Fighting Political Wills: Factors of Success and Failure of Public Housing in Hong Kong and New York City

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Abstract

The purpose of this paper is to determine the circumstances under which government institutions of public housing can be deemed “successful.” Many examinations of public housing in the literature examine it through the economic, political, and social lenses required to fully understand the situation. By examining the case studies of New York City (NYC) and Hong Kong from the 1930s through present day, I will determine the most significant factors of success and analyze to what extent foreign factors can be applied to cities of the United States. This paper will review the literature examining theories of neoliberalism and social welfare to understand the struggle over political will in public housing provisions. Political and economic factors for public housing involve cooperation between political stakeholders and institutions through funding and operation of public and subsidized housing policies. Ultimately, success is determined by the degree of public housing accessibility to those in need, which is measured by the amount of time spent on the wait list.
Introduction

Much of the narrative that surrounds public housing creates the images of dark, dingy hiding places for “those people,” the drug addicts, the alcoholics, and the slackers to sleep at night and keep off of the streets. Public housing has been seen as violent, crime- and drug-filled, and an undesirable addition to any community. But how does public housing help its residents and surrounding communities? And if that reality does not fill its intended purposes, what does successful public housing look like?

Most literature defines “affordable housing” as a unit of housing which requires the household to pay 30 percent or less of its income to stay there (Wallace 1995). Anything above this percentage creates too heavy of a rent burden on the household by hindering its ability to pay for other expenses such as education, medication, food, and clothing. In Hong Kong, families come up with complex financial strategies to afford housing that fits their needs (La Grange and Pretorius 2000). Benefits and service bundles are considered very important for most household housing choices whether they are provided by the market or the government (La Grange and Pretorius 2000).

Public housing internationally is one of the most common forms of government affordable housing assistance. Globally, many cities struggle with the affordability of housing as rents rise with an inflow of urban migrants. Public housing projects, or rental units built and owned by governments, have traditionally been the public program utilized to best serve the needs of low- and middle-income populations. While other programs exist (some of which will be discussed later in this paper), public housing remains at the forefront of government-assisted housing programs and policies today.
There are large social, economic, and political implications for any failings in the provision of adequate, affordable housing in densely-populated urban environments for low- and middle-income populations. Hong Kong’s first public housing policies were inspired by attempts to deal with slum and illegal squatter issues (Yung 2007). Many of the early public housing projects in the United States were born out of the New Deal built on social welfare approaches brought on by the economic inequalities of the the Great Depression (Goetz 2012; Hoffman 1996). Since the founding of public housing there have been many assisted housing programs including vouchers, benefits, and allowances (VBAs) (Agiro and Matusitz 2011). These emerged from the neoliberal framework during and after the 1980s when this perspective took root globally. Since their inception, the assisted housing policies have operated within the private market through permanent rent control and subsidized rents (Owens 2015).

The case of Hong Kong is one of the best-known successes in public housing with nearly half of the population residing in public housing; this case can be at least partially compared to the lesser degree of success of NYC. Today, both Hong Kong and NYC have an abundance of policies and programs implemented for housing their populations’ low- and middle-income residents. These policies and programs have major drawbacks and limitations but are still considered some of the more successful cases studied in the literature. In this paper, success is determined by the degree to which public housing is accessible to households in need of it, which is indicated by the length of time spent on the wait list. This paper argues that the lack of political will, coupled with a neoliberal approach to housing, has led to the exclusion of certain populations and an additional failure to provide sufficient housing to those that need it most in Hong Kong and New York City.
The central question that this paper seeks to address is, what factors determine the success of public housing in the densely-populated urban environments of New York City and Hong Kong? In answering this question, I will compare the cases of Hong Kong and NYC, which have been typically considered largely successful in terms of constructing and maintaining their public housing projects. Here the most significant factors are the political and economic determinants. The largest political factor is the degree of political cooperation between multiple institutional stakeholders through the funding and operation of multiple housing policies and programs which reflect a degree of political will. The most substantial economic factor is the availability and reliability of government funds and the demand alternative financial requirements on municipal, city, and federal budgets.

**Perspectives on the Provision of Housing**

*Social Welfare Housing Provision as a Policy Recommendation:*

The urban renewal period in the United States spanned from 1949 to 1974, and contributed greatly to the improvements in infrastructure, housing, and social services (Hyra 2012). Many argued during this time that social justice in the housing policy constituted a successful program (Yung 2007). Provision for individuals in need constitutes a concrete part of the social welfare perspective, despite its variances between “Western” and “Confucian” fundamentals. Confucian social welfare constitutes treating individuals as they deserve, which can be judged from their actions, while more Western social welfare argues that people’s deserts come from “exercise of virtues, not talent or effort in doing something” (Yung 2007). This argument is swayed by the needs of individuals and households where social justice manifests itself in the provision of housing for all those in need. Hong Kong’s public housing system has
been traditionally influenced by these Confucian fundamentals, but it is shifting towards the Western understanding in recent years to match places like NYC.

