



David Madden
Peter Marcuse

IN DEFENSE OF HOUSING

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The Politics of Crisis

DAVID MADDEN
PETER MARCUSE



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The Myths of Housing Policy

Most discussions of housing policy operate on the assumption that, whether or not it has been successful, the state has tried to solve the housing question. That is, many accounts of housing politics are premised on the *myth of the benevolent state*. In brief, the myth is that government acts out of a primary concern for the welfare of all its citizens and that its policies represent an effort to find solutions to recognized social problems. If government efforts fall short of success, according to this narrative, it is only because of lack of knowledge, countervailing selfish interests, incompetence, or lack of courage.

The very term "housing policy" is evidence of this myth. The phrase itself suggests the existence of consistent governmental efforts to solve the housing problem. But a historical analysis of government actions and inactions affecting housing reveal nothing of the sort. Housing policy is an ideological artifact, not a real category. It is an artificially clear picture of what the state actually does in myriad uncoordinated and at times contradictory ways.

The actual motivations for state action in the housing sector have more to do with maintaining the political and economic

order than with solving the housing crisis. If the state were truly concerned with the best course of action to meet society's dwelling needs and end residential oppression, housing history would look very different than it does.

To be sure, there is no conspiratorial, unified ruling class that controls the state in an unchallenged way. Even among elites, there are conflicts between different factions that have real political consequences. And popular pressure and social movements have shaped state outcomes in meaningful ways.¹

But the state has usually found some way to neutralize radical challenges, especially concerning welfare and housing programs. Throughout American history, state policies have channeled system-challenging demands for the democratization of housing into system-maintaining form.² The result has been policies that, one way or another, reproduce the housing problem.

Historically, the state has used the housing system to preserve political stability and support the accumulation of private profit. They have been more or less prominent in different eras, but these two priorities are the hallmarks of state housing policy under capitalism. And they continue to explain state actions towards housing even today. An examination of some of the most influential low-income housing policies in the United States will show that the benevolent provision of dwelling space in order to solve the housing problem has never been the overriding goal.

1 See chapter five, this volume.

2 On "system-challenging" versus "system-maintaining," see Peter Marcuse, "Professional Ethics and Beyond: Values in Planning," *Journal of the American Institute of Planners* 42.3 (1976), 264-74.

The Politics of Housing Regulation

Although American "housing policy" is often narrated as beginning with New York's nineteenth-century tenement house reform, the state's role in regulating and stabilizing the housing system goes back much further. Detailed and extensive planning and public construction took place in colonial Williamsburg, Savannah, and Philadelphia. In 1766, New York adopted building regulations that created a fire zone in which houses had to be made of stone or brick and roofed with tile or slate. These early regulations were made in anticipation of growth and in realization of an increasingly complex web of interrelationships within cities. The Commissioner's Plan for New York of 1811, which laid out the gridiron street pattern in Manhattan, was drafted in order to facilitate circulation and to organize land speculation. It was one of the many ways that state action supported the production of private housing.

New York's adoption of the 1867 Tenement House Act, which required fire escapes, windows in every bedroom, and at least one toilet per twenty inhabitants, is often trotted out as evidence for the city's commitment to good housing for the poor. But contrary to the myth of state benevolence, the real reasons were elites' twin fears of disease and uprising among the city's growing working class.

The city's political establishment reacted with panic to the threat of social and economic instability stemming from the health problems of the poor. Smallpox, dysentery, tuberculosis, and other diseases were spawned in the tenement districts, but threatened to wreak havoc throughout the city. The New York Association for Improving the Condition of the Poor (AICP), led and financed by wealthy merchants and businessmen, called attention to the issue in 1843. According to the AICP, poverty

was both "a massive threat to social stability" and "the direct consequence of individual depravity."³ *Harper's Weekly* prophesied that without health laws "the City of New York will be left to its own destruction."⁴ Tenement reform grew out of this genteel fear of the illnesses associated with poverty.

