these programs is a recognition that the assistance provided imposes a reciprocal obligation on those who benefit to do all they can to help themselves and to build a positive community.

This combination of positive incentives and firm expectations can be seen in pioneering local efforts like Baltimore's Healthy Start program, which trains and employs African-American males to conduct lead abatement of private rental housing. Participants are required to take responsibility for the ongoing health and development of their children by attending prenatal and pediatric appointments, as well as fatherhood and family development sessions.

Other innovative experiments such as Cleveland's Miracle Village program (see box, *[direct]*) and Charlotte's Gateway program create total living environments dedicated to supporting residents' first steps toward a better future. The Gateway program links residence in one of the Charlotte Housing Authority's developments to participation in a 5-year program of education, child care, counseling, and job training aimed at achieving self-sufficiency and, ultimately, homeownership. Participants accepted into the program sign a lease addendum that outlines their responsibilities, and those who fail to abide by the terms of the agreement risk having their lease terminated. However, families also are given a strong incentive to persevere—a 2-year rent freeze, after which a portion of their rent payments are placed in an interest-bearing escrow account that they can combine with special state-sponsored mortgage assistance to purchase a home after graduating from the program.

In 1996 HUD is taking this concept—creating "*campuses*" of families working toward self-sufficiency—nationwide by designating the first 12–15 sites for its new Campus of Learners initiative. Partnerships between HUD, housing authorities, other local institutions, and private businesses will transform selected public housing developments into comprehensive learning and living centers, where adults and youth can use computer-based learning and other educational opportunities to develop the career skills necessary to compete in the economy of

the 21st century. Within the supportive environment of these new centers, students will work toward their mutual personal and vocational goals, gaining strength and encouragement from their neighbors' efforts. Residents' stay on campus will be limited, but "graduates" will emerge from their curriculum of computer-based learning and other educational opportunities, life skills and job training, and support services prepared to move into private housing and secure jobs. This visionary concept is already becoming a reality at South Bend, Indiana's "Housing University" (see box [direct]) and at North Lincoln Homes in Denver, where the housing authority has joined with Telecommunications, Inc., the Community College of Denver, the University of Denver, and the Denver School District to provide a network of family services and computer-based learning opportunities for residents.

HUD will help responsible public housing residents take the next step toward economic independence by *launching the new Moving to Work demonstration program*. Up to 30 PHAs selected for this demonstration will test various approaches to aiding public housing residents in making the transition to work. PHAs will be able to combine operating subsidies, modernization funds, and Section 8 assistance to design the most effective blend of housing and supportive services for very low-income families. It is hoped that the creativity unleashed by this initiative will yield nationally replicable models for promoting self-sufficiency for public housing residents.

There should be meaningful rewards for exemplary residents who make proper use of public housing's positive incentives to improve their lives and those of their families and neighbors. A measure currently before Congress would allow PHAs to offer a choice of better public housing or Section 8 rental assistance as a reward and encouragement to residents who obtain a high school equivalency degree, complete training, obtain employment, or otherwise act as positive role models for the community.

Our nation's public housing system should reflect the same kinds of incentives and obligations that govern healthy personal and social relationships. There can be little doubt that such a system would reinforce the deep desire of most public housing residents to turn around their lives and their communities. "I used to be part of the problem, wasting time, selling drugs," says Lawrence Turner, a resident of Detroit's Parkside Homes and chair of the resident-initiated Men of Parkside, a male responsibility group. "But I have two sons and I want them to see me helping people, that there's another way." The public housing system must support and reinforce this sense of personal and familial responsibility—indeed, it must insist upon it. The next section describes strategies that can make public housing developments "safe havens" where residents like Lawrence Turner can seek "another way."

SIDEBAR (1):**"Housing university" turns lives around**

Public housing residents in South Bend, Indiana, are turning their lives around through the Alonzo Watson Housing University, a project of the South Bend Housing Authority (SBHA) that is making public housing a platform from which residents can move from joblessness and dependence to homeownership and self-sufficiency. The Housing University in South Bend became a model for HUD's Campus of Learners initiative.

The Housing University is the brainchild of the late Alonzo Watson, former director of the South Bend Housing Authority (SBHA). Throughout his career, Watson placed great emphasis on increasing scholastic opportunities for underprivileged families, and was a staunch advocate for education initiatives in public housing. Under Watson's direction, the housing authority set aside two buildings in one development to house the university. Two additional spaces are being prepared.

