DENVER HOUSING AUTHORITY

Brief History of Publicly Subsidized Affordable Housing

In the United States, affordable housing is usually administered by a variety of federal, state, and local agencies. However, the concept of government-subsidized housing for low- and moderate-income families has changed drastically since the country's founding. Starting as early as the 18th century, charitable organizations and "almshouses" began to provide public aid in the form of food, clothing, and basic shelter needs. However, as industry, immigration, and rural-urban mobility transformed the U.S. in the late 19th century, cities grew at a rapid pace and the need for better housing quickly emerged.

The Progressive Movement

The Progressive Movement, which began around the start of the 20th century, was the first to consider affordable housing in the context of larger social transformations. Progressive leaders, most of whom came from middle-class backgrounds, understood that individual institutions like almshouses could not address larger issues of poverty and housing. In addition, they noted that slums surrounding almshouses were mostly unaffected by the effectiveness of such institutions. Without funding from the government, Progressive leaders argued, nonprofit organizations and philanthropic individuals had to shoulder the burden of ensuring that all people had access to reasonable housing.

Image 2: A 1939 photo by William L. Fick of inadequate housing conditions in Denver near the corner of 19th and Clay streets in the Jefferson Park neighborhood. DHA was founded to help alleviate slums like these that existed across the City and County of Denver. Credit: Denver Public Library, Western History Collection [call number X-29432].

Housing Programs during the Great Depression

Despite the need for funding, the federal government's direct role in housing programs grew gradually. Other than a handful of housing-related initiatives in the late 19th and early 20th centuries, federal policies regarding subsidized housing were not significantly developed until the Great Depression. Many of the laws passed during this period sought to improve slums, expand housing options, and make it easier for people to own their own homes while also employing out-of-work laborers. For instance, one initiative of the Public Works Administration (or the PWA, created as part of the 1933 National Industrial Recovery Act) was to eradicate slums, construct new homes, and repair existing run-down structures. As a result, the PWA demolished more than 10,000 substandard homes and built approximately 22,000 new houses in 59 different housing projects. The PWA employed local construction workers and collaborated with local housing authorities to decide where demolition and construction would take place.

Impacts of the U.S. Housing Act

Despite the progress of the PWA, historians often cite the 1937 United States Housing Act (also known as the Wagner-Steagall Act) as a turning point in affordable housing. The act established the U.S. Housing Authority (USHA) with the main goal of providing loans to local housing organizations for slum clearance and low-rent housing.

Regardless of the potential positive impact of the Wagner-Steagall Act, some Americans feared that housing programs were an overreach of the government’s authority. Plus, some real estate professionals viewed government-funded assistance for housing as a socialist plot to make low-income tenants even more dependent on handouts. They were also concerned that subsidized housing would hurt the private sector of the housing market.

Nevertheless, government officials persisted in their quest to improve the country’s affordable housing. The Wagner-Steagall Act established the system of local Housing Authorities and decentralized federal funding still in use today. It also mandated that the U.S. Housing Authority (USHA) issue regulations and funds to state and local governments to use for affordable housing. Once municipal projects were given the green light, local governments were expected to pay 10% of the entire price of new developments. The remaining funds came from low-interest, 60-year government loans. The program was immediately popular, and by 1940, the U.S. Housing Authority had allocated $800 million to 350 projects around the country.

But still, federal regulations at the time allowed for the creation of racially homogeneous complexes. Slum clearance and housing programs disproportionately affected communities of color for several reasons. First of all, more blighted neighborhoods of minorities were cleared than white neighborhoods. And once residents were displaced, it could take years for the housing stock to be replaced. Second, displaced non-Whites had difficulties purchasing new homes because restrictive covenants forbade them from moving into white neighborhoods. What's more, the guidelines for FHA and Veterans Administration low-interest loans limited assistance to white prospective homeowners and promoted a narrative that it was risky for mortgage lenders to back loans in Black neighborhoods. Third, the PWS's Neighborhood Composition Rule stipulated that federally funded projects should not change a neighborhood's existing racial mix, thus encouraging segregation. (These practices were challenged in the U.S. Supreme Court in 1948 and were finally banned by federal law in 1960.)

In Denver, for example, Platte Valley Homes opened in 1942 to Black residents, as most of the residents in the surrounding Curtis Park neighborhood were African Americans. The project was funded by the USHA and started with the clearance of an existing slum in 1941 followed by the construction of 77 homes within just 10 months.

Image 3: Platte Valley Homes was completed in the Five Points Neighborhood by DHA in 1942. The project was funded by the U.S. Housing Authority, and the simple, unornamented two-story brick buildings were typical of affordable housing from the 1940s. Year of photo: unknown. Credit: Files of the Denver Housing Authority.

WWII and Defense Worker Housing

Models for affordable housing shifted during World War II when the defense sector became a major focus for federal funding. In 1940, Congress did not vote to continue funding for the USHA, and the agency was forced to suspend all but emergency building. Public housing projects refocused on accommodating employees who had relocated to work in the defense industry. These housing complexes mostly comprised temporary buildings that were torn down after WWII.

Some defense worker housing, however, was not immediately demolished and continued to be used for housing. For instance, DHA built the Las Casitas development in the early 1940s in the Sun Valley neighborhood. Although the housing was intended to be temporary for low-income family members of military personnel, the complex was still in use until the 1980s, when it was demolished and redeveloped.

