



Choice and Mobility in the Housing Choice Voucher Program: Review of Research Findings and Considerations for Policymakers

(name redacted)

Specialist in Housing Policy

(name redacted)

Research Associate

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Summary

As is evidenced by the name of the program, “choice” is one of the key components of the nation’s largest federal housing assistance program, the Section 8 Housing Choice Voucher (HCV, or voucher) program. The choice aspect of the program—that eligible families can use their federal subsidies to rent the housing they choose in the private market—differentiates it from the other major federal housing assistance programs, including public housing and project-based Section 8 rental assistance, which offer assistance tied to specific units of housing. Those programs have long been criticized for isolating and concentrating poor families, particularly minority families, in high-poverty communities with limited opportunities, particularly in urban areas. Thus, the HCV program was designed, in part, to promote “mobility,” or make more areas accessible to low-income families and encourage them to move to areas with greater opportunities. Further, courts have directed communities to use vouchers as a remedy for racial segregation in public housing.

Despite these goals, most families participating in the Section 8 HCV program live in racially segregated communities that have medium or high levels of poverty. There is little consensus on why this occurs, as the housing choice a family makes may reflect the many constraints a family faces in using its voucher, the understanding the family has of the choices to be made, and/or the family’s own preferences.

A number of demonstrations and studies have looked at how vouchers can be used to deconcentrate poverty and the effects of moving families out of areas of concentrated poverty. Taken together, the research to-date has not shown convincing evidence that programs designed to move low-income families to neighborhoods with low-poverty and racially/ethnically integrated neighborhoods have resulted in families successfully and permanently moving to such communities. Most studies have shown that families given vouchers with mobility goals have struggled to make initial moves to areas that would be considered “areas of opportunity” (i.e., those with very low concentrations of poverty). Further, those families that did initially relocate to low-poverty and more racially integrated neighborhoods, over time and with subsequent moves, often ended up living in neighborhoods with higher concentrations of poverty and less racial integration than the low-poverty neighborhoods to which they had initially moved.

Researchers have also looked beyond families’ locational outcomes at the effects of moving on various measures of family well-being. While one of the motivating goals behind these mobility policies and demonstrations has been to improve families’ economic well-being and their children’s educational outcomes, studies have not found evidence that the tested mobility policies have had major positive impacts in these areas. Early studies found some initial employment and earnings impacts and some mixed findings regarding children’s outcomes, although later research has called those initial findings into question. Some positive impacts were found in the Moving to Opportunity (MTO) demonstration involving physical and mental health, housing satisfaction, neighborhood satisfaction, perceived safety, and overall perceived well-being. But in other areas of interest to policymakers, such as family economic well-being—employment and children’s educational outcomes—no impacts were found from MTO.

The fact that many families with vouchers continue to live in high or medium-poverty, racially segregated neighborhoods, paired with the research findings to-date about the limited impacts of tested mobility programs, leads to several questions and considerations policymakers may choose to explore. One question is whether policy changes to the voucher program, or to other federal

assisted housing programs, could help to better achieve the goals of poverty deconcentration and reducing racial or ethnic segregation. Another question is whether these goals are of the same, greater, or less importance than other program goals, such as promoting affordability and housing stability. The way policymakers choose to answer these questions could have implications for the direction of federal housing policy.

These questions are particularly relevant now for several reasons. One reason is the current fiscal climate. In a constrained budget environment, policymakers face difficult tradeoffs in funding federal programs. In determining priorities for limited federal funding, the effectiveness and efficiency of all federal housing assistance programs, including the largest—the HCV program—may be reexamined. In fact, reforms to the Section 8 Housing Choice Voucher program have been considered every year for at least the last decade. While the choice and mobility aspects of the program have not been a primary driver of those reform efforts, these aspects of the program may receive more attention, especially given recently-released research findings. The results of the final evaluation of the MTO demonstration have only been published in the last couple of years and are being considered and debated by social science researchers as well as housing policy advocates.

This report explores the concept of choice and mobility in federal housing policy, particularly in the Section 8 HCV program. It begins by describing the origins of choice and mobility in federal housing policy, followed by a discussion of choice and mobility in today's Section 8 HCV program. The report then provides an overview of relevant research on the effects of choice and mobility policies. It concludes with a discussion of options and considerations for policymakers.

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Introduction

Choice and mobility are key aspects of the of the nation's largest federal housing assistance program, the Section 8 Housing Choice Voucher (HCV, or voucher) program. The choice aspect of the program—that eligible families can use their federal subsidies to rent the housing they choose in the private market—differentiates it from the other major federal housing assistance programs, including public housing and project-based Section 8 rental assistance. It is, in part, because of the choice and mobility aspects of the program that it has grown to largely replace other forms of housing assistance.

Congress has been considering reforms of the HCV program for the past decade, although legislation has not been enacted. Thus far, choice and mobility have not been the centerpiece of these efforts. However, these aspects of the program may be of greater interest to policymakers going forward, as new research findings have questioned the effectiveness of current policies in promoting mobility and improving family well-being.

This report explores the concept of choice and mobility in federal housing policy, particularly in the Section 8 HCV program.¹ It begins by describing the origins of choice and mobility in federal housing policy, followed by a discussion of choice and mobility in today's Section 8 HCV program. The report then provides an overview of relevant research on the effects of choice and mobility policies. It concludes with a discussion of considerations for policymakers.

Background on Choice and Mobility in Assisted Housing

Originally, federal housing assistance programs did not offer families much choice about where they were to live if they wished to receive assistance. Families seeking assistance would apply to the local public housing authorities (PHAs) that administered federal housing assistance programs (i.e., public housing) and if a subsidized unit became available, it would be offered to the family. It is well documented that for the first several decades of the public housing program, families were directed to specific public housing developments based on their race.² The housing developments to which black families were directed were generally in less-desirable geographic areas and of poorer physical condition than those to which white families were directed.³

This systematic racial segregation was eventually outlawed and several large PHAs were subject to court-ordered desegregation strategies (e.g., the Gautreaux Fair Housing program, discussed later in this report). However, many public housing developments, particularly in urban areas, remained racially segregated. These same housing developments have been characterized by severe distress, both physical and social, offering challenging circumstances and limited

¹ Because the focus of this report is on federal policy, it does not discuss local mobility initiatives.

² See U.S. Congress, House Committee on Banking, Finance, and Urban Affairs, Subcommittee on Housing and Community Development, *Discrimination in Federally Assisted Housing Programs*, Part 1 & 2, 99th Cong., 2nd sess., November 21, 1985, 99-83 (Washington, DC: GPO, 1986).

³ Margery Austin Turner, Susan J. Popkin, and Lynette Rawlings, eds., *Public Housing and the Legacy of Segregation* (The Urban Institute Press, 2009), Chapter 1.

opportunities for the families that reside in them.⁴ The problems have been most acute in urban areas, where public housing helped contribute to the concentration of extreme poverty in inner-city, primarily black communities, and where joblessness, crime, and myriad other social problems were growing.⁵

It is against the backdrop of this history that “choice” has come to be considered a critical component in today’s assisted housing policy. The concept of choice in federal housing policy is driven by two policy goals, neither of which the traditional public housing program appeared to have accomplished. One is to support the autonomy of individual families and their right to choose where they wish to live.⁶ The other is to promote racial desegregation and poverty deconcentration, by providing low-income families with the option to move to low-poverty and racially integrated areas.⁷ Both implicit and explicit in this goal is the desire to improve families’ well-being, particularly their economic well-being.⁸

Encouraging moves to low-poverty neighborhoods is premised on the idea that low-poverty neighborhoods create better life outcomes, particularly for children. The disparities in health, education, exposure to violence, and employment outcomes between high-poverty and low-poverty neighborhoods are well documented.⁹ However, beyond a general agreement that individuals benefit from living in low-poverty neighborhoods, there are many unresolved questions. Researchers have not concluded why, how, and how much neighborhoods matter,¹⁰ and

⁴ See National Commission on Severely Distressed Public Housing, *The Final Report*, (GPO, 1992).

⁵ For background on the role of public housing in promoting concentrations of poverty, see Alexander Polikoff, *Waiting for Gautreaux: A Story of Segregation, Housing, and the Black Ghetto* (Evanston, IL: Northwestern University Press, 2006). For background on the causes and effects of extreme concentrated poverty in black urban communities, see William Julius Wilson, *The Truly Disadvantaged* (Chicago: The University of Chicago Press, 1987).

⁶ For example, the President’s Commission on Housing, which was created by an executive order by President Reagan, used as one of its guiding principles that the government’s role in housing should “emphasize individual freedom of choice. Thus, housing aid to the disadvantaged ought to take the form of a consumer-oriented housing payments program to the household with the wherewithal to make its own housing decisions.” *The Report of the President’s Commission on Housing, Established by President Ronald Reagan [Executive Order 12310], Full Report*, April 1982. The findings of this commission helped to influence the establishment of the precursor voucher program to today’s Housing Choice Voucher program.

⁷ Promoting racial desegregation has been a goal of federal housing policy since the Fair Housing Act was enacted as Title VIII of the Civil Rights Act in 1968 (P.L. 90-184). The law requires HUD to act affirmatively to promote the goals of the act in the programs it administers, which has been interpreted to mean that HUD must act to end segregation in federally assisted housing (for example, see *Otero v. N.Y.C. Hous. Auth.*, 484 F.2d 1122, 1134 (2d Cir. 1973) (holding under Title VIII “[a]ction must be taken to fulfill, as much as possible, the goal of open, integrated residential housing patterns and to prevent the increase of segregation, in ghettos, of racial groups whose lack of opportunities the Act was designed to combat”). The concept of deconcentrating poverty has evolved from that goal and was made an explicit policy goal in 1998 (P.L. 105-276, discussed later in this section of the report).

⁸ For example, the most touted findings from an early housing mobility and desegregation program (the Gautreaux program, discussed later in this report), were education and employment impacts. Further, the Moving to Opportunity for Fair Housing Demonstration, which is discussed later in this report, was explicitly designed to report on economic and education outcomes for families. Additionally, social science research has long suggested that residential segregation is negatively correlated with families’ economic well-being. For example, see Douglas S. Massey, Gretchen A. Condran, and Nancy A. Denton, “The Effect of Residential Segregation on Black Social and Economic Well-Being,” *Social Forces*, vol. 66, no. 1 (1987), pp. 29-56.

