Research on the problems and countermeasures of American subsidized housing in the mid to late nineteenth century

Tianze Ding [1, †], Yuang Ding [2, †], Mutian Wang[3, *,†], Yonghan Zhai [4, †]

[1] Beijing Haidian Foreign Language Experimental School, Beijing, 100195, China

[2] Wuhan Britain-China School, Wuhan, 430000, China

[3] Capital Normal University High School, Beijing, 100048, China

[4] Shenzhen College of International Education, Shenzhen, 518000, China

*Corresponding author: wangmutian@cnuschool.org.cn

[†]These authors contributed equally

Abstract. Subsidized housing in the United States is an important economic issue that this article will explore what's wrong with affordable housing in the United States today and whether government subsidies for affordable housing are justified, and so on. Food and clothing live line is the necessity of human beings. Most private developers develop houses to avoid causing prices to rise fast. And building especially low-rent housing is just a need (most of the residents living in the subsidized house) under the condition of the environment is not good. This paper used two literary and case study methods to study this topic and finally discussed the results of race factors, security factors, and economic factors. In addition, this paper tries to set up countermeasures that the government should regulate and take relevant measures, such as more subsidies and measures to improve the plot ratio. Government intervention in economics will allocate resources more efficiently and better. Solving such problems can reduce the vagrant phenomenon, reduce the spread of diseases and improve the city's image. It can also improve people's livelihood, promote social harmony and stability, and reduce the crime rate to a certain extent. Real estate developers and government departments also have close interests.

Keywords: American, Subsidized housing, Problems, Countermeasures.

1. Introduction

1.1 Research background

For decades, the poorest and poorest areas of the United States have lived in low-rent housing provided by the government. These houses can be single-family huts connected to communities or skyscrapers. However, more and more low-rent housing has been demolished in recent years, and less than a third of the original households will get new settlements. There are many reasons for demolishing these low-rent homes, most of which are due to lack of management and becoming tumors of urban poisoning. The Great Depression and subsequent World War II extended the power of the government, and hopefully, the government will only be at a critical time. However, after World War II, capitalism rose, hoping the government could ease real estate restrictions. Driven by the war dividend and public confidence, ultra-low interest rate mortgages helped the white working-class slowly leave the low-rent housing community and buy homes in the suburbs. A 1949 law stipulates that only citizens living below the poverty line have the right to apply for low-rent housing. As a result, low-rent housing has become a gathering place for poorer blacks. This is not the worst. The U.S. government originally planned to establish a complete low-rent housing system of at least 1 million by 1955 [1]. Until 1967, there were only 633,000 suites in circulation in the system. These newly built low-rent homes lost pounds to reduce people's livelihoods during the Cold War. They use low materials, but they also reduce working hours. After construction, they didn't have enough workforce to maintain them, which made the quality and handling very inadequate.

1.2 Literature review

Jacobs analyzed that the essential issue of the crisis of subsidized housing was the gap between households' wages and the rent of normal houses. This made people who lived in subsidized housing labeled poor people, resulting in poverty-stricken areas. She emphasized that this poverty will become a vicious circle following the local credit crisis and increase crime rates [2]. Husock proposed that the places of subsidized houses gradually became a "frozen city," which was a barrier to regeneration that might result from unchanged purpose caused by single type residents because of people outflow[3]. Santiago found that the crisis of subsidized housing could erode the surrounding economy mainly through the decreasing housing price. This condition might be gloomy since subsidized housing would offset any potential benefit from this erosion [4].

1.3 Research gap

Most articles focused on problems brought by subsidized houses after construction, which were mainly about long-term economic effects on local communities. However, fewer of them analyzed some factors of the crisis of subsidized houses before putting them into use. For example, its location and quality problems when they were constructed.