Fear of contagious disease was not the only driver of nineteenth-century housing regulation. There was also the perennial need to prevent uprisings. Throughout the nineteenth century, New Yorkers rioted on a regular basis. In the Astor Place riots of 1849, thousands raged outside a theater that was seen as a bastion of elitist culture; dozens were killed when the authorities opened fire on protesters, who were armed only with paving stones. The most famous and terrifying example was the Draft Riots of 1863, when anger at Civil War conscription policies that allowed the wealthy to buy their way out of military service turned into a series of racist and anti-immigrant pogroms, leaving 120 people dead. The Tompkins Square Riot of 1874 was until that point the largest demonstration that the city had ever seen. It involved a mass demonstration by thousands of workers, many of whom were members of the communist First International.

These are only some of the major incidents that defined an era of frequent uprising and public violence.⁵ This unrest

3 Cited in Michael B. Katz, *In the Shadow of the Poorhouse: A Social History of Welfare in America* (New York: Basic Books, 1996 [1986]), 66.

4 Roy Lubove, *The Progressives and the Slums: Tenement House Reform in New York City, 1890-1917* (Pittsburgh: University of Pittsburgh Press, 1962), 23.

5 There were many other such uprisings. For example: sectarian rioting broke out on Christmas Day, 1806. Strikes by stevedores turned violent in 1825 and 1828, as did a strike by stonecutters in 1829. The weavers' strike of 1828 spurred violent marches and

embodied many clashing motivations, including anti-elitism, racism, nativism, and labor solidarity. Many of these incidents were not ignited by housing grievances, but they were exacerbated by the underlying dissatisfaction with intolerable day-to-day living conditions. The specter of public violence terrified the city's elites, and the fear of unrest played a key role in motivating the city's response to housing matters. The need to contain public discontent and maintain public order would be a factor, explicit or implicit, in all future housing policies.

Reformers were very clear that housing regulations were justified above all else by the self-interest of elites. The AICP warned in 1865 about the

poverty and wretchedness of large masses of people . . . If left to themselves, there is a moral certainty that they will overturn the city as thieves and beggars—endanger public

industrial sabotage. Rioting and racist violence occurred in 1834 and 1835 surrounding the abolition of slavery. In 1837 New Yorkers took to the streets in response to the rising cost of flour. In 1870 and 1871, sectarian violence between Protestants and Catholics occurred alongside violence by and against the police. In 1886, sugar refinery workers in Williamsburg, Brooklyn, battled police officers and attacked delivery vehicles. A strike by streetcar operators in 1895 turned towards confrontation with the police and the destruction of infrastructure. See Paul A. Gilje, "Riots," pp. 1006-8 in Kenneth T. Jackson, ed., *The Encyclopedia of New York City* (New Haven, CT: Yale University Press, 1995), 1007; Sean Wilentz, *Chants Democratic: New York City and the Rise of the American Working Class, 1788-1850* (New York: Oxford University Press, 2004 [1980]), 169-70; Linda K. Kerber, "Abolitionists and Amalgamators: The New York City Race Riots of 1834," *New York History* 48.1 (1967) 28-39; J. T. Headley, *The Great Riots of New York* (New York: E. B. Trear, 1873).

peace and the security of property and life—tax the community for their support, and entail upon it an inheritance of vice and pauperism.⁶

Jacob Riis, the photographer and housing advocate who did much to publicize the housing problems of the Lower East Side, connected the violence against property committed during the Draft Riots to tenement conditions.⁷ According to one historian, "The message to the city's propertied class was clear: ignore the housing needs of the property-less at the peril of your own property."⁸ The reform movement also thought that better housing conditions would "reduce the class and ethnic conflict splitting the urban community into enemy camps," as well as provide a route to the Americanization of immigrant laborers.⁹

Emerging from these tense times and embodying the era's contradictions, the Tenement House Act of 1901 was the most significant chapter in the history of housing regulation in New York. It created the widespread inner-court layout typical of so many apartment buildings in the city (the so-called "new law" tenements). More so than its predecessors, the 1901 law did rein in some of the deadliest housing conditions. But it was aimed at

6 New York Association for the Improvement of the Poor, *The Thirteenth Annual Report* (New York: John F. Trow, 1856), 24.