Neoliberalism and Private Housing as a Policy Recommendation:

Neoliberal recommendations of restricting or blocking additional public housing construction and converting tax-foreclosed buildings to be sold to the private market for either middle-income housing units or commercial use, such as a parking lot, exhibits a different understanding of the role of the government in individual social welfare (Salins and Mildner 1992). Through this perspective, the private sector is seen as an exclusively positive aspect of the market with additional benefits to homeowners that are not felt with either public housing provisions or the rental market. Public housing goes against neoliberal public policy recommendations because of its stance on social provision, but it is one of the remnants of the social welfare era (Hackworth 2005).

Hong Kong’s Factors of Public Housing: History, Social Relations, and Political Will

Hong Kong’s Development of Public Housing

The private and public housing sectors are determined by the social, economic, and political legacies of every society, and all of these sectors are prone to continuous change throughout the society’s history. The growth of public housing in Hong Kong was catalyzed by a fire in the Shek Kip Mei squatter development in 1953 that destroyed a large area and made 53,000 residents suddenly homeless (Delang and Lung 2009, 1393). To relieve the public pressure of the humanitarian crisis and maintain political stability, Hong Kong quickly constructed its first public housing structure (Yung 2007, 2). The living circumstances of the poor throughout the area, including many immigrants, were considered deplorable and demanded
government attention (Deland and Lung 2009). Over the coming decades there was an expansion of the public housing provision, partially to help the government maintain political legitimacy and partially because there was huge demand from the working class and increased inflow of immigrants. During this time of intense industrialization, the provision of public housing to the working poor also helped ensure a stable supply of cheap immigrant as well as native labor (Yung 2007, 120). The incentives for politicians to support, or expand, public housing were and remain palpable due to the fact that public housing residents make up a large constituency (L. H. Chiu 2010, 315). The Hong Kong government decided to go the route of public housing provision instead of the market intervention. The original housing assistance programs implemented by the Hong Kong government was necessarily a public housing project to maintain social stability in the middle of a social upheaval; after that original project the government continued on with this form of housing assistance primarily because of the success of the original program. The government is largely interventionist in terms of housing, but through public provision instead of through market manipulation (Lam 2000, 405).

Between 1987 and 2002 a long-term housing strategy put an emphasis on private housing and the Hong Kong government started taking on more market-oriented systems of housing provision (Hui 2001, 34). There are both market and ontological explanations for the increasing rate of homeownership over time. The market explanation states that the benefits and long-term investment of homeownership are what have led larger parts of the population to purchasing property (La Grange and Pretorius 2000). As a tenure preference, it might not be entirely explained by economic relationships, however. The ontological framework explains that homeownership is a preferred household tenure choice; this suggests that “renting is not a viable functional substitute for ownership” (La Grange and Pretorius 2000). The government’s gradual
shift to being pro homeownership is based off of this ontological perception of the superiority of home ownership due to an increase in the citizens’ sense of belonging (Yung 2007) despite La Grange and Pretorius’ results that it is primarily the market responses that drive the incentives of home-ownership (La Grange and Pretorius 2000, 1578).

Hong Kong’s pursuit of homeownership as a preferred tenure practice has had limited success because of its rapidly-rising property values (Yung 2007, 121). Despite the fact that buyers are willing to pay higher prices for properties built and developed by reputable developers, few developers have paid attention to this despite fierce competition in the private market (Chau, Ng, and Hung 2001). Both the Home Ownership Scheme, implemented in 1976, and the Private Sector Participation Scheme, implemented in 1978, are aimed at giving access to lower-middle-income families to housing ownership (Lam 2000, 403). Hong Kong has followed the international trend of rising rates of home-ownership, although affordability has remained an issue for many families (La Grange and Pretorius 2000, 1579). While home ownership is a significant movement, property values rose steeply through the late 2000s and outpaced many families (Ronald and Doling 2010, 246).

Hong Kong’s scarcity of land for urban growth combined with substantial population growth has led in part to the rapidly-increasing property costs. One constraint felt by Hong Kong is its terrain. The area is covered with a combination of urban, steep country, woodlands, grass and scrub lands, eroded lands, swamp and mangrove, and arable lands (Zhang 2002). Almost one fifth of the land mass is covered with insurmountable and undevelopable terrain in the form of steep countryside, and the other land designations make up the large majority of the terrain in total. The majority of Hong Kong’s urban development has occurred along both sides of Victoria Harbour between the main land and Hong Kong Island (Zhang 2002). Urban development is a
huge source of concern and providing housing for the population on such constricted land availability continues to be a difficult feat despite a larger base of political support than New York City.

The tight control over land the Hong Kong government maintains is argued to have inflated land value and contributed to making private flats unaffordable to many (Lam, 2000, 403). Hong Kong is more effective in the provision of affordable, subsidized housing than in the manipulation of private housing prices (Chiu 2006, 79). This is despite the fact that its population is significantly denser than New York City and most of the world’s urban centers. Along the northern shore of Hong Kong Island is an area of 22.5 kilometers$^2$ or 14 miles$^2$ that as of 1997 housed 1 million people (Zhang 2002).

*Hong Kong’s Immigrants and Women in Public Housing*

While Hong Kong’s public housing projects and policies have been largely tooted as some of the most effective and all-encompassing in the world, the social factors that contribute to determining the degree of “success” of the projects are not inherently positive. As stated previously, the main part of the definition of success in this paper is accessibility to public housing.