⁹ For example, see the review of studies shown in J. Sampson, Jeffrey D. Morenoff and Thomas Gannon-Rowley “Assessing ‘Neighborhood Effects’: Social Processes and New Directions in Research,” *Annual Review of Sociology*, vol. 28, (2002), pp. 443-478 and William Julius Wilson, “Afterward: Reflections on Responses to the Truly Disadvantaged,” in *The Truly Disadvantaged: The Inner City, the Underclass, and Public Policy*, 2nd ed. (Chicago: The University of Chicago Press, 2012).

¹⁰ *Ibid.*

researchers continue to debate which differences in neighborhoods (e.g., differences in resources, social networks, role models, civic engagement, etc.) lead to differences in neighborhood features (e.g., school quality or crime levels).¹¹

Congress included among the stated goals of today's largest federal housing assistance program, the Housing Choice Voucher program, the promotion of choice and mobility and the deconcentration of poverty. The Quality Housing and Work Opportunity Act of 1998 (P.L. 105-276), which created the modern HCV program, identified public housing as plagued by a series of problems, including the concentration of extremely poor people in extremely poor neighborhoods, and it included among its purposes:

- “facilitating mixed income communities and decreasing concentrations of poverty in public housing”; and
- creating the voucher program as “a market-driven program that will assist in making tenant-based rental assistance under such section more successful at helping low-income families obtain affordable housing and will increase housing choice for low-income families.”

While few observers argue against the concept of providing low-income families with housing choice, there have been criticisms of the way that choice is provided through the Housing Choice Voucher program. Similarly, while there is little disagreement that systematic segregation is untenable and that areas of highly concentrated poverty with limited economic opportunity are undesirable, there is disagreement about how necessary racial and/or economic integration is to individual and family well-being.

The Housing Choice Voucher Program

Program Elements

The Section 8 Housing Choice Voucher (HCV) program, administered by the Department of Housing and Urban Development (HUD), is arguably the federal government's largest housing mobility program, serving roughly 2 million low-income families.¹² While choice and mobility are among the goals of the program, another primary goal is to make decent housing affordable to low-income families. This section of the report describes the program's structure and the ways in which that structure shapes the choices of the program participants. It also describes the design elements that have been incorporated into the program's structure to allow for and encourage families' moves to low-poverty and racially integrated neighborhoods.

The Section 8 HCV program provides eligible low-income families with subsidies that they can use to rent the housing of their choice from private market landlords. Families are generally eligible to receive a voucher if they are very low-income (earning 50% or less of the local area

¹¹ Xavier de Sousa Briggs, “Traps and Stepping Stones: Neighborhood Dynamics and Family Well-being,” Kennedy School of Government Working Paper, March 2004.

¹² U.S. Department of Housing and Urban Development. Housing Choice Vouchers Program Guidebook. pg. 2-2. Accessed at http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/hcv/forms/guidebook.

median income) or if they are low-income (earning 80% or less of the local area median income) and meet other special criteria such as being elderly or having disabilities.¹³ The program is fully federally funded, but it is administered by local Public Housing Authorities (PHAs). Eligible families apply directly to PHAs for housing vouchers. Families that receive a housing voucher must find a unit that meets the program's housing quality standards (HQS)¹⁴ and is considered to have a reasonable rent when compared to similar units in the local market and on the premises. Families have a limited amount of time to search for a unit, as determined by the PHA, but which must be 60 days at minimum. Landlord participation in the program is voluntary, so families must not only find units that meet their needs and the program standards, but also units with landlords willing to accept their vouchers.¹⁵

The amount of assistance available to a household is based on the local area's Fair Market Rent (FMR). FMR is determined by HUD and is equal to the 40th or 50th percentile of the distribution of an area's rents, depending on the affordability of the local area.¹⁶ In setting maximum benefit levels in each community, PHAs have the discretion to apply a ratio between 90% and 110% to the FMR according to the conditions of the local market. The resulting "payment standard" varies by bedroom size and serves as the basis for setting a household's subsidy amount. A household's voucher benefit is calculated as the PHA's payment standard, less the household's rent contribution, which is generally equal to 30% of the household's income.¹⁷ The 30% contribution is the standard for what is considered "affordable" for a low-income family to pay towards housing costs.¹⁸ A household may choose to spend up to 40% of its income for rent within the first year of participation and more than 40% of its income on rent after the first year of participation.

The structure of the program thus specifies the minimum quality of the unit and the maximum cost to the household to ensure that decent housing is made affordable to low-income families. The housing quality standards guarantee that subsidized families live in decent, safe, and sanitary housing¹⁹ and capped tenant contributions prevent participating families from having a high rent

¹³ See the CRS Report RL32284, *An Overview of the Section 8 Housing Programs: Housing Choice Vouchers and Project-Based Rental Assistance*, by (name redacted) for further information on the Section 8 HCV program.

¹⁴ HQS are established by HUD regulation (24 C.F.R. Part 982) and cover 13 key aspects of quality: sanitary facilities, food preparation and refuse disposal, space and security, thermal environment, illumination and electricity, structure and materials, interior air quality, water supply, lead-based paint, access, site and neighborhood, sanitary condition; and smoke detectors.

¹⁵ No systematic research has been conducted on the willingness of landlords to accept vouchers, although various studies that have looked at families' experiences in the voucher program have noted the difficulty families can have finding landlords willing to accept vouchers.

¹⁶ PHAs determine the amount of housing assistance provided to each voucher holder based upon the Fair Market Rents (FMRs) provided by HUD for each metropolitan area and non-metropolitan county area. The FMR for any given area equates to between 40 and 50 percent of the area's average rent for a standard unit. HUD sets the FMR at the 50th percentile in metropolitan areas in which voucher holders are concentrated in particular neighborhoods due to a lack of affordable units throughout the metropolitan area.

¹⁷ The actual tenant contribution is actually somewhat more complicated. Families must pay the higher of 30% of their adjusted income, 10% of their gross income, or the welfare rent (if applicable). For more information about income and rent policies, see CRS Report R42734, *Income Eligibility and Rent in HUD Rental Assistance Programs: Responses to Frequently Asked Questions*, by (name redacted) and (name redacted).

¹⁸ For background and history of the 30% affordability standards, see *Ibid.*

¹⁹ U.S. Department of Housing and Urban Development. *Housing Choice Vouchers Program Guidebook*. pg. 10-25. Accessed at http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/hcv/forms/guidebook.

burden. On the other hand, these specifications do limit the units that are available to program participants. HUD's flexibility in setting the FMR, PHAs' flexibility in setting payment standards, and families' flexibility in determining the amount of their income to be contributed to rent can serve to make more expensive units, potentially including those in low-poverty neighborhoods, more available to low-income families. These features, however, may result in more expensive federal subsidies or higher rent burdens for families.

Other program features, such as portability requirements and other deconcentration policies, are specifically intended to support and encourage the mobility of low-income families.

Portability

Portability is a key feature of the current Section 8 HCV program. Portability allows families to move from one PHA's jurisdiction to another PHA's jurisdiction without an interruption of housing assistance.

Portability has limits, however. PHAs have the ability to prohibit some families (those that are not residents in the PHA's jurisdiction) from making portability moves during their first year of participation in the program. PHAs may also deny portability moves if they do not have sufficient funding to support the move.²⁰ Families that are able to make portability moves also face restrictions. The family's income must fall within the income limits of the receiving PHA and the family is subject to the receiving PHA's voucher payment standards, subsidy standards, search time policies for the portability move, and may be subject to rescreening for eligibility.²¹ HUD advises that families should "pay close attention to portability requirements at both PHAs" in order to avoid complications during a portability move.²²

Required PHA Policies to Promote Poverty Deconcentration Efforts

The HCV program regulations require that PHAs inform families of their housing choices and implement policies that expand the housing choices of families. Each PHA is required to provide families living in high-poverty areas with information on the benefits of moving to a low-poverty area.²³ Each PHA must also have a written policy that explains how the PHA encourages the participation of landlords in low-poverty areas.²⁴ In addition, HUD encourages PHAs to provide families with information about areas inside and outside of the PHA's jurisdiction that have low rates of poverty and that are racially integrated, but it does not require PHAs to do so.²⁵ The annual performance rating (through the Section 8 Management Assessment Program) of PHAs located in metropolitan areas is partially based on PHAs' expansion of housing opportunities. This is demonstrated by actions such as meeting the required regulations, performing analysis of

²⁰ PHAs may only deny portability moves due to insufficient funding if the PHA would otherwise be unable to avoid terminating voucher assistance for current participants. See HUD Notice PIH 2011-3 (HA), "Housing Choice Voucher Family Moves with Continued Assistance."

²¹ U.S. Department of Housing and Urban Development. Housing Choice Voucher Program Guidebook, 13-4.

²² *Ibid.*, 13-2.

²³ U.S. Department of Housing and Urban Development. The Housing Choice Voucher Program. pg. 2-2.

²⁴ *Ibid.*

²⁵ *Ibid.*

the opportunities families have to rent in low-poverty and racially integrated areas, and including landlords with units located in high-poverty areas in the list of landlords willing to lease to voucher holders that is provided to program participants.²⁶ These PHAs can also receive bonus points for their annual performance rating based on the number of families *with children* living in low-poverty areas.²⁷

PHAs are provided with fees for administering the HCV program; however, they do not receive dedicated funding for promoting mobility (e.g., intensive search assistance and mobility counseling), so the cost of any additional mobility efforts a PHA may wish to make will have to be weighed against the costs of the other administrative needs of the program. This is a particularly relevant consideration in recent years, when funding for per-voucher administrative fees has been at reduced levels.²⁸

Families' Moves in the Section 8 HCV Program

As discussed previously, families participating in the Section 8 HCV program are responsible for obtaining housing with their vouchers. After receiving the voucher, families must find a unit that meets the price and quality constraints of the program and may do so with varying levels of search and housing location support.²⁹

According to the most recent study, published in 2000, approximately 31% of families issued vouchers were unable to use the voucher to successfully lease housing.³⁰ While the “success rate” may have increased or decreased since 2000 due to policy changes or external factors, long-term trends in the program suggest that the inability of all families to use their vouchers to lease units continues to be an issue.³¹

Families that are able to successfully enter into leases with their vouchers are not necessarily moving to low-poverty neighborhoods. According to a recent study, approximately 51% of voucher holders live in medium-poverty neighborhoods (with poverty rates between 10% and 30%).³² Another 21% of voucher holders live in high-poverty neighborhoods (with poverty rates greater than 30%).³³ Only about 27% of voucher holders live in low-poverty neighborhoods (with poverty rates that are 10% or less).³⁴

In general, this distribution of vouchers across neighborhoods of varying poverty concentrations is comparable to the distribution of other HUD project-based housing units (e.g., public housing

²⁶ Ibid. pgs. 2-2:2-3.

