

N U M B E R 28

**Public Housing in
Washington, D.C.:
With Moscow in Mind**

Vyacheslav Glazychev

WOODROW WILSON INTERNATIONAL
CENTER FOR SCHOLARS

WASHINGTON, D.C., 1999



Comparative Urban Studies Occasional Papers Series

This publication is one of a series of Occasional Papers on Comparative Urban Studies of the Woodrow Wilson International Center for Scholars. The series includes papers in the humanities and social sciences from Fellows, Guest Scholars, workshops, colloquia, and conferences. The series aims to extend the Center's discussions of urban issues to a wider community in Washington and throughout the world, and to provide, directly or indirectly, scholarly and intellectual context for contemporary policy concerns.

Single copies of Occasional Papers may be obtained without charge by writing to:

**The Comparative Urban Studies Project
Woodrow Wilson International
Center for Scholars
One Woodrow Wilson Plaza
1300 Pennsylvania Avenue, NW
Washington, DC 20004-3027**

**(202) 691-4235
CUSP@WWICS.SI.EDU**

Comparative Urban Studies at the Wilson Center

**Blair A. Ruble and Joseph S. Tulchin, Co-Chairs
Christina Rosan, Project Coordinator
Sabine Salandy, Project Intern
Luba Shara, Project Intern**

Since the Comparative Urban Studies Project's inception in 1991, we have sought to link sound academic scholarship and policymaking through international conferences, Guest Scholarships, and publications. Using a multidisciplinary, multiregional approach to urban studies, the Project engages experts from around the world in a substantive evaluation of urban practice.

Woodrow Wilson International Center for Scholars

The Center is the nation's living memorial to Woodrow Wilson, president of the United States from 1913 to 1921. Created by law in 1968, the Center is Washington, D.C.'s only independent, wide-ranging institute for advanced study where vital current issues and their deep historical background are explored through research and dialogue. Visit the Center on the Worldwide web at <http://wwics.si.edu>.

Director: Lee H. Hamilton

Board of Trustees: Joseph A. Cari, Jr., Chair; Steven Alan Bennett, Vice Chair

Ex officio trustees: Madeleine K. Albright, Secretary of State; James H. Billington, Librarian of Congress; John W. Carlin, Archivist of the United States; Penn Kemble, Acting Director, U.S. Information Agency; William R. Ferris, Chair, National Endowment for the Humanities; I. Michael Heyman, Secretary, Smithsonian Institution; Richard W. Riley, Secretary of Education; Donna E. Shalala, Secretary of Health and Human Services

Trustee designated by the president from within the government: Samuel R. Berger, National Security Adviser

Private citizen trustees: Carol Cartwright; Daniel L. Doctoroff; Jean L. Hennessey; Daniel L. Lemaute; Paul Hae Park; Thomas Reedy; S. Dillon Ripley

The Wilson Council: Albert Abramson; Cyrus Ansary; J. Burchenal Ault; Charles F. Barber; Theodore C. Barreaux; Joseph C. Bell, Esq.; John L. Bryant, Jr.; Conrad Cafritz; Nicola L. Caiola; Raoul L. Carroll; Albert V. Casey; Peter B. Clark; William T. Coleman, Jr.; Michael D. DiGiacomo; Frank P. Doyle; Donald G. Drapkin; F. Samuel Eberts III; I. Steven Edelson; John Foster; Barbara Hackman Franklin; Bruce Gelb; Jerry P. Genova; Alma Gildenhorn; Joseph B. Gildenhorn; David F. Girard-diCarlo; Michael B. Goldberg; Raymond A. Guenter; Robert R. Harlin; Verna R. Harrah; Eric Hotung; Frances Humphrey Howard; John L. Howard; Darrell E. Issa; Jerry Jasinowski; Brenda LaGrange Johnson; Dennis D. Jorgensen; Shelly Kamins; Anastasia D. Kelly; Christopher Kennan; Steven Kotler; William H. Kremer; Kathleen D. Lacey; Donald S. Lamm; Harold Levy; David Link; David S. Mandel, Esq.; Edwin S. Marks; Robert McCarthy, Esq.; C. Peter McCollough; James D. McDonald; Edwin S. Marks; Phillip Merrill; Michael W. Mitchell; Jeremiah L. Murphy; Martha T. Muse; Gerald L. Parsky; L. Richardson Preyer; Robert Quartel; Edward V. Regan; J. Steven Rhodes; Edwin Robbins; Philip E. Rollhaus, Jr.; George P. Shultz; Raja W. Sidawi; Ron Silver; William A. Slaughter; Timothy E. Stapleford; Linda Bryant Valentine, Esq.; Deborah Wince-Smith; Herbert S. Winokur, Jr.

Glazychev, Vyacheslav. *Public Housing in Washington, D.C.: With Moscow in Mind.* Washington, D.C.: Woodrow Wilson International Center for Scholars (Comparative Urban Studies Occasional Papers Series, 28), 1999.

This paper does not represent an official position of the Woodrow Wilson International Center for Scholars. Opinions expressed are solely those of the author. Please note that this paper was written before the August 1998 financial crisis in Russia.

About the Author:

Vyacheslav Glazychev

Vyacheslav Glazychev is currently a professor at the Moscow Architectural Institute and the Executive Editor of the Russian Journal, *Net-magazine*. He was born in Moscow, Russia in 1940. After graduating from the Moscow Architectural Institute, Glazychev worked as an architect and a graphic designer. He has published twelve books on history and the methodology of design for the man-made environment; he has also translated and published nine books on urbanism and environment.

About the Comparative Urban Studies Project's International Working Group on the District of Columbia

Seeking to find new ways to look at old problems, the Woodrow Wilson Center's Comparative Urban Studies Project (CUSP) launched a research program, in 1996, to examine Washington, D.C., as a case study of some of the most complex and difficult urban dilemmas facing the world's cities. The International Working Group on the District of Columbia brings urban specialists from around the world together with an advisory committee comprising prominent civic, business, and political leaders of the District of Columbia who serve as both a resource for the Center's visiting scholars and as an audience for the project's research findings.

Coming to the Woodrow Wilson Center for two summer months from such places as Tanzania, Brazil, Kenya, Mexico, Russia, Spain and Japan, the Urban Guest Scholars—who are architects, economists, sociologists, political scientists, community activists and planners—have been able to apply their extensive knowledge of urban dynamics to the dilemmas that face the nation's capital.

Findings of the International Working Group are published in the Occasional Paper Series and available in CD format. Please contact the Comparative Urban Studies Project for copies of "Washington, C.D." featuring interviews with Guest Scholars and George Liston Seay, producer and host of *Dialogue*, the Woodrow Wilson Center's award winning radio program.

Executive Summary

The pitiful state of public housing in Washington, D.C., was well known in 1994, when Vyacheslav Glazychev, president and founder of the Academy of the Urban Environment in Moscow, was here trying to understand the function of the Advisory Neighborhood Commissions and in 1997 when he returned to spend several months as a Guest Scholar at the Woodrow Wilson Center. Based on his observations of Washington, D.C. and his extensive experience in Moscow, he found that despite the obvious differences in handling the issue of public housing in Washington, D.C. and Moscow, at least one thing is comparable: in both cities money spent on maintenance and repair has been insufficient while priority has long been given to new construction.

In Russia, where a decade ago the state was the only public actor on an empty stage, Glazychev identifies a spectacular withdrawal of the federal government from the municipal arena, passing problems along to the regions, which have long been oppressing the cities. Housing has proved to be an orphan. There is virtually no federal agency that could or would dare to interfere with the Moscow mayor's housing policy. In the United States, however, and in Washington, D.C., in particular, the federal government has proved to be the leading actor, and federal dollars the main vehicle for implementing a highly unified policy.

Based on his experience meeting with local community leaders and housing activists in Washington, D.C., Glazychev takes home some lessons for Moscow. He concludes that without building a complex system of intermediary agencies that could effectively use available resources and involve the abundant intellectual capital of Moscow residents, and without using the experiences of international NGOs that might fit the Russian social context, any attempt to reform municipal management as a whole and public housing in particular, is doomed to failure.