Hong Kong’s average wait list remains shorter than that of NYC by 6 years, but its accessibility is still debatable because of its time of 3 years. The Hong Kong government’s goal is to maintain the wait list to this time, which is seen as an attempt at the operationalization of the ‘right to affordable adequate housing,’ although it is not stated as an overt policy intent (Yung and Lee 2012, 407). This has been one of Hong Kong’s limiting factors of success in its public housing; while there is a recognition of this necessity for all people to have adequate housing, both the public and private markets operate off of the ability of residents to pay. Therefore,
adequate housing is only enjoyed by those who can afford to pay for a share of it without government assistance (Yung 2008). It points out just how many individuals and families have yet to receive assistance, because poverty rates in the most expensive place to live in the world are only increasing (Yeh 1990, 447). For households in Hong Kong, wait-list times can be dramatically reduced if family members apply together because they will be put into a priority listing; for this group, “the waiting time for their flats is reduced by as much as two years” (Yung 2008, 96).

Another barrier to Hong Kong’s public housing success is its 7-year residential requirement for all immigrants. Land ownership is monopolized by the state in Hong Kong, and the high rate of immigration has become a large source of stress on both the public and private housing markets (Huang 2004, 26). With an influx in immigration since the opening of Hong Kong’s market to foreign investment, it remains a large hurdle that a Hong Kong immigrant must be a documented resident for 7 years before being eligible for public housing (Huang 2004, 26). This policy is argued to be in place for protection from vacancies due to the lifestyle patterns of seasonal migrants and their inevitable, frequent vacancies. Along these lines, the reluctance of the Hong Kong government to publicly house recent immigrants is evident from their web page titled “Settling in Hong Kong,” which simply reads in relation to residency for recent immigrants: “You can choose to own an apartment or rent a flat when you first settle in Hong Kong” (Hong Kong Government 2015, “Settling in Hong Kong”). There is no mention of public housing options or even the 7-year residency requirement on this page. This lack of access to information is significant in its deception through omission. Additionally, the program's effectiveness is undermined without this immigrants’ access to public, affordable housing as it forces the long-term immigrant population into sometimes illegal, unsafe, unsanitary living
conditions. Half the family must be residents of Hong Kong in order to qualify (L. H. Chiu 2010, 307). Those unable to access public housing face a disturbing situation cramped into the most densely-built and cramped living situations in Hong Kong (Yung and Lee 2012, 401). Some of the worst situations include board-partitioned rooms or places called “cage-homes” where the space rented consists of a bed-space, surrounded by wire netting for security of person and belongings (Yung and Lee 2012, 410).

A final issue limiting the success of Hong Kong’s public housing has been equal gender accessibility. As the ‘home ownership ethos’ was established and cultivated, there has not been an increase in the number of people being brought out of public housing and poverty (Chan 2000, 29). On the contrary, social inequalities have worsened “along various dimensions such as class and gender, and between the younger and older generations” (Chan 2000, 29). In other words, policies encouraging private housing are furthering the goals of wealthier households while reducing funding or marginalizing the less fortunate which hurts people along lines of both gender and other demographics.

**Does Hong Kong Have the Political Intentionality for Public Housing?**

Hong Kong’s public housing policy has been in effect since 1954, and has been highly integrated into the government’s larger political agenda; in this way, public housing has been highly institutionalized politically (Ronald and Doling 2010). In fact, Hong Kong’s property-based welfare path is largely influenced by the legacies of the previous public rental policies to the extent that there is very little threat of it being rescinded (Ronald and Doling 2010). One other form of Hong Kong public policy's institutionalization is the land ownership factor: all land and development rights are owned by the central government. This economic and political force gives the real estate market of Hong Kong a decidedly intentional atmosphere, helping to make
this environment, theoretically, highly adaptable to the affordability and housing needs of the populace if political intentionality is present. Since the initial stage of urban development, politicians have been major policy drivers pursuing the fulfillment of voters’ wishes (L. H. Chiu 2010, 316).

One of the largest factors of Hong Kong’s public housing’s perceived success has been its maintenance of its large resident population which translates into a large political force as a solid voting block during elections (L. H. Chiu 2010, 315). Advocating for housing matters allows members of the parties to garner greater electoral support and increase their voter visibility (L. H. Chiu 2010). Therefore, the political investment of politicians in Hong Kong is due directly to the greater population numbers in public housing than in the private market, because while there are 345 public housing developments with 420,000 official residents in New York City (about 5% of the city's residents), approximately half of Hong Kong’s population lives in public housing (Yung 2007). It is significant that Hong Kong’s public housing residents make up such a large percentage of the population while NYC maintains only a small fraction of the voting block. Political support for public housing depends upon the voicing of opinions by residents and advocates; these individuals are simply less numerous in NYC than in Hong Kong.