²⁷ Ibid. pg. 2-4.

²⁸ For example, see Public Housing Authorities Director's Association, “HCV Administrative Fees: Breaking Point for Voucher Program,” Issue Brief, available at http://www.phada.org/pdf/HCV_Admin_Fees_Issue_Brief.pdf.

²⁹ Stefanie DeLuca, “How Housing Policy Affects the Lives of Poor Families.” Presented at HUD 7/23/2012.

³⁰ U.S. Department of Housing and Urban Development, Office of Policy Development and Research, *Study on Section 8 Voucher Success Rates: Volume 1 Quantitative Study of Success Rates in Metropolitan Areas*, November 2001, pg. i.

³¹ Ibid.

³² Kirk McClure, “The Prospects for Guiding Housing Choice Voucher Families to High-Opportunity Neighborhoods,” *Cityscape: A Journal of Housing and Community Development*, vol.12 no. 3 (2010) p. 112.

³³ Ibid.

³⁴ Ibid.

and project-based Section 8 properties) in terms of low-poverty neighborhoods, but not in terms of high-poverty neighborhoods.³⁵ High-poverty neighborhoods had greater proportions of project-based housing units than Section 8 vouchers. This suggests that while Section 8 HCV participants are less likely to be living in high-poverty neighborhoods compared to those who live in other forms of assisted housing, they are no more likely to live in low-poverty neighborhoods.³⁶

Another research study showed that voucher holders are increasingly moving to suburbs; however, the majority of suburban voucher holders are not living in high-income, job-rich suburbs. Approximately 49% of families receiving vouchers lived in suburbs in 2008. This may reflect the program's strategies to encourage mobility, or may reflect the general trend in the suburbanization of poor families.³⁷ However, it should be noted that while almost half of voucher recipients lived in suburban areas in 2008, approximately 48% of these voucher recipients lived in low-income suburbs. Of the remaining voucher recipients living in suburban areas, approximately 38% lived in moderate-income suburbs and slightly more than 14% lived in high-income suburbs. Similarly, roughly 29% of voucher recipients lived in suburbs with high job accessibility.³⁸

Although the Section 8 HCV program has program design features that allow program participants to live in any area of their choice and that encourage program participants to select low-poverty areas, only approximately one in four voucher families live in areas with poverty rates lower than 10%.³⁹ There are several hypotheses that may help explain why voucher holders do not live in low-poverty areas, which are presented below. While there is at least some evidence to support each of these hypotheses, more research may be useful in order to gain a better understanding of how families make their housing decisions and where and why they move and thus inform the debate about how best to encourage moves to low-poverty neighborhoods.

(1) The size of the subsidy may prevent families from moving to low-poverty areas. Although there are program design features that attempt to adjust the amount of housing assistance available to families to reflect local conditions, the program provides a subsidy for units that are generally at or below the area's average rent. Low-income housing advocates have criticized the FMRs for "steering families with housing vouchers to low rent, more segregated neighborhoods that too often lack good schools and other opportunities."⁴⁰ Further, ethnographic research has indicated that FMRs may only be high enough to allow families to afford the lowest quality or least desirable units in lower-poverty neighborhoods, units that may not be able to consistently pass physical quality inspections.⁴¹ HUD is currently implementing a study of more localized FMRs,

³⁵ Ibid., pg. 113. Project-based housing includes public housing, multifamily, and Low-Income Housing Tax Credit units.

³⁶ Ibid., pg. 113.

³⁷ See Kevin Covington, Lance Freeman, and Michael A. Stoll. "The Suburbanization of Housing Choice Voucher Recipients," Brookings Institute, October 2011, pg. 4. Note that approximately 1.7 million of the 3.4 million of the people benefitting from Section 8 HCV vouchers live in suburban areas – this statistic does not summarize families, but individuals.

³⁸ The percentage growth of voucher recipients living in suburbs with high job accessibility has increased more than that of the overall poor population between 2000 and 2008. Ibid.

³⁹ Kirk McClure, "The Prospects for Guiding Housing Choice Voucher Families to High-Opportunity Neighborhoods," *Cityscape: A Journal of Housing and Community Development*, vol.12 no. 3 (2010) pg. 109.

⁴⁰ For example, see Philip Tegeler, et al. Letter to Shaun Donovan. April 8, 2011. Accessed at http://prprac.org/pdf/Civil_rights_Small_Area_FMR_delay-%204-8-11.pdf.

⁴¹ Kathryn Edin, Stefanie DeLuca, and Ann Owens, "Constrained Compliance: Solving the Puzzle of MTO's Lease-Up (continued...)"

which are meant to better target FMRs such that families may have more choices regarding where they can live with their vouchers.

On the other hand, there are millions of units that fall within the price constraints of the program and are located in neighborhoods with poverty rates of less than 10%.⁴² That is, a national estimate of the number of units with rents below their area's FMR found that there were approximately 5 million units available in neighborhoods with poverty rates of less than 10% in 2008, but that only 27% of voucher holders lived in these neighborhoods. However, many of these lower-rent units in low poverty neighborhoods may not be available to voucher holders if owners decide not to participate in the program or have a preference for non-subsidized renters.

(2) *Residential segregation may prevent African-American and Hispanic families from moving to low-poverty neighborhoods, which are frequently predominantly white.* Residential segregation may affect the moves of families in two ways: (1) African-American and Hispanic families may feel uncomfortable living in predominantly white, non-Hispanic neighborhoods, and (2) owners may be less likely to rent to African-American and Hispanic families, especially those that participate in the Section 8 HCV program. HUD's most recent study on housing discrimination (published in 2005) found that significant housing discrimination against African-American and Hispanic renters remains.⁴³

(3) *Families may have personal preferences for their selections, and may regard their original neighborhood as having important resources, such as cultural communities, social networks, and support systems.* Although negative attributes associated with high-poverty neighborhoods, such as high levels of violence, are well known, ethnographic research portrays a more complicated view of life in high-poverty neighborhoods. Despite their challenges, these neighborhoods may also have rich social networks that provide support and identity.⁴⁴ Further, research has shown that services for low-income families are concentrated in high-poverty areas.⁴⁵ Therefore, a move to a low-poverty neighborhood can be a move away from family, friends, and important community resources.⁴⁶ However, it is difficult to generalize about the preferences of individual families, given that they can vary significantly from family to family.⁴⁷

(4) *Aspects of the Section 8 Housing Choice Voucher program and the way it is administered may facilitate families' choices to stay in areas with concentrated poverty.* As noted earlier, families

(...continued)

Rates and Why Mobility Matters," *Cityscape: A Journal of Policy Development and Research*, vol. 14, no. 2 (2012).

⁴² Kirk McClure, "The Prospects for Guiding Housing Choice Voucher Families to High-Opportunity Neighborhoods," *Cityscape: A Journal of Housing and Community Development*, vol. 12 no. 3 (2010) pg. 110.

⁴³ U.S. Department of Housing and Urban Development, "Discrimination in Metropolitan Housing Markets: National Results from Phase I of The Housing Discrimination Study 2000," accessed at <http://www.huduser.org/portal/publications/hsgfin/hds.html>.

⁴⁴ Stephen Steinberg, "The Myth of Concentrated Poverty," in *The Integration Debate: Competing Futures for American Cities*, ed. Chester Hartman and Gregory D. Squires (Routledge, 2010).

⁴⁵ Ibid.

⁴⁶ Anita Zuberi, "Limited Exposure: Children's Activities and Neighborhood Effects in the Gautreaux Two Housing Mobility Program," *Journal of Urban Affairs*, vol. 32, no. 4, p. 405-423.

⁴⁷ For example, the complicated interests and needs of families with vouchers participating in the Moving to Opportunity for Fair Housing Demonstration are discussed in Kathryn Edin, Stefanie DeLuca, and Ann Owens, "Constrained Compliance: Solving the Puzzle of MTO's Lease-Up Rates and Why Mobility Matters," *Cityscape: A Journal of Policy Development and Research*, vol. 14, no. 2 (2012).

can only use their vouchers to lease units that meet minimum quality standards, have costs within the limits of their subsidies, and for which the landlord is willing to accept the voucher. All of these factors may serve to limit the choices available to low-income families. Additionally, recent ethnographic research observing a subset of families in their housing searches suggests that the rules associated with the use of the Section 8 vouchers, as well as limited information available to families in the search process, may contribute to families selecting units in high-poverty neighborhoods.⁴⁸ This research observed that families often did not plan their moves, and instead made moves under distress. For instance, some families moved to new units because their current units would no longer meet the program's housing quality standards and they were afraid that they would lose their voucher. Families making unplanned moves also had difficulty finding high-quality units in high-quality neighborhoods during the search period. Families participating in the research frequently did not have the time and resources (e.g., access to transportation and child care) necessary for the housing search. Instead, families relied upon the lists of landlords accepting Section 8 vouchers provided by the PHAs, and these lists mostly contained units located in high-poverty neighborhoods.⁴⁹ Although this limited research is not conclusive, it does suggest that families might make different housing choices if they had more time and support.

Review of Mobility Research

While the hypotheses and research discussed in the previous section of this report consider what choices families make given the options and constraints of the HCV program, another set of studies have considered what happens when families' choices are explicitly constrained for the purpose of promoting poverty deconcentration and racial desegregation. In these initiatives, families must generally move to low-poverty or more racially integrated areas as a condition of receiving housing vouchers.