7 Jacob A. Riis, *How the Other Half Lives: Studies among the Tenements of New York* (New York: Charles Scribner's Sons, 1924 [1890]), 2.

8 Robert E. Fogelson, *Planning the Capitalist City: The Colonial Era to the 1920s* (Princeton, NJ: Princeton University Press, 1986), 77.

9 Lubove, *The Progressives and the Slums*, 43.

preserving New York's housing hierarchy and ameliorating its worst harms rather than transforming it. The law served as a precedent for a wave of similar legislation passed by other states in the following decades.

The adoption of the 1901 law was substantially due to the efforts of Lawrence Veiller. A well-known campaigner and public official, Veiller had done much to organize and professionalize the housing reform movement. He saw housing as a way to ensure that immigrants and the working class were integrated into the economic order:

The modern city is the most important factor in destroying a conservative point of view on the part of the working people. Where a man has a home and owns it, he has an incentive to work industriously, to be economical and thrifty, to take an interest in public affairs; every tendency makes him conservative. But where a man's home is three or four rooms in some huge building in which dwell from twenty to thirty other families and this home is only his from month to month, what incentive is there to economy? What is there to develop a sense of civic responsibility or patriotism?¹⁰

For reformers like Veiller, housing was as much a tool for bolstering the social order as it was a way to soften the harshness of poverty. Housing was offered as a part of the solution to the general problem of controlling labor and instilling discipline.

10 Lawrence Veiller, "The Housing Problem in American Cities," *Annals of the American Academy of Political and Social Science* 25 (1905), 52-3.

Veiller, Riis, and the other housing advocates of the era were progressive reformers driven by a combination of motives. It is clear that liberals, idealists, philanthropists, and others working in charitable fields contributed to the passage of laws that prevented the most egregious housing conditions. But whatever their personal motivations, their actions also served the broad goals of New York's elites.

Viewed historically, tenement house regulations do not mark the beginning of benevolent governmental attitudes towards those who are poorly housed. They were animated by fear rather than by benevolence. And reformers did whatever they could to prevent more radical responses to the housing question; indeed, they saw the prevalence of radical political views, especially among immigrants, as one reason why housing reform was necessary. Housing regulation is an example of the state acting to protect the existing order from the economic and political dangers created by industrialization and urbanization. That these policies also benefited the poor was neither a necessary nor a sufficient cause of their enactment.

Public Provision of Housing

If regulation and building codes were not the beginnings of benevolent policies seeking to remedy residential problems, then neither was public housing. New York City was a pioneer both in housing regulation and later in municipal housing provision. But the development of the two was not connected, contrary to what the myth of the benevolent state might have us believe. And as with building regulations, the motivations behind early public housing programs had little to do with providing decent homes for the urban poor or emancipating

them from their housing problems. Instead, the public provision of housing was used by the state as a tool to achieve other goals.

Lawrence Veiller opposed public housing vociferously. For Veiller, public housing meant unfair competition with private capital, and he argued that it promoted the growth of cumbersome and mechanical government systems. Almost all of the early US reformers agreed that "it was 'bad principle and worse policy' for municipalities 'to spend public money competing with private enterprise in housing the masses.'"¹¹ Some housing advocates, for example the prominent reformer and economist Edith Elmer Wood, did indeed see public housing, along with regulation, as central to a strategy to improve the housing conditions of the poor. The urbanist Catherine Bauer made the case for the public provision of dwellings in her book *Modern Housing*.¹² But their positions were sidelined.