Interestingly, professionals and academics are also gaining influence in the housing policies and their political constituencies, increasing the non-governmental aspects of the public housing issue. This largely has to do with the political composition of the housing authority. Politicians, professionals, and academics increasingly share space on the board, and therefore all hold power within the system of housing policy (L. H. Chiu 2010). By providing a voice to the experts of the field, the housing authority has given itself its best chance of long-term success.
Despite its compelling results in the Hong Kong case, this system has not yet been replicated by the NYCHA.

While politicians continue to have a vested interest specifically in the maintenance of public housing in Hong Kong, there has also been large growth in alternative schemes that assist in purchasing housing in the private market. Politicians may believe that home-ownership contributes positively to political stability, but these schemes represent a potential weakening of the political culture of a social safety net in Hong Kong (Yung 2008, 92). The Home-Ownership Scheme has made the government’s housing policy the promotion of home ownership in order “to enhance social stability and citizens’ sense of belonging,” but has also begun to reduce the support for public housing endeavors by shifting the political support away from social welfare approach and towards neoliberalism (Yung 2007, 121). Throughout the 1980s, public rental housing decreased throughout the nation at the same time as the increase in home ownership schemes, and this partially marked the change towards the neoliberal political sphere (Chan 2000). This program gave interest-free loans for flats in the private market and is part of the government’s efforts to place more of an individualistic emphasis on the housing system (La Grange 1998).

**NYC’s Factors of Public Housing: History, Social Barriers, and the Rejection of HOPE VI**

*New York’s Development of Public Housing*

Much of the development of the United States’ public housing and surrounding policies were created during the social welfare New Deal era. These policies and structures were protected by the Department of Housing and Urban Development (HUD) and Congress and lasted until the shift to neoliberalism during the 1980s (Goetz 2012, 339). This shift accompanied
the increases in crime and constricting poverty in multiple cities’ public housing projects which was at its highest point in the 1990s (Bloom 2012). In 1992, Congress enacted a program called HOPE VI (Housing Opportunity for People Everywhere), framed as an effort to ‘deconcentrate poverty’ through public housing redevelopment and transformation into mixed-income housing (Goetz 2012, 332; Zielenbach and Richard Voith 2010; Katz and Turner 2008). The program was meant to rehabilitate or demolish and rebuild distressed public housing across the nation. Indeed, a lot of public housing was torn down and rebuilt but in the cities of New Orleans and Chicago, among others, the public housing encountered serious issues and never fully recovered to serve the number of people it originally planned to (Bloom 2012; Schwartz 2010; Saegert and Winkel 1998).

Many of the United States’ public housing policies originated in the New Deal era as social welfare programs for the impoverished; this political legacy lasted until issues of political will, crime, and poverty influenced the destruction of most public housing under multiple public policies during the 1990s and early 2000s, including a program called HOPE VI, begun in 1990 (Zielenbach and Richard Voith 2010). HOPE VI was implemented to rehabilitate or demolish and rebuild distressed public housing across the nation (Schwartz 2010). Until the 1980s, the demolition of public housing remained rare due to its protection from the Department of Housing and Urban Development (HUD) and Congress (Goetz 2012, 339). It wasn’t until the implementation of HOPE VI that large numbers of demolitions began as attempts to combat crime and high poverty rates in the areas. The refusal to demolish public housing units was replaced by the case for mixed income/use in the 1990s through the HOPE VI program (Goetz 2012). Rebuilding those communities in different configurations than traditional public housing to be mixed-income neighborhoods was the primary goal of the program (Hanlon 2010).
The Section 8 program became a major policy in the 1970s through the Housing and Urban Development Act (HUDA) when studies showed that one of the biggest issues for low-income persons was not low-quality housing but dedicating too much of their incomes to paying rent, or having too high of a rent burden. In 1986 the Low Income Housing Tax Credit (LIHTC) was created by the federal government as another response to the failings of public housing projects nation-wide. Over time this credit became one of primary policies for housing assistance, and it “is based on the belief that the market will be much more efficient than the government can ever hope to be” (Hackworth 2011, 238). Starting in the 1980s, the responsibility of public housing shifted away from federal government towards state and local governments (Basolo 1999, 435). It was seen as more of a local issue that was no longer the responsibility of the federal government’s budget and political will. This change increased the autonomy of states and cities in terms of planning their policies and public housing and was part of the marked turn towards neoliberal politics.

On a local level, New York City has spent significantly more of its financial resources on affordable housing than other municipalities in the United States. In 1987, the city launched a $4 billion plan to construct new housing “and rehabilitate existing vacant and occupied structures” which has been continued under four subsequent mayors (Schwartz 2010, 231). In 2011, HOPE VI was expanded nationally and continued to encourage the restructuring of public housing neighborhoods with mixed-income developments (Goetz 2012, 332). In this new form, local governments compete for funds to redevelop housing into mixed-income developments on a case-by-case basis. New York city differs from other cities like Chicago and New Orleans, however, because the expansion of HOPE VI has not been used for the large-scale eviction and rehousing solution that Chicago and New Orleans have resorted to with neighborhood
redevelopment (Bloom 2012, 424). Instead, in the 1990s NYC tenants organized successfully against the HOPE VI program for fear of displacement. Consequently, NYCHA has only implemented two HOPE VI grants and pursued full unit retention strategies in both cases to make sure that there were no negative impacts on the original tenants of the properties (Hackworth 2005). This is in stark contrast to national the average of 46% of all original residents able to return to a redeveloped site, which the U.S. General Accounting Office says is the country’s average (Schwartz 2010). Bahchieva and Hosier (2001) argue that today people stay longer in New York City’s public housing projects because of the city’s strong housing market and subsequent lack of affordability for large numbers of people (Bahchieva and Hosier 2001). Indeed, rising rents throughout the metropolitan area limit the advantages as well as incentives of changing location and curb options for low-income households.