By the same token, after his brief acquaintance with Washington, D.C., he identifies some routes of action to solve the public housing problems that are still absent here. First, he recommends a broad conceptualization of public housing at three levels: the city as a whole, the macro level of districts and their particular problems, and the micro level of neighborhoods. Secondly, public housing must be viewed together with the basic services and the workplaces that come with them. Public housing also need to be built in conjunction with pro-business development policies. He sees understanding and interpreting housing policy—particular as it reflects to public housing—as an important part of the city's economy, as a task to be taken up.

PUBLIC HOUSING IN WASHINGTON, D.C.: WITH MOSCOW IN MIND

by **Vyacheslav Glazychhev**

Prepared for the Woodrow Wilson Center of
International Scholars,

Comparative Urban Studies Project,

Washington, D.C., 1997¹

The pitiful state of public housing in Washington, D.C., was well known in 1994, when I was here trying to understand the function of the Advisory Neighborhood Commissions.² The pitiful state of public housing in Moscow, however, has never been openly discussed since Yuri Luzhkov, the “Big Mayor,” presented his Grand Program for restructuring that capital city. Indeed, with the unprecedented concentration of power in the mayor’s office, and with greater monopolization of urban planning and architectural design than was ever possible before, not much could be said about that state of affairs.³

Despite the obvious differences in handling the issue of public housing in Washington, D.C. and Moscow, at least one thing is comparable: in both cities money spent on maintenance and repair has been insufficient while priority has long been given to new construction. The biggest difference lies in scale. Moscow authorities claim that roughly 3,000,000 square meters of housing (approximately 45,000 apartments) were built in 1996 with up to 25 percent (11,000 apartments) given free to those on the waiting list since the beginning of the 1980s.⁴ There is virtually no way to check the validity of these figures as no public hearing has been held, nor has there been any audit of the city’s budget.⁵

The kind of gentrification that is going on everywhere in Moscow’s city core affects only a small fraction of the population in a direct way.⁶ More importantly, the inevitable doom of public housing is in the air. Much has been written about the decay of the Krushchevian five-floor, prefab concrete walk-ups and their replacement, which started on a moderate scale in 1997. These ghastly monuments to a state-channeled desire to give “every family” a “home, sweet home”—constructed in the 1950s and best described as “disposable housing”—are being replaced by new seventeen-floor, prefab monstrosities, expensive both to construct and maintain, and lacking the only good feature of the old blocks—their human scale.⁷

The new construction policy, heavily subsidized by the city budget (although the mayor’s office would boldly deny it, insisting that funds come from mostly private sources), is quickly running into a dead end with the influx of relatively well-to-do people from remote places like the Caucasian states and the incapability of the Russian regions to absorb the amount of square footage being produced by the Moscow Construction Complex. Hundreds of apartments still remain unoccupied in new blocks, and squatter groups have again emerged from obscurity since their first entrance on the Moscow scene in 1990. In addition, those with means are not satisfied with the quality of that construction for that price and location; they either buy an apartment on the secondary market in a renovated older building or build a detached country house in one of well-guarded clusters twenty minutes from Moscow.⁸

The most dramatic situation is connected with the mass-produced apartment blocks of the Brezhnev period. Acre upon acre has been covered with bulky buildings of nine to sixteen floors, with three to ten staircases and elevator shafts, occasionally interrupted by a group of “towers” with, usually, one staircase and two elevators. Although the standards for those apartment blocks were higher than for the Krushchevian slabs, they cannot be considered satisfactory. With age, their

obvious deficiencies have grown, but the point at which serious repairs needed to be made coincided with the moment of dramatic monetary reform in 1992. Not only did everyone lose their savings, but the co-ops—which represent slightly less than 20 percent of housing in Moscow—overnight found themselves turned into condominiums with apartment owners free to buy and sell. They were also left penniless, as all their savings, dutifully collected for major repairs over fifteen to twenty years, were gone as well.⁹

In 1995 it was estimated that (aside from the Krushchevian blocks, which comprise 25 percent of Moscow housing) more than 500,000 gas ovens¹⁰ and plumbing, window frames, and entrance doors needed replacement in at least 250,000 units;¹¹ new roofing was needed on 1,500 to 1,800 apartment blocks; and at least 15,000 elevators would need expensive repairs and maintenance.

Public statistics are vague or contradictory, so it is hard to estimate how many families could afford to fix the plumbing and replace the fixtures inside their apartments, but it is obvious that they could not (and those few who could, would not) take on the financial burden of replacing building-wide plumbing and roofing.¹² The Moscow government insists it will be responsible for that level of repair, to be provided in the traditional Soviet centralized manner by municipal agencies, leaving the residents with little or no say at all.¹³

It must be added that at least 100,000 apartments have been transferred to the city from various federal institutions that are no longer able to support “their” housing out of “their” separate budget. So, it is not at all difficult to understand that the traditional Soviet-type, budget-supported high-rise housing not only devours money already badly needed for repair and maintenance of the existing housing stock, but tends to reproduce that same problem ad infinitum.

Although in theory a Moscow family (those born in Moscow are assigned certain privileges¹⁴) might hope to get a low-cost subsidy to buy a new apartment—which could amount to as much as 75 percent of the apartment’s market price—the situation is desperate for young people who are living with parents, or for newcomers from the Russian interior and the former Soviet Republics.

Several changes seem inevitable. There is no way to support the Moscow Construction Complex in the near future other than by cutting down its excessive profits, creating a deep discount on the price of apartments, and selling them with twenty to twenty-five year mortgages with low interest and a small down payment. That creates new problems, such as finding or assembling substantial financing, creating public housing-oriented banking (low profit or nonprofit), and so on. Before inflation was tamed to a reasonable degree in 1996, even that thought would have been impossible. With inflation under control, at least temporarily, one is again struck by the Moscow government’s inability or unwillingness to promote any discussion on this touchy issue. Perhaps the lack of interest is caused by the Construction Complex’s allergy to change, as it is obvious that any kind of economically conscious discussion would immediately require a close look at the Construction Complex as a whole as well as its policies. Moscow cannot afford to stick to the traditional way of housing construction, and it must reorder its priorities toward more efficient and less expensive design models, and toward restructuring, renovating, and rebuilding as its primary strategy.¹⁵

The long-awaited process of segregating housing by income level started in Moscow around 1993 and has been steadily gathering momentum, although it has not yet led to perceptible results. It is of some interest that although people are aware of that process, and it was often mentioned in newspapers, there is no sign of public indignation or protest against this form of discrimination. It is as if Moscow residents just resigned themselves to the facts, in vivid contrast to their radical protest against

the perceived (real or imaginary) decline in the standard of living. Transactions on the secondary market still deal mostly with single apartments, and examples of buying out so-called sections (a cluster of apartments with its own entrance door, staircase, and elevators servicing all floors of the building) are rare.¹⁶ Nevertheless, the urge to settle down in the “healthiest parts” of the city, which are also the most prestigious,¹⁷ has already led to strengthening the traditional concentration of the well-to-do. Moreover, in the mid-1990s displacement of the poor, linked to and mostly paid for by large-scale revitalization projects for big apartment blocks, got a new boost.¹⁸

Municipal reform, widely advertised at the beginning of 1997, strongly promoted by the new federal government Deputy Premiers Boris Nemtsov and Oleg Syssuyev, and immediately questioned by Mayor Luzhkov for political reasons, is like the sword of Damocles.¹⁹ In brief, the reform concept is both simple and convincing: the state can no longer meet the costs of maintaining housing; so, with the projected growth in the national economy, those costs should progressively be borne by the residents, be they owners or not. In 1997, the government was paying approximately 80 percent of the costs,²⁰ with 20 percent of the costs being transferred to the residents annually. However, by the year 2001, 80 percent of the maintenance costs would be covered by the residents, with the state left responsible for subsidizing only the poorest 20 percent. In short, that would mean the end of public housing. The immediate critique that followed pointed out that:

(a) the growth in the economy is still only wishful thinking;

(b) a growing number of people have long refused to make any payments at all, and with the law that prohibits eviction in non-privatized public housing (more than 50 percent of apartments on the average) and local governments never ready to commit political suicide by cutting off electricity, water, or

heating, the number of non-payers could rise to 80 percent or more;²¹ and

(c) given the current state of the economy, the actual number of families that would have a legitimate right to seek subsidies would soon equal some 80 percent of the residents; that would mean the end of the whole plan, once more discrediting the very idea of reforming Russia.