Summary of Research and Findings

The current research on mobility can be tracked back to the outcomes of the Gautreaux litigation, a public housing desegregation case in the city of Chicago.⁵⁰ When that litigation was settled in the mid-1970s, the Chicago Housing Authority and HUD were found to be administering the federal public housing program in a discriminatory manner and were ordered by the courts to pursue desegregation strategies, including providing mobility vouchers to public housing residents. Researchers used this court-ordered desegregation solution as an opportunity to study how moves to mostly-white suburban neighborhoods can affect poor, predominantly minority families that had been living in public housing. Initial findings from Gautreaux indicated that such moves had some positive earnings and educational outcomes for families, although later research called into question the extent of those initial findings. A second, smaller version of Gautreaux was begun in 2002. Results to-date of Gautreaux II have been limited. With the initial Gautreaux findings in mind, Congress authorized HUD in the early 1990s to conduct a similar,

⁴⁸ DeLuca, Stefanie. "How Housing Policy Affects the Lives of Poor Families." Presented at HUD 7/23/2012 and Stefanie DeLuca, Peter Rosenblatt and Holly Wood. 2011, "Why Poor People Move (and Where They Go): Residential Mobility, Selection and Stratification," paper presented at the Annual Meeting of the American Sociological Association, Las Vegas, NV, and provided by the author to CRS.

⁴⁹ Ibid.

⁵⁰ Dorothy Gautreaux v. Chicago Housing Authority and Hills v. Gautreaux.

but more methodologically robust, study to test the effects of moving poor families living in project-based housing into low-poverty neighborhoods with vouchers. The results from this Moving to Opportunity (MTO) demonstration have not indicated any earnings or children's education impacts, although they have shown some positive adult health and mental health impacts.

Additional research on the effects of relocating poor families has come out of the HOPE VI public housing revitalization program, particularly Chicago's Plan for Transformation. While lacking the controls and research design of MTO, observations about the experiences of low-income families displaced by public housing demolition and revitalization have added to the conversation about housing mobility.

Taken together, the research to-date has not shown convincing evidence that programs designed to move low-income families to neighborhoods with lower concentrations of poverty and lower concentrations of minority households have resulted in families remaining in low-poverty communities. Studies have shown that families given vouchers with mobility goals have struggled to make initial moves to areas that would be considered "areas of opportunity," (i.e., those with very low concentrations of poverty or racial/ethnic minorities). Further, with the exception of the first Gautreaux program, those families that did initially relocate to lower-poverty and more racially integrated neighborhoods, over time and with subsequent moves, often ended up living in neighborhoods with higher concentrations of poverty and less racial integration than the lower-poverty neighborhoods to which they had initially moved.

Looking beyond locational outcomes, the studies have not found evidence that mobility moves have had major positive impacts on families' economic and children's educational outcomes. Among those families that stayed in lower-poverty neighborhoods (Gautreaux), initial limited employment and earnings impacts were found and impacts were mixed regarding children's outcomes, although later research has called those findings into question. Some positive impacts were found in MTO around health, housing and neighborhood satisfaction, and perceived safety, but in other areas of interest to policymakers, such as family economic well-being, employment, and children's educational outcomes, positive impacts have not been found.

These limited findings have raised questions about the extent to which neighborhood matters in influencing the life outcomes of poor families, particularly in terms of economic and children's educational outcomes. However, the issues of low lease-up⁵¹ and of families' subsequent moves in particular have made it difficult to fully assess the impacts of moving to lower-poverty or more racially diverse neighborhoods. It is speculated that these factors may have served to mask positive outcomes that could have been achieved with different program design. Similarly, the fact that many relocating families initially moved to neighborhoods that were only somewhat less disadvantaged than their original neighborhoods may also have weakened the outcomes. This may be particularly relevant when assessing children's educational outcomes, as research has shown that many relocated families stayed within the same school district.⁵² Finally, it is important to note that, of this research, only the experimental MTO research is able to fully control for selection bias. Since families were not randomly assigned to participate in any of these

⁵¹ "Lease-up" is a term used to describe when families enter into a lease with their vouchers. Not all families who are awarded vouchers are able to find a unit to lease-up.

⁵² Xavier de Souza Briggs et. al., Why did the moving to opportunity experiment not get young people into better schools?, *Housing Policy Debate*, Vol. 19, Iss. 1, 2008.

studies besides MTO, it is impossible to know if some unobserved family characteristics are actually driving differences in outcomes.

The following section of the report briefly describes Gautreaux, MTO, Gautreaux 2, and HOPE VI/Plan for Transformation, the findings to-date, and related considerations.

Gautreaux

The Gautreaux assisted housing program was developed in response to a series of class action lawsuits filed by Chicago public housing tenants and their advocates in 1966 against the Chicago Housing Authority (CHA) and HUD alleging systematic racial discrimination in the siting and assignment of public housing.⁵³ In 1969, the district court ruled for the plaintiffs in the CHA case and ordered the housing authority to build future public housing in white communities.⁵⁴ The eventual settlement agreement between HUD and the plaintiffs required HUD to provide housing vouchers to residents of public housing.⁵⁵ The resulting Gautreaux Assisted Housing Program was active from 1976 until 1998.

Program Design⁵⁶

The Gautreaux program offered rental vouchers to families living in public housing developments in Chicago. However, the vouchers had limitations. They had to be used in predominantly white suburban areas or certain areas of the city that were deemed to be improving.⁵⁷ Between 1976 and 1981, the vouchers had to be used in neighborhoods with less than a 30% concentration of black families. After 1981, the vouchers could be used in areas with higher concentrations, if the neighborhood was considered to be revitalizing.

The program was voluntary and families entered knowing that the voucher would limit where they could live. Families living in public housing or on the wait list for public housing were eligible to participate; however, families that had histories of poor housekeeping or bad debts were screened out of the program, as were large families (those with more than four children).

The program was administered by a nonprofit organization in Chicago, which contracted with rental agencies to identify units that met the criteria and offered them to families on a mostly first-come, first-served basis. Later, in the early 1990s, the program was changed to provide families with vouchers and housing counseling instead of directing them to specific units.

⁵³ Gautreaux vs. Chicago Housing Authority et al.

⁵⁴ Specifically, the next 700 units and three quarters of units thereafter were required to be built in predominately white communities. Alexander Polikoff, "Racial Inequality and the Black Ghetto," *Northwestern Journal of Law and Social Policy*, vol. 1, no. 1 (Summer 2006).

⁵⁵ The district court initially ruled against the plaintiffs in the HUD case, but that ruling was overturned. The scope of the remedy eventually reached the U.S. Supreme Court, which upheld the lower court's order to provide "desegregative" housing opportunities. Alexander Polikoff, *Waiting for Gautreaux: A Story of Segregation, Housing, and the Black Ghetto* (Evanston, IL: Northwestern University Press, 2006).

⁵⁶ This summary is based on information provided in Leonard S. Rubinowitz and James E. Rosenbaum, *Crossing the Class and Color Lines: From Public Housing to White Suburbia* (Chicago: The University of Chicago Press, 2000) and Stefanie DeLuca, Greg Duncan, Ruby Mendenhall and Micere Keels, "Gautreaux Mothers and Their Children: An Update," *Housing Policy Debate*, vol. 20, 2010, p. 7-25.

⁵⁷ Ibid, DeLuca et. al.

Residential Mobility Outcomes

More families applied to participate than the number of vouchers that were made available. Of the families that were selected (on a first-come, first-served basis), only about 20% moved with vouchers (a total of about 6,000 families).⁵⁸

More than half of the roughly 6,000 participating families moved to suburban locations. The other families remained in Chicago.⁵⁹ The majority of families settled in low-poverty, majority-white communities in the suburbs, but about one-fifth of the families settled in high-poverty, high-minority-concentration neighborhoods within the city.⁶⁰

Research looking at families more than 15 years after their initial moves found that most families who moved to low-poverty neighborhoods have, in subsequent moves, stayed in low-poverty neighborhoods.⁶¹ This is true for both mothers and their children who have since formed their own separate households. The same is not true in terms of minority concentration. Families who initially moved to neighborhoods with higher concentrations of whites made subsequent moves to neighborhoods having higher minority concentrations. However, the neighborhoods to which families subsequently moved still had lower minority concentration than the public housing neighborhoods from which they originally came.⁶²

Other Family Outcomes

Initial research on Gautreaux compared families that initially relocated within the city (where minority concentrations were higher) to families that relocated to the suburbs (which were predominantly white). Researchers conducted interviews with these families and found that children of suburban movers were more likely to finish high school, attend college, and find employment,⁶³ and that their mothers were more likely to be employed than their city-moving counterparts.⁶⁴

More recent research has compared Gautreaux families that relocated to low-poverty, low-minority-concentration neighborhoods to those that relocated to high-poverty and high-minority-

⁵⁸ Leonard S. Rubinowitz and James E. Rosenbaum, *Crossing the Class and Color Lines: From Public Housing to White Suburbia* (Chicago: The University of Chicago Press, 2000), pp. 67-68.

⁵⁹ Ibid.

⁶⁰ As noted earlier, after 1981, vouchers could be used in areas within the city with higher concentrations of minorities. Stefanie DeLuca, Greg Duncan, Ruby Mendenhall and Micere Keels, "Gautreaux Mothers and Their Children: An Update," *Housing Policy Debate*, vol. 20, 2010, p. 7-25.

⁶¹ Families moved from neighborhoods with a 42% poverty rate to neighborhoods with a 17% poverty rate and they are now living in neighborhoods with a 16% poverty rate. Micere Keels, Greg J. Duncan, Stefanie DeLuca, Ruby Mendenhall, and James E. Rosenbaum, "Fifteen Years Later: Can Residential Mobility Programs Provide a Permanent Escape from Neighborhood Crime and Poverty?" *Demography* vol. 42 no. 1 (2005), p. 51-73.

⁶² Families moved from neighborhoods that were originally over 80% African American to communities that were less than 30% African American and they are now living in neighborhoods with populations just under 50% African American. Ibid.

⁶³ Leonard S. Rubinowitz and James E. Rosenbaum, *Crossing the Class and Color Lines: From Public Housing to White Suburbia* (Chicago: The University of Chicago Press, 2000), chapter 9.