**NYC: Waitlist Time and NYC’s Social Barriers of Public Housing**

New York City is, in comparison to other cities in the United States, doing a great job in working to maintain its public housing structures. NYC’s public housing buildings are all at substantial ages, and many are in a great need of repair. A number of the older projects are now 60 years old, with an institutional average building age of 40 years (New York City Housing Authority 2015, “Adopted Budget for FY 2015 and The Four Year Financial Plan FY 2016-2019”). In addition to the issues of this quality of housing, there is a big question of the rate of unit turnover. While approximately 420,000 New Yorkers live in public housing in the city—that’s 1 in 20 people—it has been argued that public housing in and of itself is not capable of filling the need, and demand, for secure, affordable housing (Woo and Margin 2009).

The average NYC public housing wait list time for households who are not in a priority category is 9 years; this continues to be a nearly insurmountable barrier to the success of the
NYC’s public housing availability for the many households in need (Metropolitan Council on Housing 2015). The three main factors that take part in determining if a household qualifies as priority include their total household income, family composition, and current living situation, including homelessness; other factors include disabilities and repeated domestic abuse (New York City Housing Authority 2015, “New York City’s Affordable Housing Programs”). As rents rise and market-rate housing becomes unaffordable to more and more residents, the numbers on the wait list continue to get larger. Despite the fact that only 5,400 to 5,800 of NYCHA’s 178,000 apartments become available annually, there were 227,000 individuals and households on the wait list in 2013 (Navarro 2013). The wait list can take either months or years, benefiting only the people who wait through the entire process for a unit (Salins and Mildner 1992, 106).

While there are many barriers to accessibility and other issues with public housing, an important aspect of public housing is that it remains a “decent, safe, and affordable living environment for very low-income families whose needs are not served by the country’s private housing industry” (Goetz 2012, 333). This has largely come from NYCHA’s policies of professional housing management and maintenance practiced on the public housing estates (L. H. Chiu 2010, 309). Employees must pass the civil service exam to work in the management and operation of the city’s public housing developments, leading to a much higher standard of support and care than cities that tried to copy the architectural designs of their high-rise brick buildings (Bloom 2012, 425). The cities of St. Louis and Chicago, in comparison, “failed to bring NYCHA’s management system along with the towers and paid dearly” (Bloom 2008, 92). In this way, New York brought the management and staffing style of middle and high-income apartment complexes, as well as rigorous tenement selection process, to their affordable housing (Bloom 2012, 425).
While there has been a great deal of advancement in affordable housing programs in NYC, the public housing sector has not expanded since President Nixon’s moratorium in 1973; after the declaration, federally-administered production of housing was called into question and officially halted (Orlebeke 2000, 490). Jason Hackworth argues that part of the reason for the moratorium is that public housing has not truly ever been culturally institutionalized (Hackworth 2011, 234). President Nixon’s declaration forced the federal government out of the primary role of affordable housing provider, making space for state and city governments to take on the responsibility (Orlebeke 2000). In addition to this, in recent years there has been encouragement of the market as a social provider, with less general government oversight and responsibility. Neoliberal support has led more towards the ethos of a ‘personal responsibility’ while public housing conditions have worsened for current tenants in the US’ system of provision (Hackworth 2011, 241).

Finally, part of the reason that public housing remains partly outside of cultural institutionalization is the public’s continuing negative perception of it. Public housing projects have frequently been associated with drugs, crime, and poverty. These associations and, to some extent, conditions, need to be addressed in NYC and the United States in order for this particular system to be more fully absorbed and supported by higher economic and political institutions (Wallace 1995).

NYC’s Rejection of HOPE VI and Continuing Struggles for the NYCHA

New York City’s overall rejection of federal funding through the HOPE VI initiative has kept it from having to demolish its older public housing, but it has also largely left the municipality without enough money to continue proper maintenance and the construction of new public housing projects where there is demand. According to the NYCHA, it operates on an
annual $98 million budget deficit and has surmounting costs that have paralyzed its maintenance applicability (New York City Housing Authority 2015). NYC’s current mayor, Bill de Blasio, and the NYCHA’s new administration are aware of the difficulties the institution is facing financially. Additionally, the mayor has unveiled a $210.5 million plan, including $122 million of relief from City obligations, and funds for increased law enforcement, employment services, reducing violent crime in NYCHA developments, and expansion of education programs (New York City Housing Authority 2015). The key programs have been established to encourage the growth of stronger individuals, families, and communities, all of which are vital for the success of diversified communities, public housing developments, and the city as a whole (The Official Website of the City of New York 2014). Citywide support of the public rental housing projects has been a significant push in recent years, with large financial investments by NYCHA, the Mayor’s office, and the City Council (The Official Website of the City of New York 2014). The extent to which NYCHA and other local programs have supported public rental housing is based primarily on the understanding that “affordable housing is fundamental to [the city’s] long-term economic prosperity” (Katz and Turner 2008, 342).