SBHA has created a network of area schools, community centers, service agencies, and churches that help families to develop and implement individually tailored education and training programs. Nearby schools and an onsite community computer center provide a technology-enriched curriculum for all residents. Classes are offered for students from kindergarten to 12th grade; child care, life skills, and employment skills are available for adults; and pregnancy counseling and conflict resolution are open to teenagers. Using the computer-aided education facilities, a person of low educational achievement can work toward high school equivalency. SBHA plans to make participation in the Housing University a condition of residency in its Monroe Circle Development.

The project involves extensive collaboration among public and private technology partners, including:

- The Community Learning and Information Network, an innovative high-technology project;
- Indiana University, which is developing leadership training for Resident Council leaders;
- The Indiana Technical College, which is providing basic computer information; and
- Technology Lab 2000, which is providing video training.

SIDEBAR (2):**Performing "miracles" in Cleveland**

"I thank God for Miracle Village. It saved my life," said Patricia Bradley. "Miracle Village has made me a more responsible mother and taught me parenting skills."

Cleveland's Miracle Village is a dramatic illustration of the effectiveness of special incentives and supportive services in helping substance abusers seeking a new start for themselves and a better life for their children. A project of the Cuyahoga Metropolitan Housing Authority (CMHA), Miracle Village provides housing and drug treatment for women and their children over a 2-year period. Adult residents and their children participate in programs designed to strengthen the family and receive supportive services that will help them prepare for self-sufficiency.

Participation in the Miracle Village experience is limited to mothers who are committed to building a drug-free life. Residents sign a binding agreement renouncing substance abuse and agreeing to periodic drug tests. Failure to live up to the agreement can lead to eviction from Miracle Village.

The primary sponsors of Miracle Village—CMHA and MetroHealth Clement Center—have created a comprehensive and integrated program by assembling an impressive array of local partners, which include a community settlement house, a private vocation agency, the city recreation department, a publicly funded parenting program, the county Department of Human Services, a community health facility, a mobile dental van, a transitional housing program, and an outpatient chemical dependency treatment program.

The results have been encouraging. For 130 formally indigent women who were addicted to crack cocaine and had previously failed in drug treatment, the sobriety rate is 65 percent. Since its inception in 1993, 200 women have gone through the program. Of that number, 123 have been placed in jobs and no longer collect welfare, while 37 are in school.

IMPOSE TOUGHER EXPECTATIONS

Public housing residents have the same desire—and the same right—as other Americans to live in peace, free from fear, intimidation, and abuse. They have the same desire—and the same right—to advance themselves and nurture their children. But these rights are under daily assault in many public housing communities, where law-abiding families are besieged in their homes and threatened on the streets by gangs, drug dealers, and other criminals, forcing parents to choose between protecting their children and pursuing educational and employment opportunities.

If public housing is to truly offer residents a springboard to opportunity, those intent on breaking the law must be rooted out. HUD is working with a wide range of national and local partners to implement two strategies that can make public housing communities “safe havens,” where children can play and learn safely and parents can go confidently out into the world of education and work.

First, HUD is helping keep criminals out of public housing by insisting that PHAs develop policies that enforce the most fundamental obligation of public housing residents—to honor the rule of law. Public housing residents, managers, and policymakers agree that people who engage in criminal activity should not be admitted to public housing, and those who abuse the privilege of residence should be evicted. New HUD guidelines lay out tough new tenant screening, lease enforcement, and eviction guidelines to ensure that in public housing, as President Clinton proclaimed in his 1996 State of the Union address, “From now on, the rule for residents who commit crimes and peddle drugs should be one strike and you’re out.”

In addition, HUD is bringing important resources to efforts to fight public housing crime ^{on the} at streets level. HUD's Public Housing Drug Elimination Program (PHDEP) is funding local initiatives that are bringing community policing and other anticrime strategies to hundreds of public housing developments. And Operation Safe Home concentrates the resources and determination of HUD, federal and local law enforcement agencies, public housing authorities, and residents to eradicate the most persistent and entrenched crime problems in targeted public housing developments and their surrounding neighborhoods.

Implementing “One Strike and You’re Out” policies

Public housing is a privilege—and a conspicuous one at a time when both affordable housing and public resources are so scarce. It would be wrong to subordinate the safety of decent, law-abiding public housing residents—and the urgent housing needs of deserving families languishing on long public housing waiting lists—in favor of the very residents who are terrorizing their neighborhoods. HUD is urging PHAs to adopt One Strike tenant screening and eviction policies that establish firm expectations for current and prospective public housing residents. President Clinton has delivered this message in unequivocal terms: “... if you mess up your community,

you have to turn in your key, if you insist on abusing or intimidating or hurting other people, you'll have to live somewhere else."