Before the turn of the century, there had been a move towards the private philanthropic sponsorship of housing and the construction of model tenements on a charitable or limited-profit basis. But this movement did not galvanize widespread support or yield public housing legislation at the time. Government-sponsored housing construction only began when public housing overlapped with other goals of the state.

Rather than arising out of a benevolent concern for the poor, housing efforts were closely related to a series of military, economic, and political objectives. Some advocates, like Wood and Bauer, did indeed continue to fight for the social provision

11 Lubove, *The Progressives and the Slums*, 104; Anthony Jackson, *A Place Called Home: A History of Low-Cost Housing in Manhattan* (Cambridge, MA: MIT Press, 1976), 121.

12 Catherine Bauer, *Modern Housing* (Cambridge, MA: Houghton Mifflin, 1934).

of housing throughout this period. But the policies that actually produced early public housing had other sources. There were three major phases in the early history of public housing in the United States: the World War I programs, the postwar veterans' programs, and the public housing programs that followed the Great Depression. Though these policies have been interpreted as evidence of a growing benevolent state, they were largely discontinuous episodes.

The need to support sensitive wartime industries was the true origin of the earliest state-supported housing programs in America. During World War I, the US Shipping Board Emergency Fleet Corporation was created under the Shipping Act of 1916. Two years later it was given the authority to build or requisition housing for "employees and the families of employees of shipyards in which ships are being constructed for the United States." Later, in 1918, the US Housing Corporation was established to help "such industrial workers as are engaged in arsenals and navy yards of the United States and in industries connected with and essential to the national defense, and their families."¹³

Wartime industry was centered in a number of older American cities, all of which had serious housing shortages. As part of the war effort, the state lent its resources to the private companies involved in these strategic industries. Housing units were publicly owned when built, but a provision of the law mandated that they be sold to private owners soon after the war ended. The antecedent of these wartime efforts lies not in Progressive Era housing reform, but in the factory towns of the late nineteenth century. Paternalistic industrialists like

George Pullman were the actual forebears of public housing in the United States.

The next stage in the early history of public housing was the veterans' programs adopted after World War I by several American states. Veterans returned after the war to a massive housing shortage. Many faced poverty and homelessness. In response, some states provided subsidized loans to help them purchase private homes. The most ambitious of these programs was that of the state of California, which provided low-interest loans to more than 7,000 families through the Veterans' Farm and Home Purchase Act of 1921.¹⁴ These efforts, supported on the federal level by President Herbert Hoover's "Own Your Home" campaign, were mainly geared towards spurting construction and displaying patriotism by supporting the troops. Whereas similar programs in England and Scotland directed postwar construction towards those areas with the most severe shortages, the American programs lacked such geographic targeting. With no regard for actual housing need, state money was funneled directly to the private market.

The passage of the Wagner-Steagall Housing Act of 1937 marks the third and final stage of this early history. The law created the United States Housing Authority (USHA) and facilitated large-scale public housing construction. Reformers played a much bigger role than in previous periods; for example, both Bauer and Wood worked for USHA. But it is clear that the guiding motivation behind the ramping up of public housing in the United States was to stem unrest among the swelling ranks of unemployed urban workers during the Great

13 Lawrence Meir Friedman, *Government and Slum Housing: A Century of Frustration* (Chicago: Rand McNally, 1968), 95.

14 Gail Radford, *Modern Housing in America: Policy Struggles in the New Deal Era* (Chicago: The University of Chicago Press, 1996), 44.

Depression—a task that was to be accomplished not through the provision of housing, but through the creation of construction jobs. To prevent large numbers of affordable housing units flooding the market, the Housing Act mandated that one substandard dwelling be demolished for every public housing unit created—a requirement that remained in place through the 1980s. The result was a public housing program carefully crafted to support, rather than compete with, private housing.