1.4 Research objective

First of all, this paper will delve into the problems of American subsidized housing nowadays. It will analyze the current situation in America by combining the resources from different articles. After the paper introduces a comprehensive understanding of the current situation of subsidized housing in the United States, it will discuss the root cause of the crisis by analyzing the development process of subsidized housing. In order to find the most accurate result, this paper will use the literature research method to understand the situation and use a case study to analyze the core problem. Finally, by utilizing our knowledge of economics, the following paper will examine the impact of individual behavior and the market on this problem and find the best way to solve it. Finally, it will analyze the pros and cons of our proposed new approach and its advantages over other policies

2. Methods

2.1 Literature Research

A literature article is a scientific study that presents current knowledge on a topic, including substantive discoveries as well as methodological and theoretical contributions. Literature papers are intended to provide relevant information about a topic and, if any problems have been identified, to recommend any solutions[5]. This article is divided into a thesis statement, an outline, a body, and a conclusion. Also, this article provides relevant information regarding subsidized housing to recommend solutions to confront those issues in subsidized houses.

2.2 Case Study

When you wish to gather tangible, contextual, in-depth knowledge about a specific real-world issue, a case study is an acceptable research methodology. It can go into the case's main features, significance, and ramifications. Case studies are frequently used in theses and dissertations [6]. The article uses qualitative or quantitative methods to present the data about subsidized houses, which gives clear information about its problems. So, the article needs to exemplify and expand the data mentioned in this article.

3. Result

3.1 Current analysis

3.1.1 Problem of ratial segregation

The Federal Housing Administration (FHA), established by the Housing Act of 1934, was founded on the principle of segregation in public housing [7]. The FHA formalized the practice of enforcing racially restrictive covenants, which are blatantly discriminatory policies inscribed into a home's deed. The Supreme Court ruled in Shelley v. Kraemer in 1948 that this practice was unconstitutional under the 14th Amendment's Equal Protection Clause. According to Gotham(2000), Section 235 of the 1968 Housing Act encouraged white flight from the inner city by selling suburban houses to whites and inner-city properties to blacks, resulting in racially divided neighbourhoods.

White flight, or the migration of white people from neighbourhoods that have become more racially or ethnoculturally diverse, is one example of how stigma and criticism surrounding public housing and inexpensive housing have resulted in a substantial shift in the racial demography of urban housing. Fears that ethnically diverse neighbourhoods will drop property prices and increase crime rates have prompted white flight [8].

McNulty and Holloway (2000) looked at the intersection of public housing geography, race, and crime to investigate if there were racial inequalities in crime rates when the proximity of public housing units was considered [9]. The study stated that "the race-crime connection is spatially contingent, changing as a consequence of the distribution of public housing." This demonstrates that concentrating on institutional elements of crime in terms of race is superior than focusing on cultural differences between races as the basis of inequalities in crime rates. The construction of public housing units in largely poor and black communities exacerbated racial and economic inequities [10].

3.1.2 Problem of safety

In public housing, crime is also a serious concern, with polls revealing high rates of drug-related violence and shootings [11]. Ineffective management, which allows troublesome individuals to remain in the unit, and poor policing and security are two other causes. According to Griffiths and Tita (2009), homicide rates in public housing units are significantly higher than in comparable areas, which they ascribe to social alienation within the units. These murders are more likely to take place within the public housing unit than outside [12].

3.1.3 Problem of economy

In the 1970s, when higher and middle-class residents left property in American cities, trends indicating a rise in the geographical concentration of poverty became apparent [13]. Slum clearance has become increasingly widespread as a result of urban redevelopment activities, necessitating the need to accommodate individuals who have been displaced as a result of the clearing (Massey and Kanaiaupuni 1993). On the other hand, many in local governments, political parties, and suburban communities resisted the development of public housing units in middle and working-class neighbourhoods, resulting in the construction of such units near ghetto districts that already displayed signs of poverty. In terms of public housing, Massey and Kanaiaupuni (1993) identify three sources of concentrated poverty: income requirements that structurally establish poverty areas, reinforcing poverty patterns through the location of public housing units, and destitute individuals relocating [13].