⁶⁴ Susan J. Popkin, James E. Rosenbaum and Patricia M. Meaden, "Labor Market Experiences of Low-Income Black Women in Middle-Class Suburbs: Evidence from a Survey of Gautreaux Program Participants," *Journal of Policy Analysis and Management*, vol. 12, no. 3 (Summer, 1993), pp. 556-573.

concentration neighborhoods, regardless of whether they relocated to the city or suburbs, in addition to comparing city and suburban placements. Further, this research has used administrative records in addition to interviews. This newer research did not confirm the positive economic and employment outcomes of the earlier Gautreaux research. Instead, it found that employment and earnings rates were about the same for mothers in suburban locations versus city locations.⁶⁵ In terms of children, this more recent research looked at criminal involvement and found that boys relocated to low-poverty or suburban communities had less involvement with the criminal justice system in terms of both arrests and convictions; conversely, girls relocated to low-poverty or suburban locations appeared to have no difference in terms of arrests, but higher rates of convictions.⁶⁶ Different research found lower mortality rates among boys who moved to neighborhoods whose residents have higher education and employment levels.⁶⁷

Considerations

Gautreaux was not designed as an experimental study with an experimental group and a control group. Researchers have exploited features of the program to test various theories, but even with robust methodologies, the possibility of selection bias remains, meaning unobserved characteristics may drive the observed differences in family outcomes.

Gautreaux II

In 2001, the Chicago Housing Authority began a second version of the Gautreaux program, referred to as Gautreaux II. This program also resulted from ongoing litigation and also involved providing location-restricted mobility vouchers to families living in public housing who volunteered to receive them.⁶⁸ It is smaller than the original Gautreaux and there has been less research on its impacts.

Program Design

Under Gautreaux II, residents living in public housing were eligible to apply for a Housing Choice Voucher. The vouchers were restricted from use in areas with 24.5% or more residents living in poverty and areas with higher than 30% black residents. Families who received Gautreaux II vouchers gave up their right to return to public housing. After one year, families were free to move with their vouchers without restriction.

Residential Mobility Outcomes

In 2002, the program began to accept applicants and over 1,100 families expressed interest, and just fewer than 700 were deemed eligible to participate. Of those families, 450 completed all of

⁶⁵ Stefanie DeLuca, Greg Duncan, Ruby Mendenhall and Micere Keels. 2010. "Gautreaux Mothers and Their Children: An Update." *Housing Policy Debate*, vol. 20, p. 7-25.

⁶⁶ Ibid.

⁶⁷ Mark E. Votruba and Jeffrey R. Kling, "Effects of Neighborhood Characteristics on the Mortality of Black Male Youth: Evidence from Gautreaux," National Poverty Center Working Paper Series, available at <http://www.nber.org/mtopublic/491.pdf>.

⁶⁸ Jennifer Pashup, Kathryn Edin, Greg J. Duncan, and Karen Burke, "Participation in a Residential Mobility Program from the Client's Perspective: Findings from Gautreaux Two," *Housing Policy Debate*, vol. 16, no. 3/4 (2005).

the orientation and qualification steps and commenced housing searches. As of 2003, about 200 families had successfully found a unit with their voucher, or leased-up (36% of eligible families).⁶⁹

Researchers looking at a sample of families found that the majority of families made subsequent moves away from their first-move locations in low-poverty, racially integrated neighborhoods to neighborhoods that were poorer and more racially segregated shortly after the expiration of the one-year restriction.⁷⁰

Other Outcomes

Other qualitative research found that Gautreaux II has had little or no impact on most participants' employment situations.⁷¹

Considerations

As with the first Gautreaux, there was no random assignment component to the Gautreaux II program, so families self-selected to participate, making the findings from this research subject to selection bias. Further, the ability to move without restriction after one year, and the fact that so many families chose to move to higher-poverty, higher-minority-concentration neighborhoods after the restriction ended, may have diluted any effects associated with living in low-poverty, more racially integrated communities.

Moving to Opportunity (MTO)

The Moving to Opportunity Fair Housing Demonstration was created by Congress in 1992 to build on and further test the experiences of Gautreaux. Specifically, the authorizing legislation sought to

Assist very low-income families with children who reside in public housing [...] to move out of areas with high concentrations of persons in poverty to areas with low concentrations of such persons.⁷²

It provided funding for both tenant-based rental assistance (vouchers) and supportive counseling services for families living in public housing who wished to participate. Congress also provided funding to study the outcomes of the demonstration. The law required HUD to provide a final report that described the long-term housing, employment, and educational achievements of the families assisted under the demonstration.

⁶⁹ Ibid.

⁷⁰ Researchers found that 53% of families in their sample made a subsequent move, and, of those families, 81% moved to "non-opportunity area" (i.e. areas outside of the program guidelines). Melody Boyd, Kathryn Edin, Susan Clampet-Lundquist, and Greg J. Duncan, "The Durability of Gains from the Gautreaux Two Residential Mobility Program: a Qualitative Analysis of Who Stays and Who Moves from Low-Poverty Neighborhoods," *Housing Policy Debate*, vol. 20, (2010), p. 119-146.

⁷¹ Joanna M. Reed, Jennifer Pashup, and Emily K. Snell, "Voucher Use, Labor Force Participation, and Life Priorities: Findings from the Gautreaux Two Housing Mobility Study," *Cityscape: A Journal of Policy Development and Research*, vol. 8, no. 2, (2005), pp. 219-239.

⁷² P.L. 102-550, Section 152.

Notably, unlike the Gautreaux intervention, the MTO study focused on moving families to low-poverty neighborhoods, regardless of the neighborhood's racial composition.

Program Design⁷³

Congress restricted MTO to no more than six large cities; five cities were ultimately selected in 1994 and the program was fully implemented in 1999.

Within cities, specific public housing developments were selected for participation. Eligible developments (either public housing or project-based Section 8) had to be located in neighborhoods where at least 40% of the population was poor, and eligible families had to have at least one child under the age of 18 and be income-eligible for the program.

Within eligible developments, families who volunteered to participate were randomly assigned to one of three groups:

- An MTO treatment group, which received Section 8 subsidies that could only be used initially in low-poverty areas (areas with 10% or less of the population living below the poverty line). These families received counseling and assistance in finding units. After a family's initial move, the voucher no longer had location restrictions.
- A Section 8 comparison group, which received regular Section 8 vouchers without any unique geographic restrictions or additional counseling.
- A control group, which received no vouchers, but continued to receive their public housing assistance.

Among those who applied to the program, over 4,600 were found eligible to participate. About 1,800 were assigned to the treatment group, 1,350 were assigned to the Section 8 comparison group, and 1,440 were assigned to the control group.⁷⁴

Mobility Findings

Overall, of the over 3,000 families assigned vouchers (experimental and Section 8 control group), just over half were able to find somewhere to lease with their vouchers. The experimental group, which could only use vouchers to lease units in low-poverty neighborhoods, had a lower lease-up rate (47%) than did the Section 8 comparison group (62%).⁷⁵ Thus, both the Section 8 group and the experimental group contain families who did not successfully lease-up with their vouchers.

Participating families were very mobile. By 2002, more than 70% of all participating families (control, experimental, and regular Section 8) had moved from their initial locations.⁷⁶ Looking

⁷³ Summary of design is taken from HUD, Office of Policy Development and Research, "Moving to Opportunity for Fair Housing Demonstration Program: Current Status and Initial Findings," September 1999.

⁷⁴ Ibid.

⁷⁵ U.S. Department of Housing and Urban Development, "Moving to Opportunity for Fair Housing Demonstration Program: Interim Impacts Evaluation," HUD, Washington, DC, September 2003, p. 26. (Hereinafter, Interim MTO Evaluation.)

⁷⁶ Ibid, p. 33.

specifically at the experimental group, over 70% of families had moved; of those experimental group families who had successfully leased-up in low-poverty neighborhoods, 66% had moved, again.⁷⁷

On average, experimental group families who made initial moves to low-poverty areas subsequently moved to neighborhoods with higher poverty rates than those to which they had initially relocated. Experimental group movers who successfully leased-up in low-poverty neighborhoods initially lived in neighborhoods with average poverty rates of just under 11%.⁷⁸ By 2002, they were living in neighborhoods with average poverty rates of about 20%,⁷⁹ and by 2008, they were living in neighborhoods with an average poverty rate of over 21%.⁸⁰

These neighborhoods are less poor than the neighborhoods of the control group (by about 8% for all experimental group households; about 18% for those experimental group households who made initial low-poverty moves)⁸¹ but their poverty rates are about twice those of the low-poverty neighborhoods to which they had originally relocated.

The low-poverty neighborhoods initially chosen by families in the experimental group who successfully leased-up had an average minority population of about 51%.⁸² By 2002, experimental families who had leased-up were living in neighborhoods with minority concentrations of over 75%; among those families who had subsequently moved, the average percentage was over 79%.⁸³ By 2008, the families in the experimental group who had leased-up continued to live in areas with significant minority concentration (about 76%).⁸⁴ However, these families did end up in lower-poverty areas with lower minority concentration than did control group families (by about 13%).

Other Findings

In terms of parental employment and earnings and children's education, two areas in which Congress directed HUD to focus its study, no statistically significant differences were found

⁷⁷ Ibid, Exhibit C3.2.

⁷⁸ Ibid, Exhibit 2.3.

⁷⁹ Ibid, Exhibit 2.5.

⁸⁰ Lisa Sanbonmatsu, et. al., "Moving to Opportunity for Fair Housing Demonstration Program: Final Impacts Evaluation," HUD, Washington, DC, October 2011, Exhibit 2.6. (Hereinafter, Final MTO Evaluation.)

⁸¹ Ibid. Note that additional research indicates that part of the narrowing in the gap between the experimental and control groups in terms of neighborhood poverty may be attributable not only to the moves of relocating families to higher-poverty communities, but also to changes in the neighborhoods of control group families that resulted in their poverty rates declining. Jens Ludwig, "Guest Editor's Introduction," *Cityscape; A Journal of Policy Development and Research*, vol. 14, no. 2 (2012), p. 8.

⁸² Interim MTO Evaluation, p. 36.