Contradictions of Urban Renewal

The limits of the liberal narrative about the benevolent state are illustrated most clearly by looking at the various state actions that came to be known as “urban renewal” or “slum clearance.” The consequences of slum clearance as practiced in the United States after 1949 are well known.¹⁵ The program was criticized, correctly, as destroying more housing than it produced. It displaced the poor to make room for the rich, and used public funds to redevelop valuable land near central business districts for the benefit of downtown merchants, property owners, and the business community.

But the standard critiques do not go far enough. Most such

¹⁵ See Christopher Klemek, *The Transatlantic Collapse of Urban Renewal: Postwar Urbanism from New York to Berlin* (Chicago: The University of Chicago Press, 2011); Jon C. Teaford, “Urban Renewal and Its Aftermath,” *Housing Policy Debate* 11.2 (2000), 443–65; Jewel Bellush and Murray Hausknecht, eds, *Urban Renewal: People, Politics, and Planning* (Garden City, NY: Doubleday, 1976); James O. Wilson, ed., *Urban Renewal: The Record and the Controversy* (Cambridge, MA: MIT Press, 1966).

criticism in the United States refers to the “failures of urban renewal.”¹⁶ The critics speak as if the ravages of slum clearance were perversions of its original benevolent intent—as if insufficient foresight or unanticipated changes in patterns of urban development had led to these consequences. Even radical critics of the program often saw it as being diverted from its original purpose by local business cliques and real estate interests. In fact, urban renewal was decisively shaped by the agendas of the real estate and finance industries from the beginning.

The legislative basis for urban renewal was the Housing Act of 1949. The law mainly accomplished two things: it reinstated the New Deal public housing program, which had been dormant since World War II, and provided financing for slum clearance.¹⁷ Title I, the part of the law that established the urban development program, was seen by its proponents as a means of strengthening downtown and eliminating the sight of urban decay nearby. Supporters were not concerned with aiding those who were poorly housed but with tearing down areas they considered to be slums—at least those located near major business centers. They focused as much on the redevelopment of nonresidential areas as they did on housing. The very groups who were the strongest opponents of public housing in the United States—the National Association of Real Estate Boards, the United States Savings and Loan League (USSLL), and, to some extent, the Mortgage Bankers Association of America—still supported the basic principle of urban redevelopment. Testimony on behalf of USSLL argued, “Our people have

¹⁶ Wilson, *Urban Renewal*.

¹⁷ See Alexander von Hoffman, “A Study in Contradictions: The Origins and Legacy of the Housing Act of 1949,” *Housing Policy Debate* 11.2 (2000), 299–326.

studied the problem of slum clearance for some years and agree that it is an appropriate field for public action and public expenditure. We have felt that the procedure could be carried out largely by local governments and that, after the land so acquired was written down to a reasonable use value, it should be used for its highest and best use, public or private."¹⁸

Urban renewal also drew support from planners, architects, and urbanists. One of the major supporters of the slum clearance agenda was the American Institute of Planners and especially its president, Alfred Bettman, a nationally known promoter of zoning. Another major supporter was the Urban Land Institute, a planning research organization sponsored by developers. Both organizations specifically opposed statutory requirements stating that urban renewal only be used to redevelop residential land and then reused after clearance only for housing purposes. They slowly succeeded: first 10 percent, then 20 percent of projects were exempted from the original mandate that redeveloped land be reserved for housing. The requirement, in any event, only stipulated that post-renewal uses be "predominantly" residential—a formulation that the imaginative drawing of project boundaries could render ineffectual. As one legal commentator lamented, a major reason for this mission creep, which flew in the face of the benevolent rhetoric of the 1949 law, was

the position of business interests which normally tend to support restrictions on federal expenditures, but are increasingly in favor of reconstructing blighted businesses and industrial properties. Foremost among these are department store owners and mortgage and other lenders concerned about large outstanding investments in

¹⁸ Cited in Wilson, *Urban Renewal*, 81-2.

downtown retail properties, now suffering competition from suburban shopping centers.¹⁹

As slum clearance rolled out in cities across the country, its list of supporters grew. The program was eventually promoted by a wide range of business interests: major commercial banks, legal and accounting firms, the headquarters of national and international corporations, and other outfits with an interest in downtown locations.