The government was quick to react, issuing a special statement emphasizing (1) that the proportional scheme should be considered secondary to the problem of immediate demonopolization of municipal services and bringing improvement to that “black hole,” into which most of the money would vanish with little effect, and (2) that each of the regions could undertake municipal reform in its own way. This sound political stand helped to calm the uneasiness caused by the Moscow mayor’s fierce attack on the Young Reformers Cabinet, at the same time that it passed responsibility to regional governments and made room for the federal government to maneuver.

However, all this does not help much. Despite my (moderate) optimism, I am sure that the Reformers’ policies will repeat the mistakes that are the result of the traditional paternalistic attitude so inherent to Russia. Without building a complex system of intermediary agencies that could effectively use available resources and involve the abundant intellectual capital of Moscow residents, and without using the experiences of international NGOs that might fit the Russian social context, any attempt to reform municipal management as a whole and public housing in particular is doomed to failure. The technocratic attitude of the Reformers once again will prevent them from understanding the essence and vital importance of both financing and managing social policies with the help of independent experts, so they are compelled to commit the same errors again and again.

That said, what kind of forecast could be made for the next ten to fifteen years? In the best parts of the city periphery one can witness the shifts in ownership, always apparent from the replacement of old window frames with new ones. Often the new owners, whose childhood and youth were spent in overcrowded apartments or even in the crowded rooms of a shared unit, soon discover that a derelict staircase or a neglected elevator not only spoils the pleasure of their new possession but will lower their prestige. So, after several years, when they recover financially from the havoc caused by their initial investment and the necessary renovations and furnishings, they may sell their property, quite possibly at a substantial loss, to the next generation of owners and move to “elitist” housing blocks, where they hope to be the neighbors of “upper middle class” families.²² The median price for that class of apartments, accommodated to the more sophisticated needs of the owners, might reach an average of \$250,000. I would predict that for Moscow, with its unique (for Russia) concentration of money in private hands, this would affect between 5 and 7 percent of housing by the year 2010.

At the same time, the inevitable process of decay in the municipal high-rise prefab blocks built between the 1960s and 1980s, which the Moscow government will not be able to prevent, will force all those who might be called “lower middle class” to sell their property at a loss and move to relatively better blocks, sacrificing every penny they will be able to earn and borrow in order to achieve that goal. Their urge to secure property, purchased with tremendous effort, might lead to organizing new condominiums on several blocks, which would tend to push out the “old timers” by imposing high extra payments.²³ These new condominiums will eventually be far better organized than the former co-ops, with their members more aware of the necessity to contribute to the preservation or even improvement of their shared property. This way of stabilizing high-rise housing inherited from the

previous Soviet era in Moscow might spread to approximately 12 to 15 percent of the housing stock around the year 2010; the median price for an apartment could be about \$150,000. If we add something like 1 percent for luxury housing, we might expect from 15 to 23 percent of Moscow housing to be above the average in 2010.

What about the remaining 77 to 85 percent of Moscow’s housing? It is predictable that approximately one third of that housing stock will continue its slide into utter neglect to the point that despair might at last drive enough responsible residents to action. At that moment, which could come around 2001, several authentic grass-root organizations might have their start, creating self-help structures with volunteer labor and strong political lobbying activity assisted by professionals. Much will depend on the Moscow government’s ability to understand the importance of that kind of public movement, and to give it a hand with grants and subsidies for specific projects. It is highly probable that Luzhkov will be a candidate during the year 2000 presidential campaign. It is almost certain that he will lose the election because of the unanimous animosity of the rest of Russia toward the capital city in spite of the mayor’s ability to get strong financial support and probably enough political support from other senators, with whom he is rather popular. It is highly feasible that after losing the elections Luzhkov either will run once more for mayor (in which case he will need to get rid of several scapegoats [First Deputy Vladimir Ressin of the Construction Complex being the top priority] and seek a new development program) or he will be beaten out of the game completely. In that case it will not matter much who the mayor is (it certainly will not be a Communist), for without Luzhkov’s charisma, the new mayor will have to seek to better understand the rules of the Moscow game and, again, the Construction Complex—which has overwhelming power over the maintenance system—would be a scapegoat.

Another third of the housing stock will probably remain public, heavily subsidized, and maintained in the most ineffective manner just above the level of complete decay. And approximately one third of the stock should be expected to turn into high-rise slums, which is very likely because of the rapid aging of Moscow's population and the increase in the number of (1) displaced persons coming from the new independent states, (2) illegal residents, and (3) the so-called *Bomzhes*, many of whom are recruited from the alcohol-soaked social bottom ready to sell their living space for a couple of bottles of vodka.²⁴

At best, one might hope that a few "islands" of self-organization might be created amidst the new urban jungle with the help of volunteer and international fund-raising organizations. The new social geography of Moscow will be hard to predict. The Southeast sector has as good a chance as any to lead this degradation process—its heavy industry has little hope of renewal, and its working-class population has been the most hard hit (and the most alcoholized) by economic decline. The process might be hastened by a small fraction of those in the "first" in-city generation deserting the city for their home towns, where they may have retained property, or in some cases for out-of-city plots, where they have vegetable gardens and cabins.

A Look at the United States

The fact that public housing is only a tiny fraction of housing in the United States has not prevented it from being discussed at length. Quite often it creates useful headlines for politicians, and the delicate relations between federal agencies like Department of Housing and Urban Development (HUD) and local authorities have often been revealed through the debate on subsidies, on various programs, and on their effects. In comparison with the grand scale of traditional public housing projects in Moscow, Washington's might seem

minuscule, but small projects are of special interest to me because they will inevitably be the only trend in Moscow after the Construction Complex collapse-to-come.

What is most unexpected is the absolute dominance of federal programs and agencies over municipal ones in Washington, D.C. Liberal mythology never allowed an outsider to imagine that paternalistic patterns of the all-powerful state would be so strongly represented here.

Let us take the notorious case of public housing receivership imposed on the District by the 1995 court decision—a prologue to the 1997 congressional decision to pass on the better part of Mayor Marion Barry's responsibilities to the Control Board. This was not a single instance resulting from limited Home Rule; rather, receivership has proven to be a common practice—the same procedure took place in Kansas City as well as in a surprisingly high number of smaller cities, towns, and counties. In July 1997, the Montgomery Housing Opportunities Commission was placed on two years' probation by HUD, which concluded that it had "mismanaged \$34 million worth of annual rental assistance payments for low-income tenants in the Section 8 program";²⁵ two years earlier it had dismissed Bernard Tetrault, who had presided over the commission for twenty-five years.²⁶

With the Russian federal ministries' limited ability to interfere with the regional governments and the bigger cities' rights reduced to an unprecedented degree, something like receivership sounds ridiculous there. The federal construction committee is now only a shadow of its former self during the Soviet era. It has no money to distribute, other than relatively small sums for the remaining research institutions, so it has no authority whatsoever. As with the other federal agencies, the withdrawal of the state might be a short-

term blessing; yet, in some remote future, the state may come back on the housing scene with new programs that local governments will be unwilling or unable to pay for. So, in the long run, the American experience might be of value to Russia.