NYC’s government surpasses all other US city governments in its commitment to affordable housing programs through its willingness to spend more than any other city of comparable size; despite this support, however, federal support for public rental housing has declined or been redirected towards other housing programs and policies. The NYCHA has been operating with a budget deficit due to a combination of “reductions in federal funds, implementation delays, and increases in non-discretionary costs” which are why the deficit is as high as it is (New York City Housing Authority 2015). As it is across the United States, the federal subsidization of public housing has continued to dramatically decrease in favor of HOPE
VI and Section 8 housing vouchers. For the public housing of NYC to continue in its success it is seen to be highly important that the political and economic support for the program continue on the local level and markedly increase at the federal level.

Unlike models of public housing in the Netherlands and Britain, the United States offers public housing through a system of supply, or housing availability. This explains why in Britain and the Netherlands the coverage rate for eligible people is nearly 100%, but in the US nationally it remains less than 33% (Agiro and Matusitz 2011, 76). This functions in a way that reduces the utilization of the program because when there is low usage of the program then there is reduced support for funding and subsequently, there is less funding for which housing programs can be utilized (Agiro and Matusitz 2011). This supply-side system with limited political support has been seen to create longer times on the housing wait list, leaving the waiting population in frequently dire situations.

Explaining the weaknesses in legislative support for low-income housing subsidies and assistance programs can be a difficult task; however, it can generally be broken down into an inadequate understanding of the reasons low-income households experience housing insecurities and inadequacies, and a perception that housing programs contain elements of injustice (Grigsby and Bourassa 2002). Neoliberalism has brought the public housing industry from one of the largest governmental responsibilities to an add-on in many parts of the country. This has been relatively easily achieved because politically and culturally, public housing has never been fully institutionalized nor accepted (Grigsby and Bourassa 2002).

Social Factors Determining Success of Public Housing

Social Barriers to Involvement in Public Housing in Hong Kong and NYC
As seen in the history of the United States’ movement against the concentration of poverty, there is a growing awareness of affordability and poverty issues from many sources. In Hong Kong as well there have been issues of the concentration of poverty and efforts to redistribute low-income families throughout the cities. The theory of the concentration of poverty argues that the requirement that tenants be poor heightens the impact of changed behavior in projects’ neighbors in the surrounding area (Massey and Kaniaupuni 1993, 113). By placing this structural requirement for low-income populations the policy pushes for this concentration through the residential choices of both the beneficiaries and surrounding households. The argument is that while there continue to be people in desperate need of affordable housing, it is logical that those people would be the ones to first to receive assisted housing, whether that is subsidized through a voucher program or is outright public housing.

Since the tendency to provide for those most deserving exists in Hong Kong and NYC, it is not a surprise when Hong Kong has seen a decrease in the top income decile group from 4 per cent in 1981 to 1 per cent in 2001 (Lau 2007, 55). This migration from public housing to, presumably, the private housing market, can be seen as a success for the policy by allowing for an increase in the provision for individuals and families that are most in need of public housing. On the other hand, it also marks a significant increase in the concentration of poverty through the people who remain part of public housing.

Another study in Hong Kong conducted by Delang and Lung (2009) about the social mixing in public housing development, however, found that there has been a change in government policy in creating new towns, or contracted developments with mixed commercial and residential usage, including public housing. With the alternative attractions for these new towns, Delang and Lung found that both poor and non-poor have been able, and have decided, to
move in (Delang and Lung 2009, 1411). Social mixing of neighborhoods is possible in these densely-populated urban environments despite the tendencies of public housing to lead to the concentration of poverty. This shows the potential difference of outcomes that different policies and developments have in the two case studies. Again, this study goes against the theory that the concentration of poverty occurs structurally by requiring tenants to be poor, and behaviorally by influencing the choices of other households in the surrounding area (Massey and Kaniaupuni 1993, 113). One study of assisted housing in the United States found that, “the deconcentration of assisted housing units appears to integrate very low-income families into at least slightly higher-income neighborhoods” for a positive outcome of an attempt to reverse the concentration of poverty (Owens 2015, 113).

Citizenship status, time on the waitlist, and social standing can all be barriers to public housing in both the United States and Hong Kong. The exclusion of individuals and certain social groups (to be explained later on) from public housing policies undermines the effectiveness of these policies, creating discrepancies which are markedly difficult to address in both case study locations. These groups are determined by gender, citizenship, and race. Race and discrimination are bigger issues in New York City and other U.S. urban centers than in Hong Kong; Fainstein (2009) argues that the difference comes from a larger reliance on public-private partnerships in building public housing, which gives considerable risk to the private developer and depends upon being profit-based (Fainstein 2009).