Even while urban renewal had the solid support of business and political leaders, it was uprooting entire working-class neighborhoods and communities of color. Across the United States from the 1950s until 1980, an estimated one million households were displaced.²⁰ Eventually the organized resistance of those who were removed was so powerful it could no longer be ignored. Either the process would grind to a halt altogether, or the protesters would have to be accommodated. Residents won increases in relocation benefits, improvements in administration, and obligations to construct replacement housing for the displaced. These changes were not the result of a reawakened commitment to fighting residential injustice; rather, they showed what effective protest could accomplish.

If mid-century housing policies were actually evolving to meet housing need, one would expect to find the numbers of new construction starts to be increasing as housing need increased and declining as need declined. But while the housing shortage was at its most dire, steadily growing from 1930 through about 1949,

¹⁹ *Ibid.*, 113.

²⁰ Herbert J. Gans, *People, Plans and Policies: Essays on Poverty, Racism, and Other National Urban Problems* (New York: Columbia University Press, 1993), 213.

interests to build, own, and manage housing intended for the poor, with no limits on profit whatsoever beyond those nominally imposed by a requirement that rents be based on an administratively determined level. The state supports rent payments to private owners through subsidies based on the occupants' income. With vouchers, private actors have fully retaken the task of low-income housing provision from the state. Indeed, vouchers are a way to expand the reach of the housing market by subsidizing tenants who would otherwise not be able to afford market-rate rents. The clear beneficiary is the private landlord.

The low-income housing policies created in the 1980s continued the pattern. The Low-Income Housing Tax Credit (LIHTC), introduced in 1986, allocates tax credits to private developers.²⁴ The credits are then typically resold to investors. While the budget for public housing was disappearing, funding for LIHTC steadily increased. The tax credit provides numerous advantages for its corporate beneficiaries. Under LIHTC, "corporate investors earn substantial profits . . . typically a 15 percent return on equity and they, in turn, become part of a powerful lobbying group."²⁵ After fifteen years, most dwellings created using the LIHTC are able to revert to market rents.

Using tax subsidies to fund low-income housing is politically convenient for the government. Because it is implemented using

²⁴ Tax credits are offset against the final tax otherwise due, dollar for dollar. They are thus worth much more than simple tax abatements or exemptions, since they reduce the actual tax paid, not just the income on the basis of which the tax is computed.

²⁵ Peter Dreier, "Federal Housing Subsidies: Who Benefits and Why?," pp. 105–38 in Rachel G. Bratt, Michael E. Stone, and Chester Hartman, eds., *A Right to Housing: Foundation for a New Social Agenda* (Philadelphia: Temple University Press, 2006), 120.

the tax code rather than through the budget of a federal agency, a tax credit's costs do not appear as such on government ledgers. But it surrenders a fundamental social welfare issue to control by private interests.

Today, the keyword is "affordable housing." The exemplar of this approach is a program called inclusionary zoning. It was central to the housing policy of New York's former mayor Michael Bloomberg, and forms the core of the housing plan adopted by Bloomberg's successor, Bill de Blasio. The strategy takes different forms, but the basic idea is that in exchange for the right to build more market-rate housing than would be allowed under existing zoning law, private developers agree to construct some number of nominally "affordable" units as well. The non-market-rate dwellings provided through these programs are sited and designed by real estate developers with minimal regulation. Under some version of the programs, they may be located off-site, some miles away. And under most versions of inclusionary zoning, non-market-rate units may revert to market rate after a specified period.