In 1995, Washington, D.C., public housing accounted for 11,000 apartments, of which only one third met minimum code standards; 17 percent were vacant. By comparison, Montgomery County has been providing rent subsidies for 3,800 low-income households in privately owned homes and apartments. Its housing agency owns or manages nearly 5,000 dwellings for low and moderate-income residents, and its housing finance programs have helped more than 9,000 residents buy first homes. A classical bureaucratic tour de force was all that was needed in the District's housing office: seventeen high-level positions were cut and a dozen upper-management employees were fired because of poor performance. David Gilmore, appointed chief of public housing in the District, got the position mostly as a result of his success in that same role in San Francisco and Seattle.²⁷ His concept of improving things includes competent leadership, a long-term and effective work plan, necessary resources (federal!), effective governance, and "municipal support." This is technocratic and paternalistic attitude at its best: no attention is given to lowering the social costs, providing for long-term maintenance, enhancing authentic public participation, real partnership with citizens' organizations, or beating down costs together with improving quality.

What is really the point here? My August 6, 1997 interview with Kevin Marchman, Acting Assistant Secretary for Public and Indian Housing at HUD, and a presentation made the same day at the Woodrow Wilson Center by Mark Weiss, also from HUD, revealed that federal support for private and community efforts are mainstream for HUD's policies for inner cities. So many things in the District seem to

be connected with Mayor Barry's personal inability to secure effective management (the millions of federal dollars that Gilmore has tried to spend as fast as possible proved to be money that the Barry administration had been sitting on for several years), that the real issue evades the scrutiny it deserves.

The technical problems encountered by a "strong man" would be the same whatever the sociopolitical context. In Moscow, a Gilmore-style man appointed by the mayor "to put things in order" would meet not the organized protest of the American Federation of Government Employees against any move that might endanger the status quo, but entrenched sabotage at every level of municipal management. There is no great difference. Gilmore wanted the right to hire private contractors to perform work union members could not, as well as the right to negotiate directly with building trade unions for skilled tradesmen needed to rehabilitate thousands of public housing units over the next several years.²⁸ Obviously, the monopolization of certain municipal services is an obstacle too massive to overcome, whether it is the result of trade unions' historical successes, as it is in the United States, or the result of a long-established, self-indulgent routine of ignoring the residents' needs on the part of Moscow's municipal workers.²⁹

In July 1996, David Gilmore could proudly announce that eight hundred occupied units had been renovated during his first year in office, approximately seventy units a month, a figure that a mid-size commercial company in Moscow would consider a big success.

'We love him. We thank him with all our hearts. It's going along perfectly,' said Mary Ragsdale, president of the residents' council at Highland Additions, a development in far Southeast Washington, considered

one of the agency's most deteriorated when Gilmore took office. Since then, Highland Additions has been one of the complexes where Gilmore has focused on renovating a total of 838 units as part of what he calls the Occupied Units Rehabilitation Program. Others improved under the program are Park Morton, Greenleaf Gardens and Sibley Gardens, and work on occupied units is scheduled to begin at six other developments by the end of the year.³⁰

The enthusiasm of both the *Washington Post* columnist, Vernon Loeb, and of Mary Ragsdale shows that the state of affairs was really desperate before the receivership.

It is not easy to understand why, with \$195 million in unspent modernization funds, and dozens of nonprofit developers ready for action (something unheard of in Moscow), populist Mayor Barry did not manage to do anything sensible with 310 city-owned houses in various states of disrepair sprinkled throughout Washington. It did not take long before Gilmore agreed to hand over 76 vacant scattered-site units in Columbia Heights and Shaw to a coalition of nine housing developers.

In early 1997, Gilmore presented a 287-page status report saying that “the agency’s endemic 20 percent vacancy rate—2,000 abandoned, uninhabitable units when he took over 16 months ago—would be zero by the end of the year.”³¹ According to the status report, the \$80 million, 860-employee agency had inspected all 11,000 public housing units citywide and begun systematic repairs on more than 3,000 occupied and vacant units at 17 of 60 developments. Eighteen additional sites were slated for extensive repairs later that year. It targeted seven largely vacant

developments for demolition and redevelopment in conjunction with private developers to encourage home ownership opportunities and mixed-income communities. It formed its own police department and forged a working partnership with the District’s police, which also had created a uniformed division dedicated to public housing. The agency hired private managers at seven developments, selected five other sites for private management, and started rewriting tenant admission criteria to keep serious criminals, deadbeats, and other highly disruptive tenants out of public housing.

Results are spectacular, and Gilmore’s urge to create a lasting public housing machinery able to outlive his temporary administration seems obvious. In beginning work on a new tenant admission policy, he devised a formal process of soliciting input and comment from residents, public-interest lawyers, and nonprofit advocacy agencies for the poor—before holding the first series of public hearings.

The comparison of Moscow and Washington, D.C., reveals an intriguing turnabout. In Russia, where a decade ago the state was the only public actor on an empty stage, we have been witnessing a spectacular withdrawal of the federal government from the municipal arena, passing problems along to the regions, which have long been oppressing the cities. Housing has proved to be an orphan. There is virtually no federal agency that could or would dare to interfere with the Moscow mayor’s housing policy. In the entire United States, however, and in Washington, D.C., in particular, the federal government has proved to be the leading actor, and federal dollars the main vehicle for implementing a highly unified policy.

The real danger to public housing in the United States, which has been in the air since the Republican-dominated Congress started work, lies in a scheme that has been gathering strength with a steadily growing number of congressmen: public housing is to be treated

as temporary, with a five-year time limit for occupancy.³² The reasoning behind that scheme is as clear as the name of a subdivision at HUD—Public and Indian Housing. This title does not date back to the beginning of this century. It was created in the mid-1960s. There may have been nothing ominous in the simple merger of these two agencies, previously in different branches of the executive. Yet, even if subconsciously, the notion was there that public housing would be a kind of urban reservation. So, if the five-year scheme were operational before the end of this century (and this millennium, by the way), that would mean the end to talks on community-based public housing, mixed use, mixed incomes within particular projects, and so forth. Although already established communities would survive, finding a way to make low-income co-ops and condominiums self-sustained, public housing partisans who hoped for better days will be buried.

With that general notion in mind, let me outline some particular case studies that look most promising if projected upon the Moscow situation in the next decade.

Ellen Wilson Dwellings

Housing officials closed this complex in 1988, when the city decided to move everyone out and renovate the run-down buildings. “It was a beautiful place with beautiful people. It was a pleasure to live here before the undesirables moved in,” said Valeska Sparks, a thirty-year resident.³³ The demolition crews started tearing down the decaying garden-style apartment buildings in April 1996, eight years after the closure. That kind of delay is a problem in any city, since squatters, drug addicts and prostitutes occupy the abandoned buildings. It is interesting to compare the practice of total demolition common in the United States to the European experience of careful rehabilitation of low-income townhouses, which became prevalent after the “functional” urban planning mythology lost ground.³⁴ The difference lies in the fact that degraded

housing in Europe was rarely allowed to be overcome by “undesirables” and usually constantly occupied by people with strong working-class traditions.

The plan for Ellen Wilson put forth by private developers and sanctioned by HUD calls for the first mixed-income public housing in the District, meant to replace the outdated concept of an isolated “development.” The 67 low-income families in the new townhouse community are to be subsidized in part by 67 middle-class families, with occupancy to start in 1997.³⁵ Absent those middle-class families, the plan would collapse like a house of cards. Many residents whose homes surround the site were deeply skeptical about the notion of young professionals paying more than \$1,000 a month to live in public housing, when they could afford to buy a townhouse in the suburbs instead. Jim Simpson, president of the nearby Sousa Neighborhood Association, is sure that “that’s [the] exact income level that can’t get out of here fast enough.”³⁶

Indeed, the HUD scheme looks too good to be true: one quarter of the units (33) are to go to residents with incomes up to \$17,050 for a family of four (25 percent of the area median income of \$68,200); one quarter (34 units) will go to residents with incomes up to \$34,100; the other half of the development (67 units) will go to residents with incomes up to \$54,560 (80 percent of the median), and as many as 20 of those can go to residents with incomes up to \$78,430 (115 percent of the median). Under the plan, the upper-income half would help subsidize the lower-income half by paying a larger percentage of operating costs. That would make the development self-sustaining, requiring no further housing subsidies after HUD’s \$25 million construction grant.