PHAs have long had the authority to institute admission policies that would keep criminals out of public housing. And all public housing leases must include language explicitly stating that people who engage in drug and other criminal activity that threatens the well-being of the community can be evicted. Nonetheless, few housing authorities have had the resources and commitment needed to make use of the broad discretion they enjoy in this area.

So HUD has developed a set of guidelines to help housing authorities *design and implement stricter admission policies* that include comprehensive background checks on applicants, cooperation with courts and law enforcement agencies to gain access to criminal records, and a fair and flexible tenant selection process that may involve current public housing residents. Legislation recently passed by Congress has given PHAs additional authority and obligations to deny occupancy on the basis of illegal drug-related activity and alcohol abuse. In addition, Congress has provided PHAs with an important new reference source for background checks by granting them access to criminal conviction records maintained by the National Crime Information Center.

Although tenant screening can reduce the likelihood of future resident crime problems in public housing, PHAs still must *implement and enforce eviction policies* that enable them to remove problem tenants expeditiously while ensuring due process. HUD's One Strike guidelines help PHAs deal with difficult eviction issues, (such as evicting a family for the actions of a single member or guest) — ?

Public housing residents have been among the most enthusiastic supporters of One Strike policies—they understand, better than anyone else, the destabilizing effects of criminals and dangerous substance abusers on their neighborhoods. HUD also believes that One Strike programs are fundamental to sound and cost-effective management—and should be a basic operation of public housing authorities. Therefore HUD will soon *revise the Public Housing Management Assessment Program (PHMAP)*, the system it uses to grade PHA management performance, to include a component measuring the housing authority's response to crime and security problems. PHAs that aggressively implement One Strike policies will improve their PHMAP score and thus have a better chance of qualifying for reduced federal oversight and for the "bonus" funding proposed by HUD in its FY 1997 budget.

Fighting Crime

Crime is a serious problem in public housing developments, which are disproportionately located in America's poorest and most troubled inner-city neighborhoods. The rate of reported violent crime in public housing and nearby neighborhoods far outstrips the violent crime rate

in greater metropolitan areas. For example, in Los Angeles, violent crimes occurred at an average annual rate of 67 per 1,000 people in public housing developments between 1986 and 1989, compared with just 22 per 1,000 citywide.

In many public housing communities, however, the majority of criminal acts are perpetrated by those who do not live in the community and therefore are not subject to eviction. In New Haven, Connecticut, for example, 85 percent of those arrested on public housing property in the late 1980s did not live there. In Cincinnati, 77 percent of persons arrested were not public housing residents.

HUD helps PHAs and public housing residents fight crime in their neighborhoods through two very different programs. HUD's Public Housing Drug Elimination Program (PHDEP) provides grants to over 500 community-based anticrime initiatives in public housing developments nationwide. PHDEP funds put cops on the public housing beat through community policing, help residents take back their streets through resident patrols, give young people positive alternatives to gangs and drugs through diversion and prevention efforts, and make "defensible space" improvements to public housing developments.

HUD's Operation Safe Home initiative targets the collective resources of federal, state, and local law enforcement agencies, public housing staff, and residents on stamping out the worst infestations of gangs, drugs, and violent crime in public housing developments and their surrounding neighborhoods. One recent Operation Safe Home task force broke up a violent "crew" that was terrorizing residents of Washington, D.C.'s Kelly Miller Homes. Another task force in Worcester, Massachusetts, composed of HUD's Office of the Inspector General, state and local police, the housing authority, and other partners, successfully concluded a 6-month undercover drug operation with 35 arrests (the suspects were subsequently evicted from public housing).

In the course of breaking up violent gangs and drug rings, Operation Safe Home task forces help build cooperation and trust in the often uneasy relationship between local law enforcement and public housing management. Operation Safe Home also works toward long-term solutions to neighborhood security problems through post-enforcement/prevention planning and activities. In less than 2 years, Operation Safe Home has resulted in more than 8,000 arrests and confiscation of \$3 million in drugs, almost \$2 million in cash, and more than 1,000 weapons.

The cooperation of local residents is vital to the success of Operation Safe Home and other law enforcement activities, as well as of public housing eviction proceedings. Accused criminals often do not hesitate to strike back at public housing residents willing to assist law enforcement officials. To ensure the safety and reward the courage of these potential witnesses, the recently passed 1996 HUD appropriation makes the relocation of witnesses to violent crime in public housing a priority use of Section 8 rental assistance.