Inclusionary zoning's supporters justify it as a benevolent program to provide housing for those who cannot afford it. It is thought that connecting market-rate development with subsidized units is a way to maintain economic diversity in housing. The program's very name suggests that it is the opposite of "exclusionary zoning," which uses land-use regulations to enforce segregation.

Some inclusionary housing strategies are better crafted than others. And there may be reasons to support such policies in some instances.²⁶ But seen in historical context, inclusionary

²⁶ See Peter Marcuse, "Blog #50. Inclusionary Zoning: Good and Bad," *PMarcuse.wordpress.com*, May 15, 2014; Peter Marcuse,

materials and techniques out of which houses are constructed. It regulates, or directly supplies, the infrastructure for electricity, water, sewage, and transportation upon which housing depends. It provides the means to enforce contracts and define the legal relationships that make possible the buying, selling, producing, and leasing of housing. It enforces the legal sanctity of the home from intrusion and violation. It constructs and protects the property rights that make landlordism and tenancy possible. It influences the extent to which capital is used for housing or diverted from it.

Government does not intervene in an autonomous private housing market. The state can more accurately be said to privilege some groups or classes over others. It can take a stronger or weaker position regarding particular residential issues. But it does not intervene in an essentially separate sphere. In a sense, all housing is public housing, in that all housing is shaped by public action and depends upon public authority—and indeed, many housing units have received tax benefits or some other form of direct or indirect public subsidy as well.³⁰ None of this is to suggest that the state has unlimited legitimacy within the sphere of housing, or that state action cannot be criticized. Of course it can, and should. But calls for the state to get out of housing markets are incoherent. The housing system is inextricably tied to the state, law, and public authority. The question will always be *how* the state should act towards housing, not whether it should do so.

In fact, by pretending that the state is a foreign agent trespassing on the sovereign market, the narrative of the meddling

30 Cf. Reinhold Martin, ed., *Public Housing: A New Conversation* (New York: Buell Center for the Study of American Architecture, 2009), 13.

state prevents the development of a more critical view of what the government actually does in the housing system. If the state is always an intruder, differences between policy alternatives become hard to decipher. And the role of the state in establishing and protecting the residential status quo becomes concealed.

The political and economic purposes of the myth of the meddling state are clear, and blatant: to justify the reduction of expenditures for social and redistributive programs; to make it easier to kill any statute limiting the freedom of the private sector to make a profit; and to close the already small space for the creation of an alternative, decommodified housing sector. From a point of view that examines how states and housing actually work, it is hard to take the meddling state story seriously. From a practical, political view, however, it has proven very useful to its beneficiaries. Getting rid of the meddling state does not mean “getting government out of housing.” It means using government to reproduce residential inequalities.

Housing Politics without Myths

The state is not a neutral organization. Nor is it a fully united and coherent one. Understanding the role of the government in housing requires a clear view of the conflicts and struggles in which states are actually involved. In the United States, state power has consistently been used to reinforce rather than dismantle social hierarchy. But in different hands and under different circumstances, the state could be a vehicle for real housing alternatives. Both of the myths we have discussed obscure this point.

It must be stressed that in misunderstanding government policy, a view of housing politics that relies upon either of the myths also misunderstands the market. The liberal narrative recognizes that markets in housing can contribute to housing problems, but it fails to grasp just how often programs nominally designed to alleviate residential suffering do in fact function to enrich private developers. In contrast, the conservative myth of the meddling state simply ignores the consequences of the commodification of housing and sees market provision as automatically preferable to public action regardless of its consequences. Fundamentally, both of these positions fail to see markets clearly.

The debate must move beyond the shallow idea that the housing question comes down to determining the right balance between state and market. Seeing the issue in these simple terms does not work. State action can be used to democratize and redistribute housing, or it can function to preserve inequality and support private profitmaking. Rather than relying upon either the myth of the benevolent state or that of the meddling state, we need to see who actually sets government policy and whose interests are really served by it.