The skepticism seems justified. Peter Tierney, an Advisory Neighborhood Commissioner in the neighborhood and a manager of residential property

on Capitol Hill, showed why. There were no takers for a nice three-bedroom townhouse for rent at 12th and C Streets, NE, for \$925 a month. There is a fully renovated three-bedroom house with a separate studio apartment for sale right across the street from Ellen Wilson for \$119,000. “And you can find nobody to buy it. Why? Location, location, location.”³⁷

Interestingly, this place-turned-slum called Ellen Wilson—a symbol of America’s failed public housing policy just six blocks southeast of the Capitol—was long ago a slum known as Navy Place, which was symbolic of another failed housing policy. In 1892, Congress banned the new construction of alley housing, then inhabited by more than seventeen thousand people. By 1918, thanks to reformers such as Ellen Wilson, legislation was passed calling for eradication of the city’s alley slums. The Ellen Wilson complex was built under a directive from the Alley Dwelling Authority in 1940, and reflected the trend to design garden apartment complexes with a more open environment, unlike the squalid alley slums they replaced.

The neo-Victorian look of the new townhouses designed for Ellen Wilson are impossible to criticize from a purely architectural/urban design point of view. But such small-scale projects are not enough, especially if conducted with federal financing and management, even if in cooperation with nonprofit developers. “Effectively, what Congress was telling HUD was, ‘Do not, we repeat, do not repeat the problems of the past’,” said Kevin Marchman, HUD’s acting assistant secretary for Public and Indian Housing, who came to the District from the Denver Housing Authority three years ago to run the HOPE VI program.³⁸

HOPE—the Housing Opportunities for People Everywhere—is a nicely conceived program begun in 1992 when Sen. Barbara A. Mikulski (D.-Md.)

managed to push through Congress a \$300 million initiative to stimulate neighborhood revitalization.³⁹ There are three basic criteria at work in the sixty developments that have received HOPE awards: (1) the money must go toward revitalizing an entire neighborhood, not just fixing apartment units; (2) housing authorities receiving grants must work closely with tenants and community members in plotting a development strategy; and (3) the housing produced must be innovative in one way or another, providing either home-ownership opportunities, mixed-income neighborhoods, or management that involves tenants and private-sector companies—or all of the above.

Among the HOPE VI goals, taking down the one hundred thousand worst units in the country was primary. At the end of 1996, 22,573 vacant units were demolished nationwide, Ellen Wilson included. The emptied site could itself be viewed as a success. But what of the other half of the success story? James Bidden, senior vice president of National Capital Bank of Washington, who was among the early group of neighborhood dreamers, bowed out of the project and turned into one of its most severe critics. Bidden said the original vision was to develop what he believed would be real home-ownership in a mixed-income neighborhood, with a majority of new homes being sold to families of any income to subsidize a minority of units reserved for low-income families. Such a development, he said, could have been financed mostly with private funds, reducing the need for massive government subsidies—and the strings that come with them. When Ellen Wilson’s developers made the decision to apply for HOPE VI funding, he said, the project lost any chance of producing new housing that could be sold at market rates because HOPE VI funding sets income limits for all new residents, requiring that most have low or, at best, moderate incomes: “I firmly believe we’re going to end up with another ghetto here in 10 years.”⁴⁰

I am afraid that Bidden is correct, or that the fenced site will stay empty for a long time. The strings connected to HOPE VI cannot prevent this kind of project from breaking down; or rather, they invite breakdown. The Ellen Wilson site is bordered by other traumatized places—Capper Dwellings and Carrolsburg. Without complete renovation of those adjacent developments, one could not reasonably expect anybody with choices to settle in Ellen Wilson, although its townhouses will look so nice when brand-new.⁴¹ There is the question of a school, of services and small business, and public places—all that by definition cannot be solved in a project of only 134 units. To think about simultaneously restructuring three developments in Washington, D.C. is impossible, nor would HUD ever agree to give away some 15 to 17 percent of its HOPE VI money in one place, and in the District, of all places.

Strange as it may sound, the standard Soviet-born urban planning approach, which requires planners to work with one or two thousand units, has been one of the best features of urban renovation in Moscow, until now. I have criticized Soviet urban planning for so many years for its inability to “discover” the smallest-scale neighborhood level, so that I have taken some of its advantages for granted. In Washington, D.C., it is easier to see the value of the medium scale—embracing a cluster of adjacent neighborhoods in terms of basic services for the community—just because this level is so provocatively absent in America.⁴²

WISH—Washington Innercity Self Help

A long interview with Paul Battle, WISH executive director, as well as walking around the WISH dwellings and talking to residents, speaks positively for it. WISH sprang up in 1978 from the Christian

Communities Committed to Change, a cluster of ten Catholic parishes that focused on social services for the elderly. Approximately forty churches, both Protestant and Catholic, sponsored WISH’s beginning and its goal “to bring power and cohesion to the swelling ranks of low-income residents being displaced by condominium conversion and exorbitant rent increases.” WISH has been growing for nineteen years; in 1997 it operates eight cooperatives with more than 350 units and, most important, provides constant leadership training programs for the residents.

The way WISH identifies problems deserves quoting:

The residents of inner-city Washington face many problems in their day-to-day lives: housing is deteriorating under the neglect of absentee landlords, or even worse is being demolished or taken off the affordable market as neighborhoods are “redeveloped”; recent Latino immigrants are exploited by landlords who charge them higher rents and fail to follow city housing laws, keeping residents ignorant of their rights; banks fail to provide adequate credit for low and moderate income housing or small businesses in our neighborhood; crime and drug-related violence leave many residents, particularly senior citizens, captives in their own homes to try to escape the crime; public housing residents find the city ignores their pleas for improved maintenance and a responsive system of tenant councils. What residents lack most is a sense that the “system” understands or is responsive to their needs⁴³

This might well be applied to the Moscow situation, which, being less developed (no long-term banking credit at all, laws inadequate and without means of enforcement, and so forth), could be described as a disaster for at least 80 percent of its residents. WISH's goals deserve quoting as well:

Developing community leaders by placing residents in charge of purchasing their buildings, demanding city services for their neighborhoods, running their housing cooperatives.

Showing low and moderate-income residents how to make institutions responsive: from banks that must make more loans in low-income areas to a city government, which must remedy atrocious deterioration in its public housing.

Creating permanently affordable housing via limited equity co-ops, where resale prices are restricted to guarantee access for future generations of low and moderate income people.⁴⁴

I would be pleased to discover the same clarity in establishing achievable goals in governmental agencies in Washington, D.C., let alone in Moscow.

A partial list of WISH's achievements is impressive. WISH successfully organized tenants living at 919 L Street, NW, to resist their landlord's illegal efforts to evict them and convert this low-income building to commercial use. The L Street Co-operative purchased their building in summer 1989 using an \$860,000 "housing linkage" grant 24-unit co-op. A similar suc-

cess at 1447 Chapin Street, NW, created twenty units of affordable cooperative housing for low-income black and Hispanic families.

WISH organized the tenants of Glen Arms, a 55-unit, HUD Section 236 subsidized project where 90 percent of the tenants are Latino, to successfully defeat a 20 percent rent increase, and fought to repair this poorly maintained property. Tenants at the Judiciary House public housing development fought the city and got wheelchair accessibility at their main entrance and a mechanical lift. Fighting bank redlining, WISH was part of two coalitions that won over \$50 million in community lending agreements from local banks in 1986-87.

The variety of situations is indeed something I did not expect to find. For instance, at 1327 Kenyon Street, NW, the tenants signed a contract in 1996 to buy their building, proposed to make all the units smaller and convert the building into an "affordable condo." In August 1996, the 1327 Kenyon Street Co-op became the owner of the building and won a commitment for fifteen years of project-based Section 8 for all of the units. The residents of 1213 19th Street, NW, purchased their building in 1996 (they started organizing in 1992), after convincing Nations Bank, which had foreclosed on the building, to sell it to them.