In Hong Kong there are three main groups that are not currently benefiting from its extensive public housing system: recent immigrants, those who are currently on the waitlist and those whose incomes are marginally above the income limit (Yung and Lee 2012, 406). For immigrants there is a 7-year residential requirement for Hong Kong before individuals are
eligible for public rental housing. Recent immigrants and those down on their luck are facing a somewhat disturbing situation in Hong Kong housing (Yung and Lee 2012, 401). This form of exclusion comes largely from the sheer demand for housing Hong Kong has been experiencing since the beginning of its huge population growth in the 1950s. Between 1961 and 1999, the population increased by almost 4 million people, coming to a total of 6,974,800 by the end of the century (Zhang 2002, 246). Politically there is larger support for the inclusion of housing for citizens than political backlash over the exclusion of immigrants in the densely-populated region.

Social demographics also play a significant role in terms of availability of housing in Hong Kong. As the population ages and people continue to live longer there are older generations requiring housing. This increase is putting pressure on the availability of public rental housing and pushing more members of younger generations into the private sector. Their increased access to higher incomes places them lower on the waiting list in accordance to the 1998 Long Term Housing Strategy, where those in “genuine” need were stated to be the only eligible recipients of public housing (Chan 2000, 40). Inequalities between males and females are also widening because of the custom of “marrying out” of a family without any reciprocal compensation for any financial contributions a woman has put into the family house. In Hong Kong the men traditionally inherit the family property, which is compounded by the fact that men are considered the payers of a mortgage and therefore are given ownership of any property in the case of a divorce (Chan 2000, 39).

The fulfillment of HOPE VI projects has displaced public housing residents in almost every city in the United States. Since 1990, more than 225,000 public housing units have been demolished, destroyed, or converted to other uses under HOPE VI. Especially troublesome is the fact that much of this public housing has been demolished without any shelter replacement
(Goetz 2012, 332). With the great limitations on public housing that already exist, these demolitions are highly significant to the public housing system as a whole. For example, the national total of public rental housing owned by a local Public Housing Authority constituted only 1.22 million housing units in 2011 (Hackworth 2011, 233). New York City’s public housing tenants who were able to organize and oppose HOPE VI in the 1990s were afraid of being displaced through the program—a fear that was entirely justified. Under the Bush administration there was a major roll-back of public housing where the units were mainly not replaced and of those that were replaced, only some went to the families and individuals who were originally displaced by the destruction (Hackworth 2011 240). A government study by the U.S. General Accounting Office looked at 165 HOPE VI project applications and found that the individual Public Housing Authorities expected approximately 46% of the original residents to return to the redeveloped site (Schwartz 2010, 147). Others were expected to use Section 8 vouchers to find a new source of rented housing, despite the fact that the properties where these Section 8 vouchers could be used are frequently in different areas than public rental housing and therefore causes large location disruptions for the individuals receiving assistance, frequently out of the city they previously lived in (Hackworth 2005, 40). In the cases of eviction for HOPE VI, Section 8 housing vouchers are provided; however, there is a general shortage of landlords accepting them and therefore the reliance on a voucher can eventually result in a relocation to an alternate city where the units for the voucher exist (Hackworth 2005. Examining the destruction of public housing across the United States calls into question the commitment of the United States to continue to support public rental housing and other forms of social provisions of safety nets. The increase in HOPE VI represents a governmental divestment from the general housing stock and a transparent roll-out of neoliberal policy (Hackworth 2005).
Economic and Political Factors Determining the Success of Public Housing:

Combined Economic and Political Factors for Hong Kong and NYC

As with the combined social factors, those which help determine the degree of both case studies’ successes frequently cross economic and political categories.

The legislative pushes for the increased reliance on the private market as a housing provider have occurred over the past two decades, while internationally, there have been rising rates of home-ownership. There are two conflicting explanations for these rising rates. The ontological explanation states that home-ownership is the preferred tenure choice, while the market explanation states that the interaction as well as combined outcome of housing affordability motivates people to buy homes (La Grange and Pretorius 2000, 1561). As discussed previously, the Hong Kong government is operating under the assumption that homeownership is the preferred tenure choice, with renting considered a lesser option; this is despite La Grange and Pretorius’ (2000) results showing that market responses are what incentivize property ownership.

In the United States, the American dream of home ownership is considered one of the pinnacles of a person’s existence, and yet a third of the US population remains in rental housing, and most of them do not have the financial resources to be able to purchase property. More astounding than this is that “more than half of the tenants (about 50 million people) live in unaffordable units where the rents are greater than 30 per cent of the household income” (Agiro and Matusitz 2011, 73). This would be considered a humanitarian failing in the terms of the American dream; this is furthered by the dualist framework whereby policies and subsidies favor ownership over renting. Property tax laws in particular favor home owners and deny that renters are stakeholders in their communities (Agiro and Matusitz 2011, 75). This evidences a
conflicting American policy structure similar to that of Hong Kong, where the believed preference for homeownership has brought about this favoring of policies that assist homeowners over renters.