It should come as no surprise that public housing residents have been the most enthusiastic and vocal proponents of the tough new expectations that housing authorities are setting for them. Because they want to live in peace and security, they see no threat in an insistence that they obey the law and respect the rights of others. Because they have suffered most from the violence and chaos of crime-ridden public housing communities, they long most for the restoration of stability and social norms. Because nobody has a greater stake in the future of public housing neighborhoods and the children who live there, nobody is more eager to make these places communities of opportunity once again. The key characteristics of such public housing communities of opportunity are considered in the final chapter of this report.

Sidebar for Step Four (1)

One Strike policies at work in . . .

. . . **Toledo, Ohio.** Vigorous implementation of the One Strike policy is an important part of the overall anticrime program at the Lucas Metropolitan Housing Authority (LMHA) in Toledo. As a result of a tougher tenant screening policy, 330 out of 2,300 applicants were rejected for criminal history in a recent 12-month period. After a One Strike eviction policy was implemented in the fall of 1994, drug-related evictions rose from 0 in 1993 to 41 in 1995. As a result of these and other anticrime initiatives, incidents of drug-related crime dropped by one-fourth between 1993 and 1995; reports of non-drug-related crime plummeted by two-thirds. By 1995, 76 percent of surveyed residents reported feeling safe living in LMHA properties—an increase of 30 percent since 1993.

Local leaders attribute the success of LMHA's One Strike policies to several factors, which include:

- A good working relationship between the housing authority and local law enforcement officials and judges.
- A data system that maintains local criminal records is at the fingertips of officers at onsite public housing police substations.
- Strong resident support and involvement in all aspects of crime prevention, including a grievance panel that hears eviction cases.

. . . **Macon, Georgia.** Faced with a sudden severe crack epidemic in its communities, the Macon Housing Authority (MHA) instituted a tougher crime strategy in 1989 that included one of the country's earliest One Strike policies. People applying for admission to public housing face strict screening procedures: In 1995 about 280 applicants out of 1,000 were denied admission for their criminal history. In 1989 the Macon Housing Authority evicted 59 residents for drug-related activities. By 1995, after 6 years of effective tenant screening and strict lease enforcement, evictions for drug-related offenses had dwindled to only 8 cases. In a 1994 survey of over 100 resident leaders, over 80 percent reported feeling safe in their community.

SIDEBAR FOR STEP FOUR (2)

Community policing stabilizes public housing developments

Public housing residents in Greensboro, North Carolina, have seen major improvements in community safety in the past few years. In the 1980s drug pushers so terrorized five Greensboro public housing communities that residents were afraid to leave their apartments. Applicants for public housing began to refuse units in the affected communities. Drug related shootouts and other violent crimes were everyday facts of life, and the dealers had threatened the people into silence. Even the police felt unable to stop the downward spiral into lawlessness.

In August 1988, a drug-related incident in which a young man was dragged to his death by a car prompted 17 women, led by the president of the Ray Warren Homes Resident Council, to form Residents Against Drugs (RAD) to petition for police substations in the largest public housing developments and other stepped-up anticrime measures. Representatives from Greensboro Housing Authority (GHA), GHA resident councils, the city of Greensboro, the Greensboro Police Department, Guilford County, and the State of North Carolina met to develop a drug elimination strategy for the city's public housing. With funding from HUD's Public Housing Drug Elimination Program, Police Neighborhood Resource Centers (PNRCs) were established in four developments between 1989 and 1992. Patrolmen on foot created a continuous presence, reducing residents' fears and strengthening their rapport with police. Trained residents from the community began to work as PNRC Resident Managers, to act as liaisons between officers and residents. To supplement the law enforcement effort, additional services were offered, ranging from drug awareness education and prevention to parenting skills and training. In all, more than 60 human service providers participated in the PNRC network.

Initial results were dramatic. From 1990 to 1992, criminal activity in the four original PNRC communities decreased 55 percent. Crime reporting increased, however, in 1994, a result of the increased resident collaboration with police through the community policing program. The crime rate tapered off in 1995, with drug arrests down 39 percent. The number of residents moving out each year declined 28 percent. Through the One Strike policy, a key part of the anticrime program, GSA has rejected about 10 percent of its 1,000 annual applicants due to criminal history. GSA has also carried out substantial numbers of drug-related evictions: 28 in 1990; 22 in 1993; and 11 in 1994.