WISH has been working with the residents of 1424 Chapin Street, NW, a 46-unit building, since 1993. The group became owners of the building in 1995 after successfully suing the landlord because of multiple building code violations. They were able to purchase the building cash-free in exchange for settling the court case. Unfortunately, the building was in such bad condition that they could not bring in enough money to keep it livable, and in the summer of 1996, the city shut down the building. Luckily, the co-op still owns

the building, and a core of interested residents is working to bring it to renovation. Two banks, the city, and a number of other sources have expressed interest in lending to the effort. In October 1996, the co-op was awarded fifteen years of project-based Section 8 for most of the units.

Last but not least, WISH started a new program in 1997 in conjunction with the Foundation for International Community Assistance USA: a micro-business committee with the goal of providing start-up loans, savings plans, and management assistance.

WISH seems to be especially effective in its “co-op enlightenment” program stressing both the rights and the responsibilities coming with rights, and with a strong emphasis on limited equity as a means to secure long-term longevity of co-operative property. It is understandable, however, that the real test—when the first “fighting” generation gets too old and tired to continue its task—will be to see if the next generation proves to be as interested.⁴⁵

Jubilee Housing

In neither of its publications does Jubilee Housing mention that it started as a “sweat equity” program, in which the citizens are supposed to improve the quality and availability of affordable housing by direct investment of their labor. The combined effort of several churches, Jubilee was born in 1973 at the ecumenical Church of the Savior in Washington’s Adams Morgan. The Ritz and the Mozart, two dilapidated apartment buildings off Columbia Road, were purchased by a group of church volunteers. Multifamily housing, particularly if badly deteriorated, requires a high degree of commitment and organization. Churches seemed uniquely suited to provide the numerous and committed volunteers for

large sweat-equity undertakings, and it was reasonable to expect that funds would tend to follow such involvement.

Jubilee Housing, one of nine institutions or “ministries” of the Jubilee,⁴⁶ has grown into a well-established nonprofit corporation that owns eight buildings with 284 units. Although it has proved to be highly successful in both fundraising and securing enough volunteer work from “outside,” there is little evidence that residents themselves strongly participate.⁴⁷ For example, when the Water and Sewer Authority announced a 42 percent increase for all customers in December 1996, and three weeks after a long-standing allowance to nonprofit institutions in the District was canceled without a public hearing, resulting in Jubilee Housing water bills increasing 142 percent, a program to install water-saving toilets was immediately started. Forty-five apartments (11 percent of the Jubilee Housing) were upgraded and refurbished by its carpentry, painting, and maintenance management staff. Close to \$20,000 in roof repairs and replacements were completed too, as well as over \$13,000 in upgrades to the heating systems. All of that demanded highly qualified workers, which precluded the residents’ participation.⁴⁸

A Cost/Benefit Comparison

In a way, Jubilee Housing shows exquisite results in sustainability. In 1996, rent (being 40 percent of the market mean) made up 60 percent of the revenue, unrestricted grants brought in 30 percent, with another 3 percent in restricted grants, and 7 percent in interest. Expenses for the same year were 73 percent for housing operations, 20 percent for general administration, 3 percent for fund development, and only 4 percent for all others. It is obvious that Jubilee Housing, with its combination of a medieval urban charity ethic with modern bookkeeping and technical efficiency, could

not be considered an ultimate solution. The more so that most of its units are so-called efficiencies, with just a kitchenette attached to one or to two bedrooms. But it offers a good basis for comparison. The Washington, D.C., government spends more than \$14,000 per household on the kind of housing that Jubilee provides with a subsidy of under \$1,000 from private sources.⁴⁹

Even though WISH is under greater financial strain, and HUD money plays a larger part in its balance sheet, we calculated that its financial efficacy is at least four times that of government spending. If we look at the costs assigned for the Ellen Wilson project's 134 units (\$25 million), it is easy to see that at least nine hundred units could be supported for ten years if the government gave that money to a trust working with WISH-like organizations with as few stipulations possible. Of course, this is improbable even in theory.

Dupont Circle Merchants and Professionals Association

This neighborhood, located to the north of Dupont Circle, has had its ups and downs since the turbulent 1960s. A number of important initiatives were conceived and tried out here before they were imitated elsewhere. The neighborhood has managed to save its multicultural and multiracial character and is distinguished by a successful mix of income levels as well as an effective mixture of housing, services, and businesses. My interview with Deacon McCubbin, former chairman for the association, was most instructive.

McCubbin is a veteran member of the gay movement, which has played an important role in preserving the neighborhood against undesirable changes. He owns a specialized bookstore on Connecticut Avenue, one hundred yards from the Circle, but there is nothing

specialized about his attitude to the place. McCubbin was one of the initiators of the first merchants and professionals conference held in 1973, when the district was definitely headed down. The goals were set unanimously; all of the people present knew the importance of bringing the streets back to life and making the place pleasant to be in. In a way, Dupont Circle, and Adams Morgan, its bigger neighbor, might prove the notion that small and medium businesses are the only thing that makes Washington, D.C., a living city. With no industry, with big businesses fleeing to sites outside the Diamond's border, the federal bureaucracy and the services directly linked to it would be the only business in the District.

Due to its early contacts with politicians of the Home Rule period, the association has been a strong lobbying group that has successfully combined efforts with other groups like the Georgetown Citizens Association. Although disagreement on particular questions like noise is inevitable when businesses and residents share the same urban space, these are mostly settled peacefully, as both sides are interested in preserving the character of the environment and improving it at every chance. More difficult was the eternal question of relations between the property owners and the tenants. With the majority of the owners absent from their property and the tenants-in-business constantly present, it was vital to work out a *modus vivendi* that would give the tenants more freedom of action than is usual for big cities. With the city never effective in giving enough services, it was essential for the tenants (and it also served the residents) that the streets be cleaned of trash on Saturdays and Sundays. So, the association managed to promote an independent "waste management" corporation with a number of businesses to take away the debris that the city allowed to overflow the trashcans on weekends.

The association has managed to be on good terms with bigger businesses, like the Dupont Plaza Hotel, and even with such a huge commercial entity as the Washington Hilton Hotel, which are also anxious that

the adjacent streets be well maintained and pleasant to walk on. During the 1990s, constant efforts to prevent big chains from swallowing small family-run businesses seems to take most of the association's time. They are sometimes successful—there is no McDonald's in the vicinity; sometimes not—Starbucks replaced a family-run coffee-house.

Looking at the overall situation, one can see that WISH, or Jubilee, or similar organizations in fact have great support from the Merchants and Professionals Association. Adams Morgan and Dupont Circle prove that housing in a living city cannot be understood in terms of units or buildings alone. Local small and medium-size businesses, restaurants and eateries, stores and shops provide hundreds of workplaces—especially for low qualified and/or new immigrants, who are given a chance to make their living as well as to pay rent.

Instead of widening that experience to the eastern parts of the city, where, for instance, demand for sit-down restaurants is unsatisfied, the government has concentrated on a large and costly program named "Bridges to Work," which gives workers from inner-city Anacostia a chance to get to workplaces in the suburbs.

It would be difficult to compare the District's experience to Moscow's. In part this is due to the relative pauperization in the latter of thousands of families added to the traditional poverty of thousands of other families that were never better off, just managing from one payday to the next, continually borrowing from friends or neighbors. Officially, government rent subsidies in Moscow have been covering 80 percent of maintenance costs; so if the median rent for a two-bedroom apartment is \$500 a year, the costs are \$2,500. At the same time, the official median income for a Moscow working person is about \$1500 a year (\$3,000 if there are two persons

working in the family). However, if we leave out the upper income group of 10 to 15 percent, we are left with other numbers: \$600 annually for a single senior citizen, and \$900 at best for a female-headed family. Taken together, these two categories constitute no less than 40 percent of Moscow's families.