Urban Renewal and Affordable Housing

Initiatives for affordable housing shifted again in the late 1940s with the passage of the Housing Act in 1949 and the beginning of "urban renewal" programs. U.S. cities were experiencing a severe shortage of affordable housing after veterans returned from WWII and the subsequent baby boom that followed. Plus, many community leaders thought their city's existing stock of affordable housing was dilapidated or otherwise considered inadequate. Thus, the need for more housing units necessitated the development of massive public housing projects, and urban renewal was seen as a means to accomplish this goal.

The 1949 act authorized the Federal Housing Administration to provide funds for the clearance of slums and the construction of subsidized housing. This shift toward blight removal followed by the construction of new homes had a significant impact on the landscape of American cities. Although slum clearance programs already existed in the United States, urban renewal programs that started in the 1940s included teardowns on an entirely different scale, with blocks and blocks of city landscapes altered. Simply put, the goal of urban renewal was to revitalize decaying neighborhoods by tearing down deteriorated buildings and replacing them with new, modern structures. Urban renewal was controversial because of the thousands of historic structures that were demolished as a result. Nevertheless, it also led to the construction of thousands of new affordable housing units across the country.

Image 4: An existing blighted neighborhood near the corner of West Colfax Avenue and Mariposa Street was torn down to make way for the new Lincoln Park Homes project in 1940. Credit: Denver Public Library Special Collections [call number X-29032.

Image 5: Construction of Lincoln Park Homes (bounded by West Colfax and 13th Avenues and Mariposa and Osage Streets) in c.1940. A sign reads, "Denver Housing Authority: Lincoln Park Homes, Apply Here for Dwellings.". Credit: Denver Public Library Special Collections [call number X-29034].

Housing Programs of the 1960s

By the 1960s, public support for federal programs was increasing, and both the Kennedy (1961-1963) and Johnson (1963-1969) administrations prioritized affordable housing more than their predecessors. Several major initiatives during that decade increased access to specific federal funding. For example, the Housing and Urban Development Act of 1965 established HUD as a cabinet-level agency with the primary responsibility for the country's housing and urban policies. As the initial step in supporting privately built low-income housing, this act also offered a rent supplement program. This type of assistance was viewed as a more direct way to impact families who needed a little extra help each month with their rent payments.

Three years later, the subsequent Housing and Urban Development Act of 1968 aimed—in part—to improve the living conditions of families with children. In the past, millions of federal subsidies were used to construct high-rise or tower-like apartments with limited access to outdoor spaces. However, studies showed that young children did not thrive in these environments. So, the 1968 act prohibited the use of federal funds for tower apartments that catered to young families. Instead, new housing designs for families started to favor lower-density complexes with outdoor play areas and spaces for community interactions. High rises, however, continued to be used for senior housing, such as Denver's A.B. Hirschfeld Towers.

Image 6: Hirschfield Tower is a nine-story residential tower that opened in 1967 for seniors. It exhibits many characteristics typical of mid-twentieth-century residential towers that followed the design tenets of the Modern movement. The layout of the tower was specifically designed to meet the special needs of seniors. Date: unknown. Credit: Denver Housing Authority.

Beginnings of the Section 8 Program

When President Nixon cut off government funding for public housing projects in 1973, the national affordable housing model underwent a dramatic transformation. In contrast to previous models, the federal government established a voucher program, commonly referred to as “Section 8,” that provided rent assistance for low-income tenants. In short, Section 8 of the Housing and Community Development Act of 1974 established a program to incentivize the private construction of low-income housing. To help low-income tenants, this program provides a monthly subsidy to landlords.

Scattered-Site Housing: A New Model for Affordable Housing

But still, affordable housing leaders noted that the public needed more housing alternatives to apartment living. So, in the 1970s and 1980s, housing authorities looked to “scattered-site housing” plans to develop small-scale housing for low- and moderate-income families that were dispersed across a neighborhood. The benefit of scattered-site subsidized housing was that these homes—including single dwellings, duplexes, and small apartment complexes that blended into an existing neighborhood—would help to diminish the stigma attached to affordable housing.

Image 7: DHA constructed scattered sites of single-family homes and duplexes across the community as part of its scattered sites program. In addition, DHA acquired existing buildings like this c.1940 duplex in the Hale neighborhood, rehabilitated them, brought them up to code, and then rented them to low-income families at an affordable cost. Photo c.2021. Credit: Source: Denver Housing Authority.

HOPE VI

In 1992, the U.S. Department of Housing and Urban Development introduced the HOPE VI initiative, marking the beginning of yet another era in federally supported affordable housing. With the help of the HOPE VI program, communities had the funding to demolish deteriorating high-density housing complexes and replace them with more manageable and more livable low- and moderate-income residences.

Although the HOPE VI program was eliminated in 2004, it still had a major impact on American communities. In Denver, for example, DHA used HOPE VI funds to demolish 286 units in Curtis Park in 1996 and replace them with market-rate houses as well as hundreds of mixed-income rental units.

Image 8: A 1941 photo of a woman hanging clothes outside of the Curtis Park Homes complex. The complex was typical for affordable housing complexes at the time, with masonry construction, very little ornamentation, and a lack of personal outdoor space. The complex was demolished in 1996 and was replaced with more modern structures. Credit: Denver Public Library Special Collections [call number X-29037].

Image 9: Block 1 of the Curtis Park HOPE VI development. Completed in 2007. Photo: 2008. Credit: DenverInfill Blog, Ken Schroeppel.

Affordable Housing Today

Today, HUD continues to be the federal leader in affordable housing and provides billions for housing assistance every year. Best practices are constantly changing to better meet the needs of low- and moderate-income people. Today, many local housing authorities focus on developing mixed-income communities. They believe that when people of different incomes live near each other, communities develop better local amenities, higher-quality housing, and safer neighborhoods.