Drug arrests, tracking the decline in drug trafficking activity, have dropped by three-fourths since community policing began. There were 576 arrests for drug-related offenses in Greensboro public housing in 1990, but this number fell to 158 in 1995. In a 1994 survey, residents reported feeling safer in GHA communities than in surrounding neighborhoods. Still more impressive was that 89 percent of parents and their children reported that they felt comfortable talking to police.

THE FUTURE OF PUBLIC HOUSING

Only two years ago, public housing seemed to be an idea without a future. Despite its vital role in housing many of our nation's most vulnerable citizens, the public housing system was widely regarded as a tired relic of failed policies, offering crumbling buildings, desperately poor residents, and ineffective management bureaucracies as its only legacies.

Today, however, it is clear that public housing has an important part to play in meeting America's affordable housing needs into the 21st century. Acting on President Clinton's call to "end public housing as we know it," HUD has worked with Congress, local leaders, and public housing managers and residents to build a remarkable bipartisan consensus around a comprehensive vision for transforming the nation's public housing. This bold vision, which goes beyond triage for troubled cities to suggest how public housing can become a positive social and economic force for families and neighborhoods, is so radically at odds with the popular image of public housing as to be scarcely recognizable. But the future of public housing articulated by Secretary Cisneros is an attainable one, for it places proven and innovative strategies in housing and development at the service of shared values such as opportunity, responsibility, and community.

Replacement housing will be garden-style or townhouse apartments—smaller scale, appropriately landscaped, with security features—and will be indistinguishable from other privately owned housing in the neighborhood. We know this is possible for public housing because it already exists in places like Norfolk, Virginia, where the Diggs Town development has been transformed from a barren, isolated, and dangerous apartment "superblock" into safe and attractive units with distinctive architectural details, individual front yards and other "defensible space" improvements, and a redesigned street grid that reconnects the neighborhood to the rest of the city.

Housing authorities will be competent property managers with the ability to manage admissions and enforce leases, respond promptly to maintenance problems, provide quality upkeep of the developments, and provide residents service. All of these things are possible, because they already exist in hundreds of high-performing public housing authorities (PHAs), including such big-city agencies as Los Angeles, Seattle, Denver, and New York City.

Housing authorities will be fiscally sound and accountable to taxpayers. This is possible as well, because it already exists in PHAs such as Cleveland's Cuyahoga Metropolitan Housing Authority, which has returned to fiscal responsibility after years of mismanagement. Signs of improvement are also perceptible in the operation of other troubled housing authorities, including Philadelphia and Kansas City.

Public housing will no longer be a permanent residence, but a platform for families and individuals who seek job training, educational opportunities, and supportive services to achieve self-sufficiency. This is attainable: the linkage between public housing residence and working toward self-sufficiency has already been made in many public housing initiatives, including the Milwaukee Housing Authority's Hillside Terrace redevelopment, where a public-private

consortium of service providers offer job training and supportive services as part of Wisconsin's welfare reform initiative, and Cleveland's Miracle Village, where recovering substance abusers learn to take responsibility for themselves and their children again.

Public housing will be economically integrated in order to assure positive role models and working families among the residents. PHAs in New York City, Richmond, Virginia; and Birmingham, Alabama, have already begun to encourage a mix of incomes in their developments by giving a preference to working families in the admission process. Meanwhile, PHAs in Boston, Chicago, Newark, and other many other cities have been gaining experience in developing mixed-income communities.

Public housing will be safe and its residents protected from drugs, gangs, and violent crime so that families can flourish, children can grow, and older Americans can lead peaceful lives. Housing authorities, resident organizations, and their law enforcement partners have already achieved dramatic results in crime reduction in cities such as Seattle, Fort Worth, and Greensboro, North Carolina. This success has been compounded when "One Strike" tenant screening and eviction policies have been introduced as part of a coordinated anticrime strategy, as in Macon, Georgia, and Toledo, Ohio.

The policies and programs outlined in these pages point the way toward a dynamic public housing system that not only provides safe, decent shelter for low-income families, but also helps them reenter the mainstream of our economy and our society. There is much that the federal government can and must do to create a system that promotes opportunity instead of impeding it. Ultimately, however, America's communities play the decisive role in transforming public housing. Just as this vision of public housing's future is rooted in the insight and innovation of housing authorities, public housing residents, and other community-based partners, its realization rests on the creativity and commitment they bring to the awesome but urgent task of transforming public housing in their community.