Public housing in Columbus, Ohio, has differing effects on the concentration of black and white poverty, according to a research [14]. For blacks, the impact of public housing on concentrated poverty is twice as great as for whites. The study also found that public housing tends to concentrate the poorest individuals in one area, hence worsening poverty.

Freeman (2003) conducted a statewide study that put into doubt the concept that public housing units had a separate impact on poverty concentration [15]. The study discovered that non-poor out-migration and poor in-migration were linked to the establishment of public housing; however, when

statistical controls were introduced, these links disappeared, implying that migration patterns were determined by neighbourhood factors rather than the public housing unit [15].

3.2 Problem analysis

3.2.1 Factor of ratial segregation

First of all, the racial segregation in low-rent houses is largely a legacy of history. Plessy v. Ferguson took the firm stand of maintaining racially segregated carriage, a strong defense of the separate-but-equal principle in 1897. Hence, the condition of discrimination in low-income houses was reasonable in the early 20th century because of the influence of the principle. Although Brown v. Board of Education of Topeka in 1954 expressed the irrationality of racial segregation that was significant to subsequent affirmative action, many southern politicians criticized judgment day as Black Monday, and the law benefit of the bill was limited to the education field[16]. The public housing program was rescued from the opposition of powerful interest groups in parliament by southern Democrats. The Public Housing Administration was forced to ignore the problem of racial segregation in the 1950s temporarily. Until the establishment of a nationwide policy prohibiting discrimination in federally assisted housing in 1962, racial segregation in low-rent houses began to be banned in law. Nevertheless, low-income houses were almost divided into several races, which became a strong barrier to implementation because the new building programs in these areas would be easily assimilated into the same races[17]. In this case, the historical problem from the early 20th century stimulated racial segregation in subsidized housing to a large extent and impeded its solution.

3.2.2 Factors of the safety problem

The safety problem left hidden dangers at the beginning of the design part of low-income housing, mainly on the spatiality. The spatiality is focused on the environmental and social conditions related to the external physical environment and internal physical organism that induce crimes[18]. The spatiality of low-income houses is terrible. These houses were always high-rise, so few households could monitor the street's condition to stop the criminal actions. The corridors and elevators were always related to some public sector like schools or churches, which made the demarcation of space between commonality and privacy blurry [2]. In this case, these factors provided an opportunity for crime such as racketeering and sexual harassment, or even murder.

3.2.3 Factors of economic problem

Most people may think that the economic problem of low-income houses was very common as the people who lived there were trapped in poverty. However, this statement is not very exact. The main factor of economic problems was not low-income people but the households that got out of the low-income houses after their financial situation turned good. In 1970, the National Association of Realtors set up a Housing Affordability index and found that a family with $37,584 each year could afford median-priced houses. It shows that it was very easy for people to move out of public houses and made the elder poor become the majority of residents, and the single-parent family in public houses increased to 88% from 1970 to 2001 [3]. These people were lack of

income and productivity, which decreased their purchasing power and caused fading business dynamism. Furthermore, the "edge city" such as Philadelphia increased a half-million jobs while the urban area met serious unemployment in the 1980s. This would stimulate low-income housing residents to remove to a large extent[19]. In this case. The type of residents who lived in public houses became single, and low-income citizens flew into public houses, which made the economy of the local places lack vitality and therefore got into a negative circle.

4. Discussion

4.1 Strategies analysis

4.1.1 Solution of racial segregation

Housing inequality is the primary cause of the massive racial wealth disparity between Black and white households in the United States. It is critical to harness public and political will to design and implement the necessary remedies for a more equal future in order to reverse years of discriminatory housing policies that continue to damage families today.