⁸³ Interim MTO Evaluation, Exhibit 2.6.

⁸⁴ Final MTO Evaluation, p. 57.

between families in the experimental group (those that received a location-restricted voucher)⁸⁵ and the control group (those families who did not receive a voucher).⁸⁶

The MTO experimental group did have some statistically significant findings in other areas. In terms of health, families with experimental vouchers had adults with lower rates of extreme obesity, diabetes and psychological distress than those in the control group.⁸⁷ They also reported feeling safer and more satisfied with their neighborhoods and housing units than families in the control group.⁸⁸ Families that received experimental vouchers also reported higher levels of self-reported well-being.⁸⁹ In terms of youth mental health outcomes, the findings were limited and mixed, with some limited positive findings for female youth and some limited negative findings (related to risky behavior) for boys.⁹⁰

Considerations

As noted earlier, MTO's experimental design prevents selection bias from influencing the findings. However, it is important to note that many families who were assigned to the experimental group did not lease-up. Among those who did, many moved to low-poverty neighborhoods initially but subsequently moved to higher-poverty neighborhoods. While still lower poverty than the neighborhoods of the control group, the neighborhoods in which experimental families ended up were still high poverty, and many children remained in low-performing schools.⁹¹ Given the mobility of both the experiment and control groups, researchers have raised questions about whether the treatment was robust enough to fully test the effects of living in low-poverty neighborhoods.

HOPE VI and Chicago's Plan for Transformation

The HOPE VI Revitalization of Severely Distressed Public Housing program was created by Congress in 1992. The intent of the program, as evidenced by its name, was to fund the revitalization of the nation's most troubled public housing. That revitalization has generally taken the form of demolition and reconstruction, typically with fewer units of public housing being rebuilt than were demolished. During construction, displaced families are generally relocated to other public housing developments or with vouchers, although in some circumstances, families can remain on-site during phased reconstructions. The replacement public housing that is built is frequently mixed-income housing and not all original residents are necessarily able to return. One

⁸⁵ There were also no statistically significant findings when comparing the control group to just those families in the experimental group that successfully initially leased-up in low-poverty neighborhoods. Note that even if there had been findings in this comparison, those findings would have been subject to selection bias (i.e. attributable to unobserved characteristics).

⁸⁶ Final MTO Evaluation, Chapter 5.

⁸⁷ Final MTO Evaluation, Chapter 3.

⁸⁸ Final MTO Evaluation, Chapter 2.

⁸⁹ Jens Ludwig, Greg J. Duncan, and Lisa A. Gennetian, et al., "Neighborhood Effects on the Long-Term Well-Being of Low-Income Adults," *Science*, vol. 337 no. 6101, (September 21, 2012), pp. 1505-1510.

⁹⁰ Lisa A. Gennetian, Lisa Sanbonmatsu, and Lawrence F. Katz et al. "The Long-Term Effects of Moving to Opportunity on Youth Outcomes," *Cityscape: A Journal of Policy Development and Research*, vol. 14, no. 2 (2012).

⁹¹ Lisa Sanbonmatsu, Jeffrey R. Kling, Greg J. Duncan, and Jeanne Brooks-Gunn, "Neighborhoods and Academic Achievement: Results from the MTO Experiment," *Journal of Human Resources*, vol. 41, no. 4 (Fall 2006), p. 649-691.

result of HOPE VI, therefore, has been the transfer of tens of thousands of families from distressed public housing to the Housing Choice Voucher program.

While many PHAs across the country have participated in HOPE VI, the Chicago Housing Authority's (CHA) use of HOPE VI and related authorities to completely transform its public housing inventory is unique. Chicago's Plan for Transformation, which was approved by HUD in 2000, called for the demolition or substantial rehabilitation of over 25,000 units of public housing over about a 10-year period, resulting in the relocation of about 56,000 public housing residents.⁹² Only about a quarter of the demolished units were slated to be replaced with new public housing units, which means that a large number of Chicago public housing residents have been relocated using vouchers. Influenced by the requirements of the Gautreaux settlement, Chicago has a long history of providing mobility counseling and support for mobility moves for voucher holders.

While the Plan for Transformation was not designed as an experiment to test mobility and locational outcomes for poor families using vouchers, researchers have studied HOPE VI and the Plan for Transformation to try to understand how the switch from public housing to vouchers has affected families. Specifically, some of their research has compared the outcomes of those who have moved into private market housing using vouchers to those who remained in or relocated to other public housing developments.

Program Design

Under the Plan for Transformation, families facing displacement from public housing that was being demolished or rehabilitated entered into a relocation contract with the housing authority that offered them the right to return as long as they remained lease compliant. Families were able to choose to relocate to other public housing units or with Housing Choice Vouchers and also to indicate whether or not they wished to return to any rebuilt mixed income public housing.⁹³ Families that chose vouchers were provided with mobility counseling, although researchers have indicated that the quality of that counseling varied over the course of the multiyear relocation process.⁹⁴

Mobility Findings

Of the original 25,000-plus families who were living in CHA public housing when the Plan for Transformation began in 2000, fewer than half were still assisted by CHA as of 2010.⁹⁵ Of those families still participating by 2010, about 18% were seniors who lived in renovated senior public housing developments. Of the remaining families, just over one-fifth lived in redeveloped mixed

⁹² Robert J. Chaskin, Mark L. Joseph, and Sara Voelker, et al., "Public Housing Transformation and Resident Relocation: Comparing Destination and Household Characteristics in Chicago," *Cityscape: A Journal of Policy Development and Research*, vol. 14, no. 1 (2012), p. 184.

⁹³ Note that, over time, CHA added restrictions to some public housing properties (such as enhanced background checks and drug testing) that may have served to limit resident's ability to return to their units.

⁹⁴ Lawrence J. Vale and Erin Graves, "The Chicago Housing Authority's Plan for Transformation: What Does the Research Show So Far?," *Final Report Prepared for the John D. and Catherine T. MacArthur Foundation*, June 8, 2010, pg. 19-20.

⁹⁵ Figures calculated by CRS based on data provided in Lawrence J. Vale and Erin Graves, "The Chicago Housing Authority's Plan for Transformation: What Does the Research Show So Far?," *Final Report Prepared for the John D. and Catherine T. MacArthur Foundation*, June 8, 2010.

income public or assisted housing, about 36% lived in public housing, and about 43% rented private market units with HCV subsidies.⁹⁶

Currently, all relocated families appear to live in neighborhoods that have lower poverty than the extremely high-poverty, public housing neighborhoods they lived in prior to relocation. However, their lower-poverty neighborhoods still have relatively high poverty rates, and there appear to be differences in poverty rates based on the type of subsidized housing families used to relocate.⁹⁷ Families relocated with vouchers live in lower-poverty neighborhoods than families relocated to traditional public housing developments; however, families with vouchers live in higher-poverty neighborhoods than those families relocated to non-traditional, scattered-site public housing.⁹⁸ In terms of racial composition, families who relocated with vouchers ended up in neighborhoods that were more racially segregated than the neighborhoods of those families that relocated to traditional public housing, scattered-site public housing, and mixed-income housing.⁹⁹

Other Findings

Overall, research on relocated families has found improvement in families' perceptions of the quality of their housing and the safety of their neighborhoods following relocation.¹⁰⁰ However, there has not been consistent evidence that families relocated with vouchers have fared better in terms of employment and children's education outcomes than those relocated to public housing.¹⁰¹ There has been some evidence that those families relocated with vouchers have had more financial challenges than other relocatees, although it is unclear whether this is attributable to characteristics of the individuals who received vouchers or due to the structure of the voucher program.¹⁰²

⁹⁶ Lawrence J. Vale and Erin Graves, "The Chicago Housing Authority's Plan for Transformation: What Does the Research Show So Far?," *Final Report Prepared for the John D. and Catherine T. MacArthur Foundation*, June 8, 2010.

⁹⁷ Robert J. Chaskin, et al., "Public Housing Transformation and Resident Relocation: Comparing Destination and Household Characteristics in Chicago," *Cityscape: A Journal of Policy Development and Research*, vol. 14, no. 1 (2012).

⁹⁸ Among all relocated households, the neighborhood poverty rate averaged just under 32%. For those relocated to mixed-income housing it averaged 29%, with vouchers it averaged 29%, to scattered site public housing, 24%, and traditional public housing, 40%. Ibid, p. 193. Note that this research uses percent of households with children in poverty as a measure of neighborhood poverty.

⁹⁹ Families relocated with vouchers ended up in neighborhoods that averaged just under 85% African American, compared to 71% for those relocated to mixed income housing, 37% for scattered-site public housing, and 78% for traditional public housing. Ibid, p. 193.

¹⁰⁰ For example, see Vale and Graves (2010), and Larry Buron and Susan J. Popkin, "Transformed Housing: Major Improvements in CHA Residents' Quality of Life," Urban Institute Policy Brief, No. 2, August 2010, and Lawrence J. Vale and Erin Graves, "The Chicago Housing Authority's Plan for Transformation: What Does the Research Show So Far?," *Final Report Prepared for the John D. and Catherine T. MacArthur Foundation*, June 8, 2010.

¹⁰¹ Lawrence J. Vale and Erin Graves, "The Chicago Housing Authority's Plan for Transformation: What Does the Research Show So Far?," *Final Report Prepared for the John D. and Catherine T. MacArthur Foundation*, June 8, 2010, Section 5.

¹⁰² Ibid.

Considerations

To the extent families self-selected into relocation housing types, their individual preferences and characteristics may have influenced the different outcomes they experienced. Further, families' decisions between relocation options were likely influenced by the fact that different requirements were placed on different types of relocation housing. For example, the Chicago Housing Authority implemented a work requirement for families wishing to relocate to redeveloped public housing. Similarly, mixed income developments in some cases adopted stricter screening criteria, such as mandatory drug tests.

