



Hooghan Hozho's low income housing in downtown Gallup comes at an average cost to taxpayers of \$250,000 per unit and \$355 per square foot (cost) compared to an average \$107 per square foot (sales) for new single family houses in New Mexico. They are funded and annually subsidized by Navajo Housing Authority, HUD and USDA, and promoted to the City of Gallup as 'mixed-income supportive housing'. They are ready for occupancy in March and a grand opening in April.

Thirty-five of the 44 units will be for low-income Navajos. Gallup currently has over 800 other 'low-income' housing units with lengthy waiting lists. Some may look at those numbers and wonder why there isn't an un-going investigation of some sort. I'm certainly not holding my breath. Much of the local media has an aversion to addressing abuse of federal funds. This is just business as usual in a 'progressive' welfare state.

Let's look at the legacy of federal housing projects. The US Dept of Housing and Urban Development (HUD) has a long history of fraud, waste and unintended consequences since 1937. Their failure and corruption rivals that of the BIA and EPA. The tragedies of subsidized housing have been analyzed on end since the 1960s. Here are the common conclusions:

*1. Before federal subsidy programs were begun, and before the widespread use of detailed housing regulations and zoning ordinances, private markets did a good job of providing housing for lower-income Americans.*

*2. Subsidized housing advocates usually make matters worse when they try to ban the conditions that offend them. By insisting on unrealistically high regulatory standards that drive up housing prices beyond the means of the poor, private owners and builders bypass the low-income market thus creating housing shortages.* Progressive San Francisco's stifling housing regulations have led to the highest class inequality in the country with their poor getting poorer.

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*3. A major social benefit of private and unsubsidized rental and housing markets is the promotion of responsible behavior. Tenants and potential homeowners must establish a good credit history, save money for security deposits or down-payments, come with good references from employers, and pay the rent or mortgage on time. Renters must maintain their apartments decently and keep an eye on their children to avoid eviction. By contrast, public housing, housing vouchers, and other types of housing subsidies undermine or eliminate these benefits of market-based housing.*

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*4. Support for housing subsidies rests upon a failure to understand the importance of the means—such as marriage, hard work, and thrift—by which families improve their prospects so they can move to a better home in a better neighborhood. Better neighborhoods are not better because of something in the water but because people have built and sustained them by their efforts, their values, and their commitments. Subsidies are based on the mistaken belief that it is necessary to award a better home to all who claim “need,” however it is the effort to achieve the better home, not the home itself, that is the real engine of social improvement.*

The tragedy of government welfare programs is not just wasted taxpayer money but wasted lives. The effects of welfare in enabling the break-up of low-income families has been extensively documented. The primary way that those with low incomes can advance in the market economy is to get married, stay married, and work—but welfare programs have created perverse incentives to do the opposite.

The Gallup Housing Authority works in conjunction with HUD. The GHA rule states “If, at reexamination your family’s income is sufficient to obtain housing on the private market, the HA may determine whether your family should stay in public housing”. Thus, HUD enables broken homes, discourages economic success and rewards a lack of effort, responsibility and education. HUD policies since the 1960s War on Poverty have been largely responsible for the step by step breakdown of African American and American Indian families, chaining them to perpetual poverty and sentencing the resulting fatherless children to the highly elevated consequence of dysfunctional lives.

There was a time when Americans relied upon their extended families in times of need. Church, neighbors, local community, Mutual Aid Societies and Fraternal Beneficiary Societies could also be relied upon as safety nets. There’s no need for those now, the federal bureaucracy has

## **Gallup's luxury suites for the poor: Part two, federal housing's checkered legacy**

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made it quite clear they will provide all the necessities of life no matter how irresponsible you are. They are the grand enablers of single mothers and fatherless children. Uncle Sam may be a sugar daddy for many however he's derelict when it comes to nurturing self-esteem, confidence, purpose, initiative and independence.

No matter how horrific the consequences, our progressive statist leaders will maintain to the end their intentions are compassionate and honorable thus justifying the carnage while washing their hands of any responsibility.

At the April grand opening of Hooghan Hozho there will certainly be ceremonies, photo-ops, ribbon cutting, high-fives and awards for politicians, bureaucrats and community organizers who will take credit for their wonderful monument created with other people's hard earned money.

However, when they run out of other people's money and their projects crumble without subsidies, those dependents who have lost the skills and will to be their own masters may be left in a world of hurt when confronted with their new-found freedom, their former masters' presence only marked by distant echoes in the wind of "Our intentions come from a place of compassion".

An old proverb says the definition of insanity is doing the same thing over and over again and expecting different results. Progressive schemes such as HUD and NHA are indeed insane.

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