First, the government may increase the number of Black people who can buy a property. First and foremost, local governments should increase the availability of down payment assistance [1]. Due to discriminatory policies that deny Black families access to property, education, and work prospects, Black parents have less money to pass down to their children. Down payment support programmes for low-income first-time buyers, such as matching savings accounts and advanceable tax credits, can help remove this common stumbling block.

Improved access to low-cost borrowing is also crucial [20]. Local governments must make mortgage and business credit available to underserved, low-income, and minority homebuyers and communities, given the United States' history of redlining and discriminatory lending. There are a number of procedures in place to reduce racial inequities in lending, but they need to be improved.

Local governments should also invest in affordable housing [20]. Even when down payment assistance is available, exorbitant housing costs remain a significant barrier to homeownership. Increasing government funding for affordable housing construction might help Habitat for Humanity create long-term, sustainable homeownership opportunities.

The mortgage interest deduction, last but not least, has to be retargeted [20]. The mortgage interest deduction is very inequitable for homeowners, sometimes benefiting only the richest borrowers with the most expensive mortgages. It's also rather pricey, once costing more than all of HUD's and USDA's housing programmes put together. To make the MID more accessible to low-income homeowners, it should be redesigned as a tax credit. Restricting it to low- and moderate-income households will free up valuable government resources for other projects, especially for people of colour.

4.1.2 Solution to the safety problem

In order to solve the safety problem, the first issue the local government needs to deal with is the spatiality of the subsidized housing communities. For example, the local government must make a clear distinction between different zones, leading each sector of the society to be responsible for different parts. When there are crimes in one region, local government can easily find the sectors in charge and solve the problem quicker and more thoroughly.

Furthermore, homeowners may increase their safety in a variety of ways. The first is to make their property more durable. They can install sash jammers on susceptible doors and windows, improve the locks on your doors, windows, sheds, and outbuildings, and employ strong passwords to prevent crooks from hacking their internet accounts [21]. Second, increasing monitoring around houses, businesses, and public areas to prevent thieves is a good idea [21]. Taking down high hedges/fences in front of your property allows an offender to work unobserved, installing CCTV at a business or public place, and organising a neighbourhood Watch Scheme are all viable options [21].

4.1.3 Solution to the economic problem

To solve the poverty cycle thoroughly. The most important thing is to improve the educational level of residents. If they become more educated, their behavior will change significantly, leading to more people being willing to work harder to earn their livings to improve their living standards. And the local government should enable young people to have access to affordable, youth-friendly, and accessible education and training opportunities. They should, in particular, guarantee that local educational budgets are gender-sensitive and address the needs of minorities. Families that cannot

afford to provide their children with education should be given more financial assistance [22]. Furthermore, early school leavers should have access to ongoing vocational training and "second chance" education to reflect the reality of subsidized housing communities. Moreover, schooling should be available to young individuals from nomadic or semi-nomadic households and juvenile refugees or asylum seekers [22].

4.2 Enlightenment analysis

4.2.1 The importance of eliminating racial preferences

Schelling Model could explain racial segregation. As we can see from the graph, initially, the apartment had 21 residents who were divided into two types called cross and circle. They all have slight discrimination that different types of people next to them could not more than their type excessively. Therefore, in Figure 1 this balance appeared as the number of different types of their neighbors was nearly equal. However, it was not a utopia but a compromise made by residents who only had slight discrimination[23]. Then, we gave an assumption that ten people moved out of the apartment and 5 residents moved in again. In this case, some residents might feel unhappy as there are too many different types of neighbors, such as the circle on the top left corner, which had three crosses as neighbors without any residents of the same kind. Hence, this circle would move to the place with circle neighbors, and the cross would move together after that. In the end, a kind of racial segregation formed. This model tells us that potential discrimination and racial preferences also cause a serious condition of racial segregation, so the important solution to this problem is to sweep away prejudice of race in the future. Hence, we think that eliminating racial segregation was still a hard nut to crack. This also told us that sometimes it would be difficult to infer "micro motives" from observed "macromotives" as imperceptible changes can lead to great variations[24].