Implications and Policy Considerations

The HCV program is designed to offer program participants choice about where they live. The goal of this choice is to promote individual autonomy, as well as to promote increased poverty deconcentration, which is thought to improve family well-being. However, the success of this policy in achieving these goals remains unproven. It can be argued that the HCV program participants face significant constraints on their choices. Further, the findings from demonstrations to-date present mixed findings regarding whether the program results in increased poverty deconcentration and racial integration to the extent anticipated by those who designed the initiatives. Given these findings, when debating the future of the Housing Choice Voucher program, policymakers might consider a range of policy options, discussed below. As noted earlier, interest in this topic may be especially high because of (1) ongoing interest in reforming assisted housing programs, (2) budget constraints leading to an increased interest in ensuring that programs are adequately targeted and meeting their goals, and (3) the recent release of final MTO research findings.

Expanding Choice

While the HCV program is designed to provide families with choices about where to live, as described earlier in this report, those choices are constrained by the design of the program. Maximum subsidy levels, combined with caps on how much tenants can contribute toward rent, work together to limit the universe of units that can be rented by families. Units with rents that are higher than the maximum subsidy level plus the tenant contribution are unavailable, and in some communities, that may mean units in low-poverty and/or racially integrated communities are unavailable. One option to expand family choice, and potentially promote mobility, would be to increase subsidy levels. However, that comes at increased federal costs for each subsidy. At a time when the federal budget is under intense scrutiny and the program serves only a fraction of those eligible,¹⁰³ it may be difficult to advocate for such an increase. Another option would be to eliminate caps on tenant contributions towards rent. However, that comes at the expense of potentially increased rent burdens on families, while reducing such rent burdens is one of the primary goals of the program, as well as the current income-based rent structure.

Interviews conducted with some MTO families found that many who did not move with their vouchers wanted to live in areas with greater opportunities and lower poverty, but they had

¹⁰³ Barry L. Steffen, Keith Fudge, Marge Martin, Maria Teresa Souza, David A. Vandenbroucke, and Yung Gann David Yao, "Worst Case Housing Needs 2009: Report to Congress." Washington, DC: HUD (2011).

difficulty finding units within their price range and with willing landlords. This same research found that families who initially moved to low-poverty neighborhoods but subsequently moved to higher-poverty neighborhoods did so because they had problems with their unit (such as passing quality inspections) or their landlord (such as raising rent). The authors of the research note that families moving to low-poverty neighborhoods with cost-constrained vouchers are likely to live in the lowest cost housing—and hence poorest quality housing—in the community, whereas if they were to live in a higher-poverty community where rents are lower, they may have access to better quality housing.¹⁰⁴

Another way to expand tenant choices is to require landlords to accept vouchers. Participation in the voucher program is voluntary for landlords, except in those communities that have adopted so-called “source of income discrimination” prohibitions that apply to housing assistance.¹⁰⁵ Requiring landlords to accept vouchers will likely increase success rates and make more units available for voucher holders to choose from. However, local property owners are often opposed to source of income policies, arguing that they limit an owner’s choice not to participate in a program they may view as administratively cumbersome and therefore costly.

Instead of requiring landlords to take vouchers, there might be ways to encourage PHAs to increase their landlord outreach. A HUD study on costs and utilization in the voucher program found that PHAs that concentrated more heavily on outreach to landlords and better service to owners of rental housing had better utilization rates (i.e., higher rates of vouchers under lease).¹⁰⁶ However, as noted earlier, providing enhanced support requires the administrative resources of PHAs; the decline in administrative fees paid to PHAs in recent years may limit them from providing such additional support.¹⁰⁷

Increasing Information to Promote Informed Choice

It is possible that with more information, support, and incentives, low-income families may choose to move to and stay in low-poverty neighborhoods. A study of the moves of families participating in Chicago’s Section 8 program found that, when controlling for differences between families, mobility assistance (which included a wide array of services such as housing search counseling and unit referrals, free credit reports and budget counseling, transportation to view units in opportunity neighborhoods, post-move support, and a security deposit loan fund) did help families move to “opportunity” neighborhoods (defined as neighborhoods with poverty rates less than 23.9%) by approximately 6%; the researchers concluded that targeting the mobility assistance to economically stable families may have increased moves to opportunity neighborhoods.¹⁰⁸ More so, researchers stressed the variation in families’ readiness to make

¹⁰⁴ Kathryn Edin, Stefanie DeLuca, Ann Owens, “Constrained Compliance: Solving the Puzzle of MTO’s Lease-Up Rates and Why Mobility Matters,” *Cityscape: A Journal of Policy Development and Research*, vol. 14, no. 2 (2012), p.163-178.

¹⁰⁵ For more information, see CRS Report R42151, *Possible Legal Issues Facing Landlords Who Choose Not to Accept Federal Housing Vouchers*, by (name redacted).

¹⁰⁶ Meryl Finkel, *Costs and Utilization in the Housing Choice Voucher Program*, Abt Associates, Prepared by HUD, Cambridge, MA, July 2003, <http://www.huduser.org/Publications/PDF/utilization.pdf>.

¹⁰⁷ HUD is currently conducting a study to get a better understanding of how much funding is needed to adequately fund the HCV program’s administrative costs. For more information, see http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/hcv/adminfee.

¹⁰⁸ Mary Cunningham and Noah Sawyer. “Moving to Better Neighborhoods with Mobility Counseling,” Urban Institute, Brief No. 8, March 2005.

mobility moves and recommended that services be tailored to offer families necessary support to make and maintain their moves.¹⁰⁹

Other research has also shown that mobility assistance (e.g., counseling, search assistance, education) may be effective at helping families move to low-poverty neighborhoods.¹¹⁰ HUD's cost-effectiveness analysis for the Moving to Opportunity program found that the measurable health benefits outweighed the additional costs of mobility assistance programs in comparison to the traditional voucher program, when assuming a family's participation in any housing assistance program may last between 10 and 15 years.¹¹¹ The upfront cost for mobility assistance services in the MTO program was approximately \$4,500 per person; this cost would be in addition to the rent differential between high- and low-poverty communities.¹¹² However, the upfront costs of mobility counseling may be difficult to cover in the current budget environment, especially if they come at the cost of providing vouchers to additional families or maintaining vouchers for current families. Further, mobility counseling may not be able to overcome structural barriers to mobility such as unavailable units.

Investing in Disadvantaged Communities

Would it be more effective to direct resources to poor neighborhoods rather than direct poor people to neighborhoods with resources?

Political Scientist David Imbroscio has been especially critical of mobility initiatives, such as Gautreaux and Moving to Opportunity, because of what he sees as their failure to result in economic opportunity for low-income families. Imbroscio contends that mobility has been prioritized over “placemaking” (investing in the communities, particularly black communities), and that mobility has become place-destroying. He, and other critics of mobility initiatives, point out that mobility initiatives can result in the loss of social networks, cultural ties, and political constituencies—all of which have value for low-income communities. He contends that instead of focusing on moving low-income families from areas of concentrated poverty, urban policy should be focused on creating affordable housing in inner cities, enhancing economic opportunities for residents through strategic economic development, and addressing directly the provision of goods and services to black neighborhoods.¹¹³

The National Low-Income Housing Coalition, one of the largest groups advocating for more affordable housing for low-income families, has also recently released a publication that grapples with the tension between mobility and investing in existing communities. Following a review of mobility research and interviews with stakeholders (including residents of low-income housing),

¹⁰⁹ Ibid.

¹¹⁰ Judith Feins, Debra McInnis, and Susan Popkin, “Counseling in the Moving to Opportunity Demonstration Program,” prepared by Abt. Associates for HUD in October 1997.

¹¹¹ U.S. Department of Housing and Urban Development, “Moving to Opportunity for Fair Housing Demonstration Program – Final Impacts Evaluation,” October 2011.

¹¹² Ibid.

¹¹³ For more information, see David Imbroscio, “Beyond Mobility: The Limits of Liberal Urban Policy,” *Journal of Urban Affairs*, Volume 34, No. 1, (February 2012) p. 1-20; 2012. For a critique of Imbroscio and a defense of mobility policies, see Stefanie Deluca, “What is the Role of Housing Policy? Considering Choice and Social Science Evidence”; and Gregory D. Squires, “Beyond the Mobility Versus Place Debate,” both published in *Journal of Urban Affairs*, Volume 34, No. 1 (February 2012).

the NLIHC reached several conclusions, including that, while the HCV program should be modified to enhance family choice, “policy should err on the side of preservation” and that “U.S. housing policy should not be based on the belief that it is problematic for too many poor people or too many people of color to live near one another.”¹¹⁴

There have been several housing policy initiatives intended to invest in disadvantaged communities. For example, the HOPE VI program, and its recent replacement, the Choice Neighborhoods program, are both designed to invest in the redevelopment of severely distressed neighborhoods. Similarly, the Obama Administration’s Promise Neighborhoods initiative is designed to invest more resources into poor schools and their surrounding communities. Congress has also enacted, but not funded, a National Affordable Housing Trust Fund to support the construction of additional units of affordable housing.¹¹⁵

Some studies that have looked at communities that have undergone HOPE VI redevelopments have found decreases in crime and some improved outcomes for residents, although it is not possible to determine how much of these changes are attributable directly to the public housing redevelopment relative to other changes that may be taking place in the community. However, since the way the HOPE VI program has been implemented has led to an overall reduction in public housing units and the relocation of former tenants with vouchers, families who were displaced from public housing may not have fully benefited from positive improvements that may have come from the reinvestment. Further, critics contend that HOPE VI may have been detrimental for some displaced families. These concerns, among others, have led to calls for reform of HOPE VI to minimize its displacement effect, and some of those reforms have been integrated into the new Choice Neighborhoods program.¹¹⁶ Additional research on the effectiveness and cost of place-based investments would be necessary to thoroughly evaluate them relative to mobility options.

Locating Assisted Housing in Areas of Opportunity

Some have argued that providing assisted housing in low-poverty, high-resource neighborhoods would be a cost-effective way to improve the life outcomes of low-income families, particularly in terms of children’s educational outcomes. Recent studies of the children living in assisted housing in low-poverty communities (Mount Laurel, NJ, and Montgomery County, MD) have found large increases in educational achievement due to the children’s attendance at higher-quality schools in these neighborhoods.¹¹⁷ In the Montgomery County study, the researcher was able to delineate between the effects of neighborhood quality and school quality on student achievement (which many studies are unable to do) and found that the neighborhood quality also improved educational outcomes, but not as much as attendance at a high-quality school.¹¹⁸

¹¹⁴ For more information, see Sheila Crowley and Danilo Pelletiere, “Affordable Housing Dilemma: The Preservation vs. Mobility Debate,” National Low Income Housing Coalition, May 2012.