With existing prices and salaries, no government would risk declaring that rent should be 30 percent or more of the family income, not to mention the reverse, where the maintenance costs would exceed the family income by two or more times, even if both the government and the residents knew that real income was at least twice as high as the official figures.⁵⁰ The government is still free to choose one of two options: it can either put tremendous effort into cutting costs, established by the municipal monopolies, or insist that median income will grow fast enough to cover rent increases. Naturally, the government has been talking much about the latter, doing little or nothing to achieve the former.⁵¹ It is at best dubious that that goal could ever be achieved without real involvement in Moscow policies of the residents and their organizations.

There are at least several aspects of District housing policies that might stand a chance if introduced to Moscow via effective lobbying in the city council and the mayor's office:

1. Relatively high efficiency can be achieved when a constant link is established among a governmental program, a neighborhood task-force built from the bottom-up, and an independent nonprofit agency.
2. A review of housing policies should stress that the government-cherished concept of total privatization and discarding public housing as such is wrong, and that at least 30 percent of housing should be considered public; in that case, conceptual reevaluation of public housing is a primary task.

3. A co-op model in public housing should be revived. It was set aside because of premature emphasis on the condominium model without any serious preparatory work and in the absence of clear understanding of what a condominium really is.

4. A strong point must be made about the necessity to change from the high-rise prefabricated elevator blocks as the only model to a variety of models, accentuating the obvious values of the townhouse model both in social and economical terms.

5. A holistic approach to housing, and public housing in particular, should be elaborated through open discussion of its social, economical, and managerial implications as well as its secondary effects.

6. A long-term program should be provided of legal work to secure public housing maintenance and rehabilitation by means of laws and bills, demanding private bank participation in rehab projects as well as laying out means and measures to implement the new rules of the game.

7. A special public housing fund should be created as a base for independent evaluation and feasibility studies and of auditing public housing and its management. By the same token, even brief acquaintance with Washington, D.C., public housing problems shows some routes of action still absent there. First, a broad conceptualization of public housing is needed at three levels: the city as a whole, the macro level of districts and their particular problems, and the micro level of neighborhoods. Second, public housing must be viewed together with the basic services and the workplaces that come with them, as well as with small business pro-development policies. Third, a broader socioeconomic interpretation of public housing (with dependent services and institutions) and its

management is needed; as one of the biggest labor markets in the city, even the slightest change for the better in quality of work and efficiency in resources and money spent would make a tremendous difference.

It seems obvious that interpreting housing policy—and public housing in particular—as an important part of the city's economy, is still a task to be taken up.

End Notes

¹ Please note that this paper was written before the August 1998 financial crisis.

² A concise presentation can be found in: Jerome Paige and Margaret Reuss, *Safe, Decent and Affordable: Citizen Struggles to Improve Housing in the District of Columbia, 1890-1982* (Washington, D.C.: University of the District of Columbia, 1983).

³ With political power unquestionably held by the Moscow Communist Party Committee, each of the state-owned architectural institutions was given its “proper” share of commissions. There was no real competition. However, nobody could have imagined that *Moscomarchitectura* would become the only developer or that professional bodies would be forced to beg for design permits and required to share profits with the only authorized designer, *Mosstroy*.

⁴ Be the official data accurate or not, the scale of new construction is without comparison to any other city or town in Russia: Saint Petersburg claims to have built up to 12,000 apartments; in most cities that would be only hundreds of apartments. In many places not a single apartment was built with government support; data on private construction are vague.

⁵The inability or unwillingness of the Moscow City Council (the Duma) to enforce any kind of discussion on public housing policies is shocking. The Duma has not even tried to provide for a special line in the city budget that would allow it to commission free-lance professionals to do independent research and analysis of city development policies. The only exception was a decision to raise the budget for major repairs while cutting a bit from the construction allowance; the result is rather pathetic due to the budget cuts caused by the Grand Program and the expenses linked to the Moscow 850 year jubilee celebrations on September 19.

⁶Residents are being pushed to the farthest outskirts, which still do not have subway connections to the rest of the city; in effect, this cuts off the elderly, who can use public transportation free of charge but who could not endure the hardships of overcrowded bus trips. And because no thought is given to preventing low-profit or nonprofit organizations from being thrown out to make room for commercial development, Moscow center is fast losing hundreds of small offices, workshops, magazines, and publishing houses, including such important institutions as *Uchitelskaya Gazeta* (*Teachers' Daily*), which was one of the strongest engines in the perestroika movement. The long-range effects of this type of development, well-known elsewhere, have never been discussed in public. The opening of the Alexander Shilov Museum (a museum dedicated to a living artist, for which a US \$600,000 renovation project was conducted by the city on Znamenka Street) might be seen as scandalous.

⁷Those walk-ups, in due time, were perceived as a blessing by people who formerly had nothing more than a room in a shared unit or in a shared cellar with a tiny window just below the ceiling. The best that can be said about the Krushchev-era structures surviving to this day is that they are shaded by trees that are now as high or even higher than the buildings,

while courtyards in between are humane, even if rather untidy.

⁸In Moscow, the average price for a two bedroom apartment of approximately 70 square meters, well-located in a sought-after part of the city in Spring 1997 fluctuated between US \$75,000 and \$100,000. For so-called elitist blocks, with bigger sitting rooms, an extra bathroom, security, and so on, the price could be as high as US \$3,000 per square meter, or between US \$300,000 and \$500,000 for an apartment (plus the cost of a space in an underground garage of up to US \$20,000).

⁹Technically, the Soviet-era co-ops were more or less equivalent to a limited equity co-op in the United States: there were shares; a particular owner's share, but not the apartment, could be inherited; and the co-op board was free to prevent one owner from selling his/her share to another.

¹⁰At least this was the official number given in 1996 in the Moscow government statement that insisted this would be achieved through free-of-charge replacement over five years; in 1997 this goal was officially moved ahead indefinitely because of budgetary problems.

¹¹Wishful thinking, so characteristic of the Soviet era, together with constant demand to reduce construction costs, had led to mass use of doors with a light-weight wooden frame covered with cardboard or plywood. With the rate of burglaries growing in the late 1980s, these doors became a cause of fear and frustration for thousands of people, only a fraction of whom could afford to install steel doors.

¹²The number of stores in Moscow selling all kinds of domestic appliances, as well as imported tiles, carpets, paints, tools, etc., grew ten to fifteen times between 1994 and 1997.

¹³ An example from my first-hand experience: my wife, a chairperson for the condominium we have lived in since 1974, had spent two years fighting for the building to get a new roof. In 1994 she felt victorious, when a specialized team descended upon the poor roof, tore off the old stuff, and replaced it with material that was later discovered to be unfit for exterior use, yet half as expensive as the one needed. Since the work was commissioned and declared complete by the municipal agency, it did not matter whether the chairperson signed the contract or not. A new fight for the work to be redone has been going on for another two years, with little or no chance of success before 1998 or 1999.

¹⁴ I have never heard of anyone able to use that privilege. Even with that generous offer it would be hard to find a working couple on a government payroll and whose earnings are let us assume, doubled by working extra jobs, who could afford a US \$20,000 to \$25,000 down payment and make monthly payments of about US \$400 plus interest on the loan. That might be possible if the married couple already had a marketable apartment worth at least US \$30,000 to \$40,000 if sold in a secure way, that is, declaring the real price and paying heavy tax and 10 percent commission to brokers.

¹⁵ As improbable as it may sound, in May 1997 Vladimir Ressin, Mayor Luzhkov's first deputy, who is considered Number Two in the Moscow hierarchy and heads the Development Department, proudly announced in a TV interview that contractors in Moscow have managed to come nearly up to the European average in construction costs! And that with an official salary twelve to fifteen times less than the European average.

¹⁶ At any Realtor's office one can find a relatively thin folder labeled "one room apartments," a thicker one for "two rooms," a jam-packed folder for "three rooms," and a thin one for "four or more rooms." They would also have a folder for country houses. I have

never seen a folder for clusters, which means that such sales are still being handled among individual apartment owners.