As stated previously, in 1987 New York City launched a $4 billion public rental housing urban renewal to change the city’s landscape of public rental housing, and this has been sustained under four succeeding NYC mayors; in addition to this, in 2002 Mayor Bloomberg included an increase in funds for the program, making it the largest in the United States (Schwartz 2010, 231). New York City is in a league of its own within the United States, though. NYC spent more than three times the $250 million the other cities comparable to its size spent during the same time period (Hackworth 2011, 231). As part of this, the city’s housing programs restored and rebuilt entire communities where the housing stock became funded through the city’s housing program to become as much as 20 to 40% of the current housing stock (Schwartz 2010, 146). Under Mayor Michael Bloomberg’s ten-year housing plan from 2008 a $7.6 billion commitment has been made to build and preserve 165,000 units of affordable housing in the city (Katz and Turner 2008, 342). Nationally, the commitment to low-income housing assistance through public housing or housing subsidy programs is not a hot political topic nor something with a large garnered following. Instead it is argued that there is an inadequate understanding of the plight that many Americans without access to these programs suffer from (Grigsby and Bourassa 2002, 989). Finally, there is an uncertainty about the causal relationships in how the efficacy of housing interventions can alleviate the substandard living conditions for many Americans (Grigsby and Bourassa 2002, 989).

Much of New York City and Hong Kong’s commitment to providing affordable housing comes from the understanding that affordable housing is fundamental to the long-term economic
prosperity of the regions. Hong Kong’s participation in the affordable housing market was predicated by the government’s stewardship of the land and its ability to inexpensively provide low-cost housing (L. H. Chiu 2006, 63). New York City got its start from the political era of the New Deal with the social welfare approach seen as the support necessary for the survival and prosperity of the urban poor (Goetz 2012, 333). While Hong Kong continues to expand its programs for low-income housing through both public rental housing provision and subsidized housing policies with fervor, New York City is fighting against the national trend toward the destruction of public housing availability with its rental housing and subsidized housing policies. Both exhibit clear signs of commitment to the affordability of housing even while the cost of living in these locations continues to increase. The relative successes and failures of each case study location, therefore, sit within the context of many different kinds of public and affordable housing national schemes.

**Conclusion**

There is no doubt that the social, economic, and political factors that play into public rental housing policy interact differently in Hong Kong and New York City. While the two case studies have many factors in common it is clear that between these two “successful” public housing policy implementations there is a significant number of differences between them. Hong Kong has developed a system where political investment comes naturally within the self-interest of local and city politicians; this places public housing into the larger efforts of economic growth and expansion by making it an efficient part of the political and economic machine. In NYC, in comparison, vested interest in public housing occurs primarily at the city level. The waiting time for both Hong Kong and NYC is significant. This factor reduces the degree of success either case
exemplifies. However, Hong Kong more aptly aims to fix the problem with its highly-institutionalized policies and programs and its greater degree of efficiency with its construction rate of new projects.

While there are large differences between these case studies, there are potentially truths that would show what a universal standard of successful public housing would look like. While ideally there would be no need for public housing or other affordability assistance, the increased need for this assistance remains concerning when paired with the neoliberal trend away from these social welfare provisions. NYCHA’s public housing wait list reached a milestone in 2013 when the number of applicants exceeded the number of units in the 178,900 apartment stock (Navarro 2013). Hong Kong, too, is struggling to meet public housing demand. According to the Housing Authority, a family applying for public housing now has to wait an average of 3.1 years, a marked increase from the average wait of 2 years, 4 years ago (Yun 2015). Today the contestation of valid public services extends past housing and even affects urban public spaces in Hong Kong (Law 2002). The commodified landscape is even a part of the political landscape and the works control it (Law 2002). These progressions mark worsening circumstances both on the household and societal levels and an increasing need for assisted housing. Despite this increase in need, the political and cultural will behind expanding assisted housing programs is substantially lacking in the case of New York City.

Moving forward, Congress and administrators seem to consider public housing as a less-viable option for assistance perhaps because of its size and concentration of low-income families (Wallace 1995). However, Wallace also argues that the agencies that have been able to successfully develop and manage public housing should be replicated and studied further for other municipalities (Wallace 1995). Hong Kong's public demand for housing has also increased
with the incredibly high cost of living in the most expensive metropolitan area in the world (Huang 2004).

Both municipalities need to improve the amount of time individuals and households spend on the waitlist. Addressing this issue is significant, but there are already multiple programs in the works. In Hong Kong the Home Purchase Loan Scheme (HPLS), the Private Sector Participation Scheme, and the Home Ownership Scheme are all neoliberal programs that are pushing people towards more individualized responsibility for their housing (La Grange 1998; Lam 2000; Chan 2000). In the United States, Section 8 housing vouchers and Low-Income Housing Tax Credit programs are encouraging the succession of public housing to subsidized rental housing in the private market. The multitude of programs is currently working to relieve the demand for public housing, and this will theoretically reduce the number of people on the waitlist; subsequently, the time people spend on the waitlist should eventually lessen.

The replicability of the exact circumstances in Hong Kong and NYCHA are not guaranteed, but it is likely that further research can contribute to the comparisons of these economic, political, and social factors to those of other countries. Understanding the implications of these measures in other locations would contribute to the understanding of replicability in this field and perhaps lend recommendations to cities and countries where the densely-populated urban environment leads to the issue of housing affordability.
Works Cited