¹¹⁵ For more information, see CRS Report R40781, *The Housing Trust Fund: Background and Issues*, by (name redacted).

¹¹⁶ For example, see National Low Income Housing Coalition, “Advocates Praise One-for-One Replacement Requirements in Latest Choice Neighborhoods Initiative Award,” Press Release, September 7, 2011.

¹¹⁷ Rebecca Casciano and Douglas S. Massey, “School Context and Educational Outcomes: Results from a Quasi-Experimental Study,” *Urban Affairs Review*, vol. 48, no. 2, (2012), p.180-204, and Heather Schwartz, “Housing Policy is School Policy: Economically Integrative Housing Promotes Academic Success in Montgomery County, Maryland,” The Century Foundation, 2010.

¹¹⁸ Heather Schwartz, “Housing Policy is School Policy: Economically Integrative Housing Promotes Academic (continued...) ”

One advantage of locating “hard” units in low-poverty communities is that when a family accepts this housing assistance, they are guaranteed housing in a low-poverty community, while a family receiving a voucher may not be able to obtain a unit in a low-poverty area. Another advantage of locating assisted housing in low-poverty neighborhoods is that these units may allow families more stability than a voucher, which may allow the educational and neighborhood benefits to accrue over time. On the other hand, providing assisted housing units in low-poverty neighborhoods offers families less choice than the Section 8 HCV program. Further, recent research has helped illuminate how areas of concentrated poverty shift over time, meaning housing located in today’s areas of opportunity may be located in tomorrow’s high-poverty communities.¹¹⁹ Finally, given that low-poverty neighborhoods often have higher housing costs, locating affordable housing units there is likely to be more expensive than locating them in higher-poverty neighborhoods. However, no cost analysis is available to determine if scattered-site assisted housing integrated into a low-poverty community would be more cost-effective than providing vouchers or vouchers and mobility assistance in terms of meeting poverty deconcentration goals.

Constraining Choice to Achieve Deconcentration Goals

Some proposals have been made to expand the premises underlying the Gautreaux program and the MTO demonstration on a wider scale. For example, the lawyer who represented the lead plaintiff in the original Gautreaux litigation, Alexander Polikoff, has proposed an expanded voucher program modeled on Gautreaux and intended to be made available to low-income African-Americans living in inner cities with the goal of fostering racial integration and greater opportunity.¹²⁰ Similar proposals have been discussed to expand the principles of MTO to limit the use of some vouchers in high-poverty areas or areas with high concentrations of voucher holders.¹²¹ Another court-ordered desegregation effort modeled on Gautreaux was ordered in Baltimore. In the Baltimore remedy, 2,000 vouchers were awarded for residents to use only in neighborhoods that are less than 30% African-American, that are less than 10% poor, and with less than 5% of residents living in public housing, with recipients receiving mobility counseling to help them use their vouchers.¹²²

These types of locational restrictions, as long as they are enforced, can achieve the goal of moving poor families to areas that are less poor or have lower proportions of minorities. The early Gautreaux findings would indicate that accomplishing this goal may be enough to improve the outcomes for some families with children. However, later studies of Gautreaux, Gautreaux II, and MTO have raised questions about how assured positive outcomes are, particularly in the

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Success in Montgomery County, Maryland,” The Century Foundation, 2010.

¹¹⁹ Mark D. Shroder and Larry L. Orr, “Moving to Opportunity: Why, How, and What Next?,” *Cityscape: A Journal of Policy Development and Research*, vol. 14, no. 2 (2012).

¹²⁰ Alexander Polikoff, “Racial Inequality and the Black Ghetto,” *Northwestern Journal of Law and Social Policy*, vol. 1, no. 1 (2006).

¹²¹ The broader discussion of the idea is referenced in Kirk McClure, “The Prospects for Guiding Housing Choice Voucher Families to High-Opportunity Neighborhoods,” *Cityscape: A Journal of Housing and Community Development*, vol.12 no. 3 (2010).

¹²² For more information, see Lora Engdahl, “New Homes, New Neighborhoods, New Schools: A Progress Report on the Baltimore Housing Mobility Program,” Baltimore Regional Housing Commission and Poverty and Race Research Action Council, October 2009.

areas of employment and children's education. Additionally, the low lease-up rates in all of these programs highlight the difficulties poor families face in finding units that meet program standards. Further, social theorists have been critical of the idea of the necessity of mobility, arguing, in part, that the social capital formed in poor communities and communities of color has value for families that has been discounted in conversations about mobility.¹²³

Reevaluating Goals

The steady growth in the size of the Section 8 HCV program, the effects of HOPE VI, and the introduction of pilot programs, such as the Rental Assistance Demonstration (RAD),¹²⁴ have served to further move federally assisted housing towards a choice-based model of assistance, largely modeled on the Section 8 HCV program. However, current research findings suggest that the Section 8 HCV program, in its current form, may not offer families full choice or necessarily lead to wide mobility or improved economic well-being. Given this, as noted in the policy considerations already presented, policymakers may wish to make changes to the Section 8 HCV program to increase choice and mobility. However, these options all assume that choice and mobility continue to be among the primary objectives of federal housing policy. In a time of constrained federal budgets, policymakers may instead choose to reevaluate the various goals of federal housing assistance programs. To the extent other program outcomes—such as promoting affordability or serving more families—are of primary concern to policymakers, they may choose not to make changes to increase mobility and choice in the HCV program, particularly if such changes lead to increased costs that could come at the expense of, for example, providing vouchers to additional families. Conversely, if policymakers decide that pursuing other social goals (such as health or education) is of equal or greater importance, they may choose to reevaluate the program, and its mobility potential, based on its ability to achieve those other goals.

The HCV program does appear to effectively meet policy goals such as increasing housing affordability, and preventing homelessness. For instance, research based on HUD administrative data found that in 2002, approximately 62% of families participating in the program paid 30% or less of their income towards housing, meeting the program's definition of affordability.¹²⁵ Providing a housing voucher to a family at risk of homelessness has also proven an effective strategy to preventing homelessness; this is notable because families at risk of homelessness appear to be as successful in the use of housing vouchers as families with fewer barriers.¹²⁶

In terms of comparing the HCV program to other forms of housing assistance intended to meet the same affordability goals, research from the early 2000s found that assisted housing production costs were, on average, higher than the long-term cost of providing families with vouchers.¹²⁷

¹²³ For example, see David Imbroscio, "Beyond Mobility: The Limits of Liberal Urban Policy," *Journal of Urban Affairs*, vol. 34, no. 1, (2011), p. 1-20.

¹²⁴ RAD is an Obama administration initiative designed to test the conversion of public housing and project-based rent assisted housing to a Section 8-type assistance, featuring a mobility option. For more information, see HUD's RAD website: <http://portal.hud.gov/hudportal/HUD?src=/RAD>.

¹²⁵ Kirk McClure, "Rent Burden in the Housing Choice Voucher Program," *Cityscape: A Journal of Policy Development and Research*, vol. 8, no. 2, (2005).

¹²⁶ Jill Khadduri, "Housing Vouchers Are Critical for Ending Family Homelessness," Homeless Research Institute, National Alliance to End Homelessness, January 2008.

¹²⁷ GAO, *Federal Housing Assistance: Comparing the Characteristics and Costs of Housing Programs*, January 2002; (continued...)

However, these studies are more than a decade old now, so additional research would be needed to fully compare cost-effectiveness today.

Some of the findings from the MTO demonstration point to positive impacts for families of receiving voucher in terms of physical and mental health improvements and increased satisfaction, perceived safety, and self-reported well-being. Few of these outcomes are explicit goals of current housing policy, but some are goals of other social policies. Further research on the ability of the Section 8 HCV program to meet varying goals, particularly when compared to other models of providing housing assistance, may be useful to provide direction on how federal resources might best be allocated, and on the future of federally assisted housing.

Conclusion

Choice and mobility are defining features of the nation's largest and primary housing assistance program, the Housing Choice Voucher program. Much of the growth in the program in recent years is attributable to decisions by policymakers to replace other forms of housing assistance with vouchers, in part because of the choice and mobility aspects of the program.

However, there is some evidence that the current structure of the Housing Choice Voucher program may limit families' choices and their mobility. These program constraints serve to contain the cost of the program as well as ensure the quality of families' housing. However, they may also serve to prevent families from living in low-poverty areas of opportunity. In fact, the majority of voucher holders do not live in low-poverty communities.

Policymakers, including various Presidential administrations, Members of Congress, and judges, have expressed a desire to see poor families live in low-poverty communities, believing such communities can give these families a hand-up in terms of economic opportunity and their children's education. Thus, they have developed various demonstrations and other policy remedies designed to foster families' moves to areas with lower poverty rates and higher rates of racial integration using Housing Choice Vouchers. It was hoped that these mobility interventions would have large impacts on families' lives, and some positive impacts have been found in areas of health, housing and neighborhood satisfaction, and perceived wellbeing. However, the findings to-date in areas of heightened interest—employment and children's education—have been limited, and disappointing to many advocates. Perhaps the findings are due to limitations in the design and implementation of the programs and demonstrations themselves, or perhaps they are evidence that while neighborhood matters, it does not always matter as much as other factors in influencing families' life outcomes.

Thus, policymakers are left with several important questions to resolve as they consider the future of federal housing policy. One question is the extent to which choice and mobility continue to be among the primary goals of federal housing assistance. If they are, then how can the existing suite of federal housing assistance programs, including the Housing Choice Voucher program, be improved to better promote these goals? If they are not, then is the Housing Choice Voucher program, which is designed expressly to support choice and mobility, the most effective and efficient means of providing federal housing assistance that meets other policy goals, such as

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and HUD, Targeting Housing Production Subsidies: Literature Review, December 2003.

affordability? These difficult questions lack consensus among researchers, advocates, practitioners, or policymakers.

Author Contact Information

(name redacted)
Specialist in Housing Policy
[redacted]@crs.loc.gov, 7-....

(name redacted)
Research Associate

EveryCRSReport.com

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