¹⁷ The central city, ecologically one of the worst possible places, still possesses strong psychological advantages and is still the first choice for vast numbers of people; for many of the nouveaux riches, it is the only option.

¹⁸ Ever since the Stalin-era "housing for the specialists," the city center has always been a privileged place to live.

¹⁹ Luzhkov never questioned the necessity for or the final goal of the municipal reform, and before July 1997 never presented any alternative concept; as has been usual with him, he stated that Moscow would handle the reform in a different way than the federal government.

²⁰ This was not true for all of Russia: in certain cities, like Samara (of which Syssuyev was mayor before becoming Deputy Premier), that would be no more than 55 percent. In Saint Petersburg newly elected Governor Yakovlev overnight raised payments by 100 percent, which caused an uproar and the collecting of signatures calling for new elections immediately. Nobody knows for sure, but the city council members in Moscow have insisted that no more than 60 percent of the residents were paying rent and bills for heating, water, and electricity in 1996.

²¹ The only example I know of, in which such measures were forced on residents on a bigger scale, is in the Estonian Republic. The question that the Estonians still face is what to do with the people evicted and temporarily placed in hostels of the worst possible kind.

²²The average Moscow price for so-called Euro-renovation in 1997 is between US \$300 and \$800 per square meter; that is, from US \$20,000 to \$55,000.

²³Russian legislation makes it possible to form a condominium if 51 percent of the apartments have been privatized or bought on the secondary market.

²⁴The word is an abbreviation meaning “a person without a fixed residence,” a police term created at the beginning of perestroika, when the Draconian legislation that treated non-registered people as criminals kept vagabonds from being seen in the streets of the cities of the former Soviet Union. It has been shown by several criminal court cases in Moscow and Saint Petersburg that between 1993 and 1996 no less than five thousand elderly people, not necessarily drunkards, were lured out of the city by phony realtors purporting to show them to their new lodgings and then murdered in cold blood. The involvement of lower-level police officers and a number of notaries, both phony and real, have revealed the dark side of that horrendous practice.

²⁵ Section 8 established that low-income tenants are to pay no more than 30 percent of their income for rent; the rest is to be subsidized by HUD for a period of twenty years in the form of rent subsidy for the owner. It has been under severe attack from the Congress and might be overturned by introducing vouchers to some tenants with a guarantee, but for only one year.

²⁶*Washington Post*, August 4, 1997, p. B1, B5. After Tetrault was gone the Commission’s problems began spiraling out of control.

²⁸*Washington Post*, April 11, 1996, p. D3.

²⁹ It is interesting that when Gilmore was confronted by a branch of the government employees union representing 600 out of 860 actually employed municipal workers, the union president characterized the Barry administration policies as hiring “the proper people” with little attention given to their qualifications: “We don’t have to be at war. . . . We want to be respected and allowed to do a good job—without the intimidation. You want people to do a good day’s work. But these workers are stressed.” This is worth a digression. I lectured before the city council, the architecture and construction department, and the maintenance department in Togliatti, two weeks after the new mayor and the new council was elected. The inadequacy of these new politicians to comprehend the nature of tasks they were expected to perform and the calm power exuded by the maintenance people was striking. This helps one to better understand the reasons for the substantial “comeback” of Soviet-era administrators after the “democratic” wave of 1989-90, which put wishful thinking in place of competence or the will to acquire necessary competence. It is not that I view old-guard competence as adequate to the utterly new situation the cities are dealing with now, but at least the old guard could handle the mighty “maintenance clan” to some degree.

³⁰*Washington Post*, July 21, 1996, p. B8.

³¹*Washington Post*, January 28, 1997, p. A1.

³²Interview with Howard Croft, professor at the University of the District of Columbia, August 6, 1997.

³³ *Washington Times*, April 3, 1996, p. C6.

³⁴ One of the best examples I know of is the Macklesfield Black Road rehabilitation project conducted in Britain in the early 1970s by Rod Hackney, an architect who turned into a hard-boiled developer.

³⁵ *Washington Post*, April 25, 1996, p. DC 1. Eighteen months later I visited the site to find nothing behind a long fence, only a billboard stating that a new community is to be built there.

³⁶ *Ibid.*

³⁷ *Washington Post*, May 30, 1996, p. DC 8.

³⁸ I interviewed Marchman on August 6, 1997. It was interesting that at this key office there was not a single piece of paper on the HOPE programs prepared for public release. I did find several concerning the scale of HUD's financed programs (roughly \$2.7 billion for rent subsidies, \$2.9 billion for maintenance and restructuring, about \$500 million for new construction for the entire United States, which means that the Ellen Wilson project is to get 5 percent of all HUD spending on new construction!).

³⁹ HOPE I made it possible for nonprofit organizations like WISH (see below) to win bigger grants for feasibility studies and implementation for projects to gain residents' ownership of their townhouses. Unfortunately, the Republican-dominated 104th Congress abandoned HOPE.

⁴⁰ *Washington Post*, January 23, 1997, p. DC-4.

⁴¹ See *Victimization, Fear of Crime and Altered Behavior: A Profile of the Crime Problem in Capper Dwellings* (Washington DC: HUD, April, 1977). I visited Capper Dwellings in 1997, and it still is a dangerous place with a double fence around it. The receivership* brought some hope to residents, but when that hope will turn to action is still dubious. The fate of the Ellen Wilson project may be directly linked to that of change is brought to Capper Dwellings.

* A receivership organizes and administers housing projects. It tries to improve living conditions through building codes, sanitation measures, and by providing fair and integrated housing.

⁴² It is worth mentioning, speaking of the macroscale planning, that there is no comprehensive plan or concept to deal, for instance, with that invisible yet all-important borderline that divides the D.C. diamond and the counties—at least not at the Metropolitan Washington Council of Governments nor at the DC Zoning Board.

⁴³ This quote was taken from an interview that Glazychev had with Paul Battle, Director of WISH.

⁴⁴ This was also taken from the conversation between Glazychev and Battle.

⁴⁵ My direct question concerning the course of action if and when a co-op member cannot or will not pay his/her rent got a direct answer as well. Since the estimated occupancy rate is less than 100 percent, it would be possible to support a nonpaying co-op member for a limited time, with the Board's approval.

⁴⁶Among the others are Columbia Road Health Services, Medical Recovery and Healing Convalescence for the Homeless, the Family Place, Good Shepherd Ministry, Samaritan Inns, and Jubilee Jobs.

⁴⁷A direct answer to the same question that I put to WISH about policies toward nonpaying residents was simple: they would be evicted, as finding a job is considered a moral obligation; that neatly correlates with the welfare reform ethic.

⁴⁸Jubilee Housing has established a long-term relation with the Home Depot Company, which allows not only a large discount on materials (often donated free) but skilled craftsmen's participation in repairs. At the annual Jubilee Day in September 1996, coordinated by the Jubilee Support Alliance and sponsored by the Home Depot Company, close to eighty volunteers came out to work on several Jubilee buildings. Bob Ryland, Jubilee Housing building operations manager, estimated that over \$28,000 in labor and materials were donated on this single occasion.

⁴⁹*Washington Post*, April 14, 1994.

⁵⁰Since many people are paid in cash, calculating the real-life economic conditions of families is difficult: subsidies for children are small; subsidies for services bills for pensioners are 50 percent, but, at the same time, transportation is free; prices for bread vary between 20 and 30 percent of the U.S. prices from city to city; schools and universities are free, and students get a token stipend of \$15 a month. Although this is poverty, it is still well above the level that would

cause malnutrition. This has been different in provincial towns where people did not get their salaries or pensions for three months or more, but nothing like what was happening in Moscow, where pensioners have been additionally paid about \$20 monthly by the city government.

⁵¹Careful calculations made by experts working in one of the less important departments of the Moscow government have shown that the cost of heat received by the residents exceeds by at least 4 times the actual costs of Mosgorteplo, which owns all of two or more dozen huge heat-producing installations in Moscow. Actual costs are at least tripled by a succession of municipal agencies before they are taken as a base for contract-making, etc.