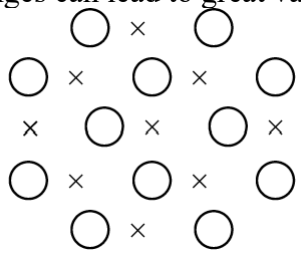


Figure 1. The initial condition

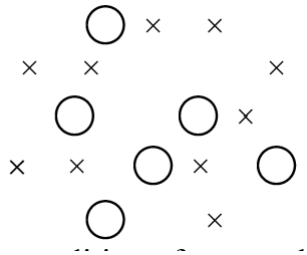


Figure 2. The condition after people moving out

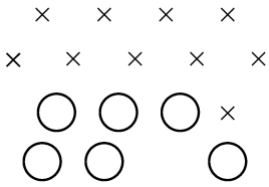


Figure 3. The condition in a long term

4.2.2 The importance of defensible spaces

Defensible spaces were defined as an important field of stopping crime in the design part of buildings through the ways such as setting up obstacles and counting agents. This is very significant

to decreasing the crime rate because it will deter criminals, make them lose many chances of their actions, and give low-income families new respect for their property and safety. This encourages them to become a character of defensible places responsible for monitoring public places around them[25]. As mentioned earlier in this passage, the main factor in the high crime rate in low-income houses was indistinct boundaries between public and private places. In this case, the government should pay attention to building up good defensible spaces mainly by dividing different types of zoning. It's also worth mentioning that a little change of decoration like lights or chairs in public places will have a huge difference in security[26].

4.2.3 The importance of urban diversity

Urban diversity can be deemed the soul of a city, which made the city stand out for company locations through the rent in the countryside was much cheaper. This was because various living facilities in urban saved funds for companies to build living quarters in the countryside, and various entertainment provided places for communication of staff[2]. In addition, many different types of human capital provided companies with part-time technicians such as editors, which made companies easily meet the market's demand. The transaction costs will also decrease as they do not pay more attention to searching for consumers but only need to set up shopping outlets[27]. These factors of economic growth were not only a result of diversity but also stimulated diversity to a large extent. However, Low-income houses in an area were almost built up at the same time, which meant that the diversity was very simple as these houses all had a single purpose of living for a single type of people. Therefore, to solve the economic problem in low-income houses, the diversity of local places was the root of problems that needed to work out at first.

5. Conclusion

5.1 Conclusion of Key Findings

This paper is about researching the problems and countermeasures of American subsidized housing in the mid to late 20 century. So this leads to several problems, and the paper gives some solutions to those problems. The paper finds that the government could expand black homeownership options by discriminatory policies or down payment assistance programs, such as matching savings accounts and advanceable tax credits for low-income first-time buyers. Also, local governments may invest in affordable housing to create long-term, sustainable homeownership prospects and reduce the mortgage interest for low- and moderate-income households. Meanwhile, the local government needs to distinguish between different zones, making people responsible for different parts. Besides, dwellers can harden their property like doors, windows, sheds, and outbuildings. Finally, the government should raise their awareness of the educational level of residents.

5.2 Research Significance

This paper aims to solve the racial segregation, safety problems, and economic problems in low-rent houses and then discusses the importance of eliminating racial preferences, the importance of defensible spaces, and the importance of urban diversity. Those three aspects are how this paper organizes and gives inspiration to the subsidized housing problems in the mid to late 20 century

5.3 Limitation and Future Study

However, many things are not practical to show by only this paper because those solutions provided are just hypothetical, and most of them are not used now, so the paper can't show the cause and effect clearly. On the other hand, many solutions may have already been proposed, but these proposed solutions are not effective as the paper assumes. Overall, the paper requires more data or analysis to support this study. In the future, the low-income housing problem is needed to be solved by a large number of means, which means that more things are required to study. The paper can be useful when severe low-income housing problems and need some thoughtful ideas.

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